

Certain Examination Costs for Domestic Insurance Companies; SB 273

SB 273 amends provisions in the Insurance Code pertaining to the costs for examination of an insurance company or society and its subsidiaries. The bill specifies the total amount paid for outside consulting and data processing fees necessary to perform a financial examination, including the *pro rata* amount to fund the purchase of examination equipment and computer software, cannot exceed:

- \$50,000 for any insurance company or society which has less than \$200 million in gross premiums, both direct and assumed, in the preceding calendar year; or
- \$100,000 for any insurance company or society which has \$200 million or more in gross premiums, both direct and assumed, in the preceding calendar year.

The bill creates a separate provision for the payment of outside consulting and data processing fees necessary to perform any market conduct examination. The bill limits the amount to include the examination cost and the *pro rata* amount to fund the purchase of examination equipment and computer software to no more than \$25,000.

The maximum amount specified for payment of outside consulting fees for any examination by a domestic insurance company had been \$25,000.