WASHINGTON- Legislation will be introduced in the House allowing risk retention groups to sell commercial property insurance, according to an industry source.

Risk retention groups, permitted under the 1986 Risk Retention Act, are businesses banded together to form a self-insurance organization and licensed in at least one state, but are currently limited to offering liability insurance with the exception of workers' compensation.

The proposed measure, it was learned, will be titled the "Risk Retention Modernization Act of 2010," and would create new uniform, baseline corporate governance standards for risk retention groups as well as establish a mechanism to resolve disputes between non-domiciliary states and RRGs.

Under the legislation the Treasury Department would be given broad new powers to oversee the industry with authority to review disputes between risk retention groups and regulators in states where they are not domiciled and offer interpretations regarding the Risk Retention Act.

These would include the authority to publish minimum corporate governance standards for RRGs. Also, under the bill, Treasury rules would also have to deal with compliance, business conduct and ethics standards.

The bill, according to the source, will be introduced by Rep. Dennis Moore, D-Kan., and **Rep. John Campbell, R-Calif**
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It is similar to legislation introduced in 2008 in the House. Its supporters include the Self-Insurance Institute of America, the National Risk Retention Association, and the Risk and Insurance Management Society.

SIIA officials said its members will be in town Thursday for the trade group's annual legislative conference and plan to ask members of the House to approve the bill as soon as possible.

The bill would also require RRGs to prepare financial statements that conform to statutory accounting principles and mandates enhanced disclosure to its member-owners.