

HOUSE RESEARCH

Bill Summary

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Overview

This bill involves the Worker's Compensation Reinsurance Association (abbreviated WCRA and pronounced "wik-ra"). It is the state-supervised sole provider of mandatory reinsurance for worker's compensation insurance in this state. The bill transfers regulation of WCRA from the Commissioner of Labor and Industry to the Commissioner of Commerce and requires WCRA to meet the same solvency standards that apply to a regular insurance company.

Section

- 1-5** Transfer regulatory authority to the Commissioner of Commerce.
- 6** **Worker's compensation reinsurance association excess surplus distribution.** Clarifies the procedure for WCRA to distribute surplus funds to its members.
- 7-9** Transfer authority to commerce.
- 10** Requires WCRA to comply with the same solvency and other insurance laws that apply to regular insurance companies that provide reinsurance.
- 11** Transfers rules and personnel related to WCRA to commerce.
- 12** **Effective date.** Makes all sections effective January 1, 2005.