

Date: 10/27/20

*Interim Meeting in Lieu of 2020 Fall National Meeting  
Virtual Meeting*

**REINSURANCE (E) TASK FORCE**

**Tuesday, November 17, 2020**

**2:00 – 3:00 p.m. ET / 1:00 – 2:00 p.m. CT / 12:00 – 1:00 p.m. MT / 11:00 a.m. – 12:00 p.m. PT**

**ROLL CALL**

Chlora Lindley-Myers, Chair	Missouri	James J. Donelon	Louisiana
Raymond G. Farmer, Vice Chair	South Carolina	Eric A. Cioppa	Maine
Jim L. Ridling	Alabama	Gary Anderson	Massachusetts
Lori K. Wing-Heier	Alaska	Matthew Rosendale	Montana
Elizabeth Perri	American Samoa	Bruce R. Range	Nebraska
Alan McClain	Arkansas	Barbara D. Richardson	Nevada
Ricardo Lara	California	Chris Nicolopoulos	New Hampshire
Michael Conway	Colorado	Marlene Caride	New Jersey
Andrew N. Mais	Connecticut	Linda A. Lacewell	New York
Trinidad Navarro	Delaware	Mike Causey	North Carolina
David Altmaier	Florida	Jon Godfread	North Dakota
John F. King	Georgia	Tynesia Dorsey	Ohio
Dafne M. Shimizu	Guam	Glen Mulready	Oklahoma
Dean L. Cameron	Idaho	Elizabeth Kelleher Dwyer	Rhode Island
Robert H. Muriel	Illinois	TBD	Texas
Stephen W. Robertson	Indiana	Tanji J. Northrup	Utah
Doug Ommen	Iowa	Michael S. Pieciak	Vermont
Vicki Schmidt	Kansas	Scott A. White	Virginia
Sharon P. Clark	Kentucky	Mark Afable	Wisconsin

NAIC Support Staff: Jake Stultz/Dan Schelp

**AGENDA**

1. Consider Adoption of its Summer National Meeting Minutes—*John Rehagen (MO)* Attachment One
2. Consider Adoption of the Reinsurance Financial Analysis (E) Working Group Report—*Rolf Kaumann (CO)*
3. Consider Adoption of the Qualified Jurisdiction (E) Working Group Report—*Robert Wake (ME)*
4. Receive a Status Report on the States' Implementation of the 2019 Revisions to the *Credit for Reinsurance Model Law* (#785) and *Credit for Reinsurance Model Regulation* (#786) Attachment Two  
—*John Rehagen (MO)*
5. Discuss Any Other Matters Brought Before the Task Force—*John Rehagen (MO)*
6. Adjournment

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Draft: 8/14/20

Reinsurance (E) Task Force  
Virtual Summer National Meeting  
August 6, 2020

The Reinsurance (E) Task Force met via conference call Aug. 6, 2020. The following Task Force members participated: Chlora Lindley-Myers, Chair, represented by John Rehagen (MO); Raymond G. Farmer, Vice Chair, represented by Ryan Basnett (SC); Lori K. Wing-Heier represented by David Phifer (AK); Jim L. Ridling represented by Blase Abreo (AL); Elizabeth Perri (AS); Ricardo Lara represented by Monica Macaluso (CA); Michael Conway represented by Rolf Kaumann (CO); Andrew N. Mais represented by Kathy Belfi (CT); David Altmaier represented by Carolyn Morgan and Virginia Christy (FL); Doug Ommen represented by Carrie Mears and Kim Cross (IA); Dean L. Cameron represented by Nathan Faragher (ID); Robert H. Muriel represented by Susan Berry (IL); Stephen W. Robertson represented by Roy Eft (IN); Vicki Schmidt represented by Tish Becker (KS); Sharon P. Clark represented by Jeff Gaither (KY); James J. Donelon represented by Stewart Guerin (LA); Gary Anderson represented by Christopher Joyce (MA); Eric A. Cioppa represented by Robert Wake (ME); Mike Causey represented by Jackie Obusek (NC); Jon Godfread represented by Matt Fischer (ND); Bruce R. Ramage represented by Lindsay Crawford (NE); Chris Nicolopoulos represented by Doug Bartlett (NH); Marlene Caride represented by John Tirado (NJ); Barbara D. Richardson represented by Perter Rao and Gennady Stolyarov (NV); Linda A. Lacewell represented by Mona Bhalla (NY); Jillian Froment represented by Dale Bruggeman (OH); Glen Mulready represented by Eli Snowbarger (OK); Elizabeth Kelleher Dwyer represented by Jack Broccoli (RI); Kent Sullivan represented by Jamie Walker (TX); Todd E. Kiser represented by Jake Garn (UT); Scott A. White represented by David Smith and Doug Stolte (VA); Michael S. Pieciak represented by David Provost (VT); and Mark Afable represented by Randy Milquet (WI).

1. Adopted its June 9 Minutes

Mr. Rehagen stated that the Task Force met June 9 and took the following action: 1) adopted its March 11, Jan. 29, and Dec. 8, 2019, minutes; 2) discussed whether *Actuarial Guideline XLVIII—Actuarial Opinion and Memorandum Requirements for the Reinsurance of Policies Required to be Valued under Sections 6 and 7 of the NAIC Valuation of Life Insurance Policies Model Regulation (Model 830)* (AG 48) should be considered to be “substantially similar” to the *Term and Universal Life Insurance Reserve Financing Model Regulation* (#787) for purposes of accreditation; and 3) adopted the new *Uniform Checklist for Reciprocal Jurisdiction Reinsurers* and revisions to the *Uniform Application Checklist for Certified Reinsurers*.

Ms. Belfi made a motion, seconded by Mr. Milquet, to adopt the Task Force’s June 9 minutes (Attachment One). The motion passed unanimously.

2. Adopted its 2021 Proposed Charges

Mr. Rehagen stated that the proposed 2021 charges include minor revisions to the 2020 charges, and the charges related to the 2019 revisions to the *Credit for Reinsurance Model Law* (#785) and the *Credit for Reinsurance Model Regulation* (#786) had been incorporated during the prior year.

Ms. Macaluso made a motion, seconded by Mr. Eft, to adopt the 2021 proposed charges of the Task Force, the Reinsurance Financial Analysis (E) Working Group, and the Qualified Jurisdiction (E) Working Group (Attachment Two). The motion passed unanimously.

3. Adopted the Report of the Reinsurance Financial Analysis (E) Working Group

Mr. Kaumann provided the report of the Working Group. He stated that the Working Group met March 11 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities or individuals) of the NAIC Policy Statement on Open Meetings, to adopt the new *Uniform Checklist for Reciprocal Jurisdiction Reinsurers* and revisions to the *Uniform Application Checklist for Certified Reinsurers*.

Mr. Kaumann stated that the Working Group monitors 33 certified reinsurers that have been recommended for passporting, and the reviews of these certified reinsurers must be completed before year end. He stated that the Working Group will begin discussions to determine the best and most effective approaches for the financial solvency surveillance of the reciprocal jurisdiction reinsurers in the next several months.

Mr. Kaumann made a motion, seconded by Mr. Wake, to adopt the report of the Reinsurance Financial Analysis (E) Working Group. The motion passed unanimously.

4. Adopted the Report of the Qualified Jurisdiction (E) Working Group

Mr. Wake stated that the Working Group has not met during 2020. He stated that during the fall of 2019, the Working Group completed several projects related to the 2019 revisions to Model #785 and Model #786, and he noted that the Working Group also completed the re-reviews of the qualified jurisdictions that were due prior to Jan. 1, 2020, and the initial reviews of the reciprocal jurisdictions that are not subject to covered agreements.

Mr. Wake stated that the Working Group has been approached by three countries that have shown interest in becoming qualified jurisdictions. He stated that the Working Group intends to perform the initial reviews of these countries over the next several months. He noted that the Working Group stands ready to assist with any issues.

Dan Schelp (NAIC) stated that the Working Group has committed to updating the *Process for Evaluating Qualified and Reciprocal Jurisdictions* to include a process for termination of a qualified jurisdiction or reciprocal jurisdiction.

Mr. Wake made a motion, seconded by Mr. Kaumann, to adopt the report of the Qualified Jurisdiction (E) Working Group. The motion passed unanimously.

5. Received a Status Report on the States' Implementation of the 2019 Revisions to Model #785 and Model #786

Mr. Rehagen stated that as of July 7, 11 U.S. jurisdictions have adopted the 2019 revisions to Model #785, and 17 jurisdictions have action under consideration. He noted that Virginia has adopted the revisions to Model #786, and Kentucky, Pennsylvania, and West Virginia currently have action under consideration. He stated that the maps showing the adoption of the 2019 revisions to Model #785 and Model #786 were included in the meeting materials (Attachment Three).

Mr. Rehagen stated that the 2019 revisions to the models must be adopted by the states prior to Sept. 1, 2022, which is when the revisions are expected to become an accreditation standard. He noted that Sept. 1, 2022, is also the date at which the Federal Insurance Office (FIO) must complete its federal preemption reviews under the "Bilateral Agreement Between the United States of America and the European Union on Prudential Measures Regarding Insurance and Reinsurance" (EU Covered Agreement). He noted that the COVID-19 pandemic has slowed the adoption process, and several state legislatures have temporarily closed or have primarily focused on the pandemic. He stated that the Task Force will provide support to the states to meet this deadline, and it will communicate with the U.S. Department of the Treasury (Treasury Department) and the FIO, as necessary. He noted that there have not been any specific conversations with either the FIO or the European Union (EU) about extending this deadline, but there have been some preliminary discussions with the FIO on the status of state adoptions.

Mr. Rehagen stated that the SMI Dashboard is updated regularly to show the current adoptions of several model laws and regulations, and it can be found on the Financial Condition (E) Committee's webpage. He noted that Mr. Schelp and Jake Stultz (NAIC) can answer any technical questions during the legislative process, and Holly Weatherford (NAIC), Legislative Counsel, is working directly with the states on the adoption of the 2019 revisions to Model #785 and Model #786.

Karalee C. Morell (Reinsurance Association of America—RAA) stated that there has been a significant amount of work completed by the state legislatures, but the process has been slowed by COVID-19. She noted that several states had to stop all legislative activity earlier in early 2020, and she noted that with the potential risk of a second wave of COVID-19, the states must plan around any potential further legislative recesses in the next few months. She stated that the EU Covered Agreement effective dates are not flexible. She noted that the RAA can assist the state legislatures during the adoption process.

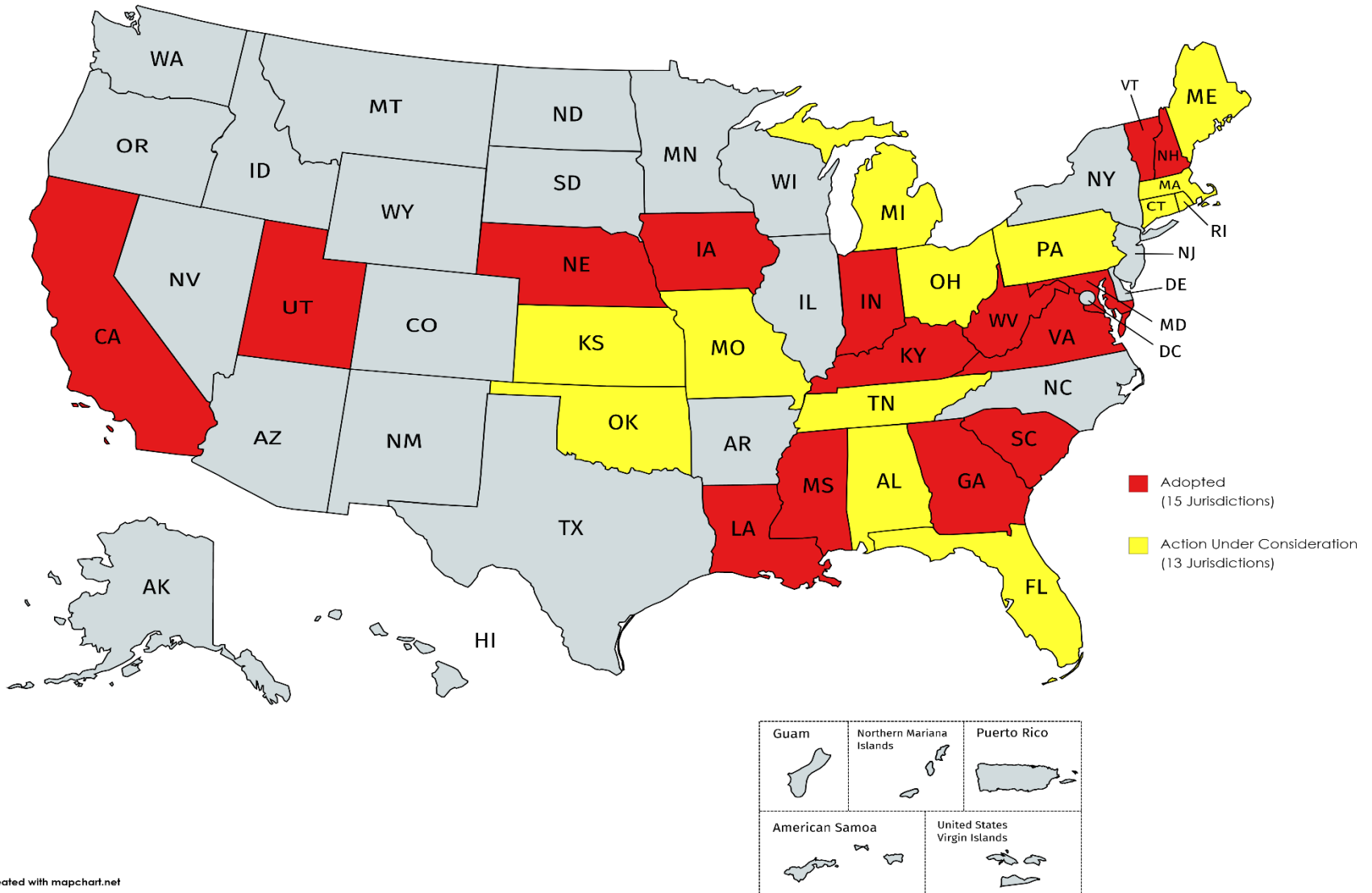
Mr. Kaumann asked if the RAA has talking points that they can provide to the states. Ms. Morell stated that she can provide the RAA talking points directly to anybody that requests them. Mr. Schelp noted that the NAIC has a legislative packet with talking points and other information that has been distributed to the state legislative liaisons, and NAIC staff can resend those to any states that need them during the legislative process.

Having no further business, the Reinsurance (E) Task Force adjourned.

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Implementation of the 2019 Revisions to the  
Credit for Reinsurance Model Law #785  
[status as of October 1, 2020]

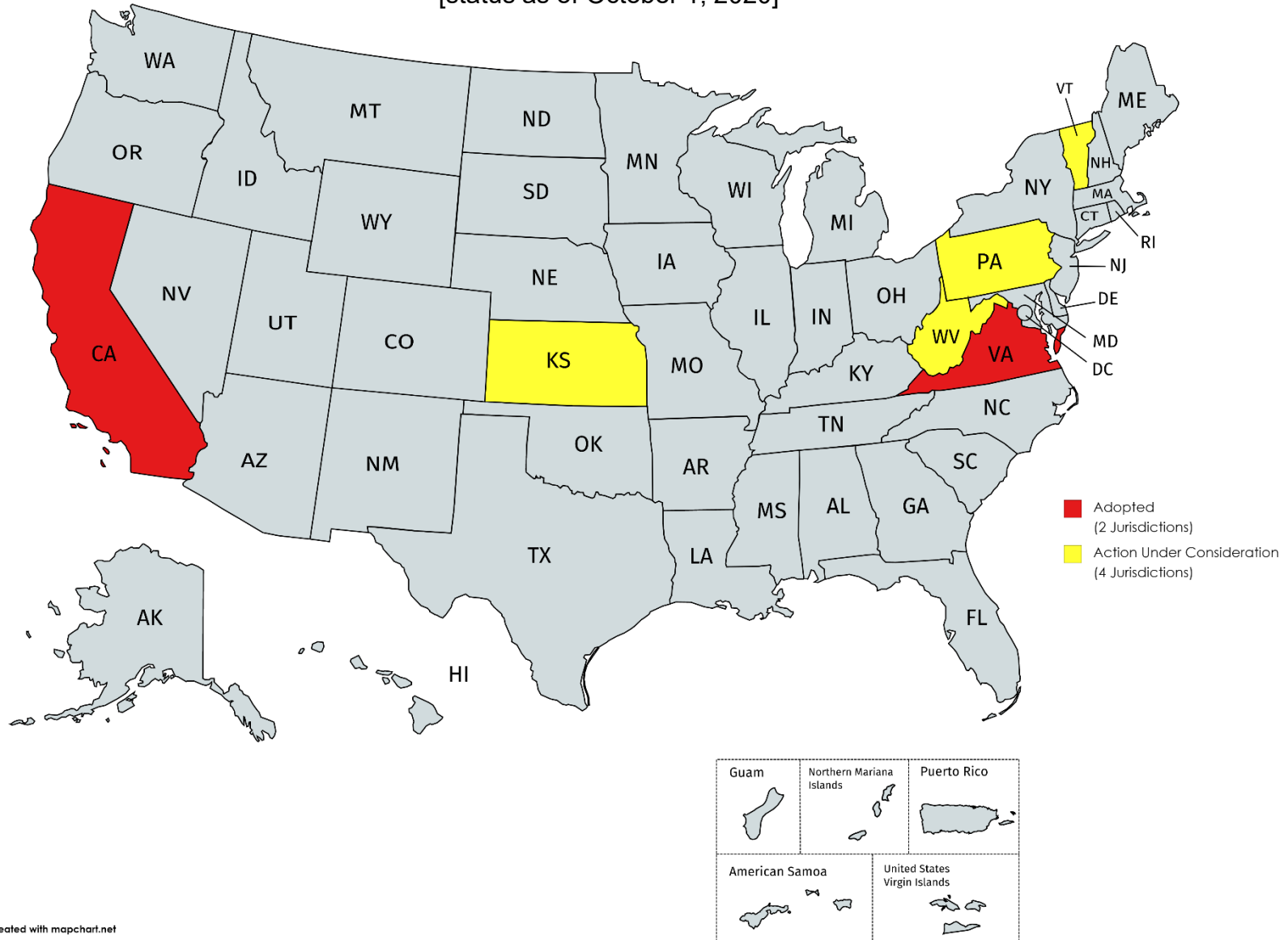
Attachment Two



Disclaimer: This map represents state action or pending state action regarding NAIC amendments to the model(s). This map does not reflect a determination as to whether the pending or enacted legislation contains all elements of NAIC amendments to the model(s) or whether a state meets any applicable accreditation standards.

# Implementation of the 2019 Revisions to the Credit for Reinsurance Model Regulation #786 [status as of October 1, 2020]

Attachment Two



Disclaimer: This map represents state action or pending state action regarding NAIC amendments to the model(s). This map does not reflect a determination as to whether the pending or enacted legislation contains all elements of NAIC amendments to the model(s) or whether a state meets any applicable accreditation standards.