AGENDA

1. Consider Adoption of its Summer National Meeting Minutes
   —John Rehagen (MO)


4. Receive a Status Report on the States’ Implementation of the 2019 Revisions to the Credit for Reinsurance Model Law (#785) and the Credit for Reinsurance Model Regulation (#786)—John Rehagen (MO)


6. Discuss Any Other Matters Brought Before the Task Force —John Rehagen (MO)

7. Adjournment
The Reinsurance (E) Task Force met July 25, 2022. The following Task Force members participated: Chlora Lindley-Myers, Chair, and John Rehagen (MO); Chris Nicolopoulos, Vice Chair, represented by Doug Bartlett and Pat Gosselin (NH); Lori K. Wing-Heier represented by David Phifer (AK); Mark Fowler represented by Linda Wilson (AL); Alan McClain represented by Mel Anderson and Leo Liu (AR); Ricardo Lara represented by Monica Macaluso (CA); Michael Conway represented by Rolf Kaumann (CO); Andrew N. Mais represented by Wanchin Chou (CT); Trinidad Navarro represented by Rylynn Brown (DE); David Altmaier represented by Robert Ridenour (FL); John F. King (GA); Doug Oommen represented by Daniel Mathis (IA); Vicki Schmidt represented by Tish Becker (KS); James J. Donelon represented by Tom Travis (LA); Gary D. Anderson represented by Christopher Joyce (MA); Timothy N. Schott and Robert Wake (ME); Troy Downing represented by Steve Matthews (MT); Mike Causey represented by Lori Gorman (NC); Jon Godfread represented by Patrick Hendrickson (ND); Eric Dunning represented by Jill Gleason (NE); Marlene Caride represented by Diana Sherman (NJ); Russell Toal (NM); Adrienne A. Harris represented by Ahmed Saleh (NY); Judith L. French represented by Dale Bruggeman (OH); Elizabeth Kelleher Dwyer represented by Ted Hurley (RI); Michael Wise represented by Daniel Morris (SC); Cassie Brown represented by Jamie Walker (TX); Jon Pike represented by Jake Garn (UT); Scott A. White represented by David Smith and Doug Stolte (VA); Kevin Gaffney represented by Karen Ducharme (VT); and Nathan Houdek represented by Mark McNabb (WI).

1. **Adopted its May 16 and Spring National Meeting Minutes**

The Task Force met May 16 to adopt revisions to the *Uniform Checklist for Reciprocal Jurisdiction Reinsurers*. Superintendent Toal made a motion, seconded by Ms. Sherman, to adopt the Task Force’s May 16 (Attachment One) and March 22 minutes (*see NAIC Proceedings – Spring 2022, Reinsurance (E) Task Force*). The motion passed unanimously.

2. **Adopted its 2023 Proposed Charges**

Ms. Macaluso made a motion, seconded by Mr. Phifer, to adopt the 2023 proposed charges of the Task Force and the Reinsurance Financial Analysis (E) Working Group (Attachment Two). The motion passed unanimously.


Mr. Kaumann stated that the Working Group meets in regulator-to-regulator session pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings. He stated that the Working Group met May 18 to approve one certified reinsurer and eight reciprocal jurisdiction reinsurers for passporting.

Mr. Kaumann stated that the Working Group has now approved 22 reciprocal jurisdiction reinsurers for passporting and plans to meet several more times in 2022 as more applications are received. He noted that the list of passported reinsurers can be found on the Certified and Reciprocal Jurisdiction Reinsurer web page. He stated that NAIC staff have revised the web page to better meet the needs of state insurance regulators, industry, and other interested parties. He stated that NAIC staff have created a point-of-contact list to be included on that web page, which includes the single best contact for each state for any issues regarding reciprocal jurisdiction reinsurers and certified reinsurers. He requested that each state provide its point of contact person to NAIC staff.
Mr. Kaumann made a motion, seconded by Mr. Wake, to adopt the Working Group’s report. The motion passed unanimously.

4. Received a Status Report on the Reinsurance Activities of the Mutual Recognition of Jurisdictions (E) Working Group

Mr. Wake stated that the Working Group has met twice since the Spring National Meeting to work on group capital calculation (GCC) issues that are unrelated to the Task Force. He stated that the Working Group plans to meet later this year to reapprove the status of the seven existing qualified jurisdictions and the three reciprocal jurisdictions that are not subject to either the Bilateral Agreement Between the United States of America and the European Union on Prudential Measures Regarding Insurance and Reinsurance (EU Covered Agreement) or Bilateral Agreement Between the United States of America and the United Kingdom on Prudential Measures Regarding Insurance and Reinsurance (UK Covered Agreement), collectively referred to as the Covered Agreements. He stated that NAIC staff established a due diligence review process in 2021 and provided a recommendation to the Working Group that the existing qualified jurisdictions and reciprocal jurisdictions not subject to a Covered Agreement should retain their status, and this recommendation was then adopted by the Working Group. He stated that the Working Group will perform this same review toward the end of 2022 and will report this to the Task Force at the Fall National Meeting. Mr. Wake stated that the Working Group would meet if there were any updates with the qualified jurisdiction review of the Republic of Korea.

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

Dan Schelp (NAIC) stated that as of July 21, 54 NAIC jurisdictions have adopted the 2019 revisions to the Credit for Reinsurance Model Law (#785), while one jurisdiction has action under consideration. He noted that since the maps were last published, the U.S. Virgin Islands were able to adopt their legislation and that American Samoa is considering issuing an order that would bring it into compliance with the Covered Agreements. He stated that 49 jurisdictions have adopted the revisions to the Credit for Reinsurance Model Regulation (#786) and that three jurisdictions currently have action pending. He noted that the remaining three jurisdictions will issue their regulations soon. He stated that he is optimistic that all NAIC jurisdictions will have their laws, regulations, or orders in place by Sept. 1. 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. Schelp stated that he has held discussions with the Federal Insurance Office (FIO) to talk about the status of the federal preemption reviews that were being conducted. He stated that the federal Dodd-Frank Wall Street Reform and Consumer Protection Act lays out a process that the FIO must go through before it can make any federal preemption determinations. He noted that the FIO has publicly praised the NAIC’s efforts, stating that the NAIC has made tremendous progress, and that each state has made a sincere effort to adopt the spirit of the models. He stated that the FIO is focusing its review on technical details in the law and regulation, and that there might need to be some clean-up made by the states after the reviews are completed. He noted that these have been constructive conversations with the FIO, and that the NAIC does not have reason for concern that this will lead to any federal preemption determinations. Mr. Schelp asked that if any state is contacted directly by the FIO, it should reach out to NAIC staff.

Mr. Schelp stated that after the law and regulation have been passed by the legislatures, there are several additional steps that must be completed. He noted that each state needs to establish a web page that contains the list of reciprocal jurisdictions and list of reciprocal jurisdiction reinsurers operating in its state. He noted that the NAIC List of Reciprocal Jurisdictions and NAIC List of Reciprocal Jurisdiction Reinsurers are posted on the Certified and Reciprocal Jurisdiction web page and on the Task Force’s web page. He added that NAIC staff have created a point of contact list of individual contacts in each state that reinsurers and consumers may contact if they have any questions on reciprocal jurisdiction reinsurers. He noted that NAIC staff will contact states that have
not created their web page to assist in the process. Mr. Schelp recommended that if a state approves a reciprocal jurisdiction reinsurer that is not intended to be passported, the information should still be sent to the Reinsurance Financial Analysis (E) Working Group, which will collect this information to maintain uniformity in the reviews of the reinsurers and to ensure compliance with the Covered Agreements.

6. **Received a Status Report on the States’ Implementation of Model #787**

Jake Stultz (NAIC) stated that the *Term and Universal Life Insurance Reserve Financing Model Regulation (#787)* becomes an accreditation standard on Sept. 1, with enforcement beginning on Jan. 1, 2023. He noted that as of July 8, 20 jurisdictions have adopted Model #787, with another four jurisdictions with action under consideration. He stated that the map showing the current adoption status for Model #787 was included in the meeting materials (Attachment Four) and added that the adoption of Model #787 is unrelated to the Covered Agreements and is not potentially subject to federal preemption. Mr. Stultz noted that Model #787 mirrors *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 (AG 48)*, and that under the accreditation standards, a state may meet the requirements through an administrative practice, such as an actuarial guideline. He added that if a state adopts Model #787, it also will need to adopt Section 5B(4) of Model #785.

Mr. Schelp stated that some states are using AG 48 and will issue an insurance bulletin to announce this practice. He added that the map will later be updated to reflect states that are adopting in this manner.

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

https://naiconline.sharepoint.com/sites/NAICSupportStaffHub/Member Meetings/E CMTE/RTF/2022SummerNM/Minutes/ReinsuranceTFmin 07.25.2022.docx
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 September 13, 2022]

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.
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