

REINSURANCE (E) TASK FORCE

Reinsurance (E) Task Force November 17, 2020, Minutes

Maps Showing the Adoption of 2019 Revisions to *Credit for Reinsurance Model Law* (#785) and *Credit for Reinsurance Model Regulation* (#786) (Attachment One)

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Draft Pending Adoption

Draft: 11/23/20

Reinsurance (E) Task Force Virtual Meeting (in lieu of meeting at the 2020 Fall National Meeting) November 17, 2020

The Reinsurance (E) Task Force met Nov. 17, 2020. The following Task Force members participated: Chlora Lindley-Myers, Chair, represented by John Rehagen (MO); Raymond G. Farmer, Vice Chair (SC); Lori K. Wing-Heier represented by David Phifer (AK); Jim L. Ridling represented by Sean Duke (AL); Alan McClain represented by Mel Anderson (AR); 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 (FL); John F. King (GA); Doug Ommen represented by Kim Cross (IA); Robert H. Muriel represented by Eric Moser (IL); Stephen W. Robertson represented by Roy Eft (IN); Vicki Schmidt represented by Tish Becker (KS); Sharon P. Clark represented by Russell Coy and 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); Tynesia Dorsey represented by Dale Bruggeman (OH); Texas represented by Jamie Walker (TX); Tanji J. Northrup represented by Jake Garn (UT); and Scott A. White represented by David Smith and Doug Stolte (VA).

1. Adopted its Summer National Meeting Minutes

Ms. Belfi made a motion, seconded by Ms. Macaluso, to adopt the Task Force's Aug. 6 minutes (*see NAIC Proceedings – Summer 2020, Reinsurance (E) Task Force*). The motion passed unanimously.

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

Mr. Kaumann provided the report of the Reinsurance Financial Analysis (E) Working Group. He stated that the Working Group met Oct. 14 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to discuss the application of one new certified reinsurer and the renewal of nine certified reinsurers. Mr. Kaumann stated that the Working Group would meet two more times during 2020 to complete the remaining reviews of certified reinsurers. He noted 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. Eft, to adopt the Working Group's report. The motion passed unanimously.

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

Mr. Wake provided the report of the Qualified Jurisdiction (E) Working Group. He stated that the Working Group met Nov. 12 in regulator-to-regulator session, pursuant to paragraph 6 (consultations with NAIC staff members) and paragraph 8 (considerations of strategic planning issues) of the NAIC Policy Statement on Open Meetings, to discuss three countries that have shown interest in becoming qualified jurisdictions.

Mr. Wake stated that two reciprocal jurisdictions had inquired about the process for filing annual confirmations assuming insurers comply with the capital and surplus and minimum solvency ratio requirements of the *Credit for Reinsurance Model Regulation* (#786). He noted that the *Uniform Checklist for Reciprocal Jurisdiction Reinsurers* would permit filing with the NAIC, like passporting, and that the NAIC would provide this information to the other states. Mr. Wake stated that the consensus of the Working Group was that such filing should satisfy the requirements of Model #786.

Mr. Wake stated that the Working Group discussed amending the *Process to Evaluate Qualified and Reciprocal Jurisdictions* to add a termination process to re-evaluate both qualified jurisdictions and reciprocal jurisdictions to determine whether they should continue to be placed on the *NAIC List of Qualified Jurisdictions* and the *NAIC List of Reciprocal Jurisdictions*. He stated that the Working Group intends to begin this review process sometime early in 2021.

Mr. Wake made a motion, seconded by Ms. Crawford, to adopt the Working Group's report. The motion passed unanimously.

Draft Pending Adoption

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

Mr. Rehagen stated that as of Nov. 4, 16 U.S. jurisdictions have adopted the 2019 revisions to the *Credit for Reinsurance Model Law* (#785), while 12 jurisdictions have action under consideration. He noted that California, Pennsylvania and Virginia have adopted the revisions to Model #786, and four jurisdictions currently have action under consideration. Mr. Rehagen added that New York has released its new regulation for public comment. 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 One).

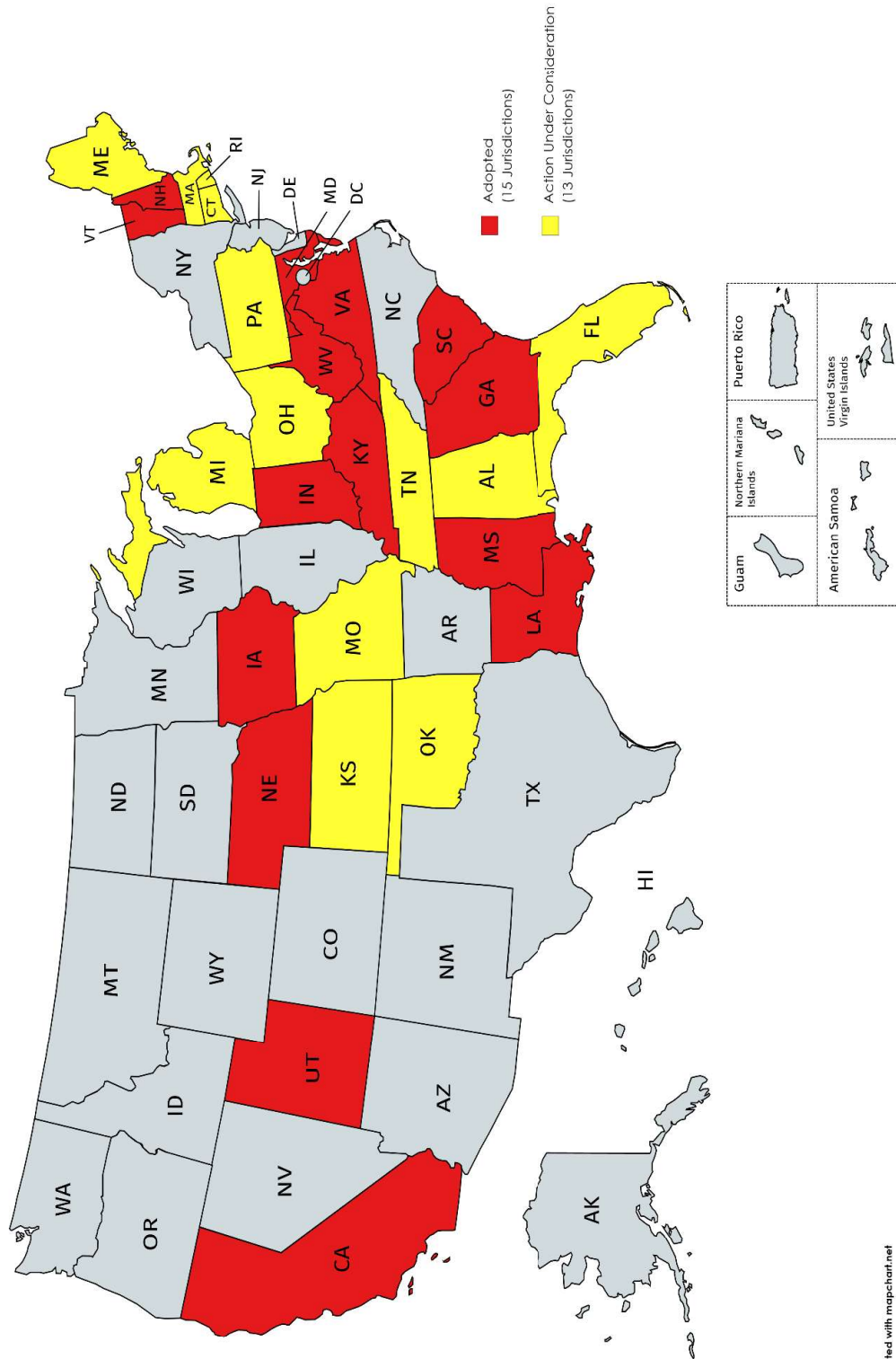
Mr. Rehagen stated that the 2019 revisions to the models must be adopted by the states prior to Sept. 1, 2022, which is when the revisions become an accreditation standard. He noted that Sept. 1, 2022, is also the date at which the Federal Insurance Office (FIO) must complete its federal preemption reviews 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 as 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 current adoption maps can be found on the Task Force’s web page. He noted that Dan Schelp (NAIC) 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.

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

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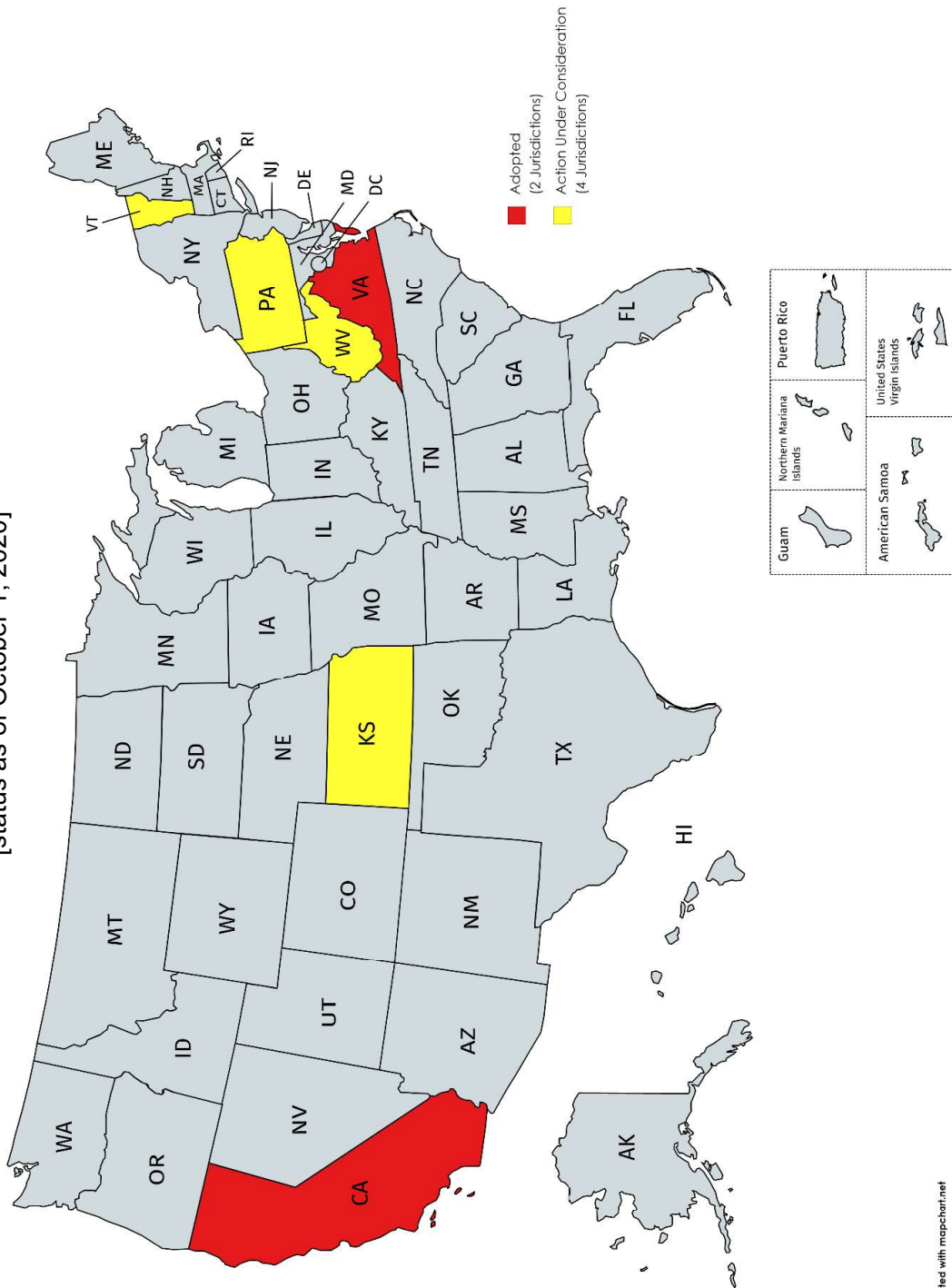
Implementation of the 2019 Revisions to the
Credit for Reinsurance Model Law #785
[status as of October 1, 2020]



Credited with mapchart.net

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]



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