Cover Question

How will retrocessions be handled for a reinsurance to a reciprocal jurisdiction that cedes to a non-reciprocal jurisdiction?

BRIDGEWAY ANALYTICS

MEMORANDUM

To: Financial Condition (E) Committee
From: Bridgeway Analytics
Date: November 5, 2026
Re: Addressing Recapture Risk with Reinsurers from Non-Reciprocal Jurisdictions

The Financial Condition (E) Committee's *Referral to the Life Risk-Based Capital (E) Working Group* directs the development of a recapture-risk charge for reinsurance outside Reciprocal Jurisdictions to address concerns that have been raised through Actuarial Guideline (AG) LV reviews and regulator experience that life insurers ceding business to non-reciprocal jurisdictions have often been observed supporting generous guarantees with riskier assets and relying on optimistic reserving assumptions, such that their reserves and capital may fall short of prudent standards and leave them unable to pay future claims under adverse conditions. Bridgeway Analytics was asked to:

- Review life and annuity reinsurance transactions and trends with non-Reciprocal jurisdictions, including capital structure practices across business lines as observed in statutory filings.
- Estimate an empirically implied risk-based capital (RBC) charge that would be applied to non-Reciprocal reinsurance transactions.[1] This empirically implied RBC charge represents the RBC charge a cedent would face in the event of recapture, effectively approximating the disallowance of an RBC credit for those transactions.

The following sets forth an introductory memorandum that provides a high-level overview of trends, current guidelines that limit risks in the event of recapture, the implied surplus shortfall, and the estimated implied RBC charge.

Background and executive summary. Reinsurance is a risk-mitigation tool that diversifies the risks borne by insurers and can serve as a source of capital when it involves an unrelated party. In the context of life and annuity reinsurance, risks are transformed for the cedent, shifting insurance, market, and credit risks to the reinsurer and replacing them with reinsurer counterparty risk. Thus, the concern for the cedent shifts from insurance and financial risks to the reinsurer's ability to fulfill its promises and the possibility of needing to **recapture** the business. While reinsurance has been commonly used to keep life and annuity operations stable, to fund growth, to mitigate risks, and for other desirable applications, its use in the U.S. has traditionally been limited, comprising only 6% of policy obligations in the U.S. in 1999.[2] After the Global Financial Crisis, interest rates decreased, placing tremendous earnings pressure on annuity writers, with many U.S. insurers forced to either sell such business or reinsure a substantial portion of it. While the transactions have increasingly been offshore, taking advantage of reduced taxes and other burdens, there are also significant transactions within the U.S.[3] The increase in ceded business, particularly to jurisdictions outside the U.S., naturally increases recapture risks. Abstracting from the complexities and risks of the recapture transaction, the mechanical implications of placing policies back on the cedent's balance sheet increase capital requirements. The purpose of this memorandum is to estimate the implied RBC charge that would align surplus to support a recapture event for transactions with reinsurers from **non-Reciprocal Jurisdictions**.

Non-Reciprocal jurisdictions. Life and annuity reinsurance transactions are generally structured as co-insurance, in which the reinsurer shares a proportional exposure of the insurance policies. Transactions with reinsurers domiciled in jurisdictions not recognized by the NAIC as Reciprocal or Qualifying (e.g., Cayman Islands or Barbados) generally require collateral or other arrangements for reinsurance credit. In practice, many such transactions are structured using funds

[1] Throughout this memo, Reinsurance Credit references the total of Reserve Credit and ModCo Reserves.
[2] See the Federal Reserve, *Accounting for Reinsurance Transactions in the Financial Accounts of the United States, Accessible Data*.
[3] The Society of Actuaries Research Institute February 2026 report, *International Reinsurance Landscape Overview for U.S. Life & Annuities*, synthesizes why and how U.S. carriers use cross-border structures (third-party, affiliates, and sidecars) and their domicile.

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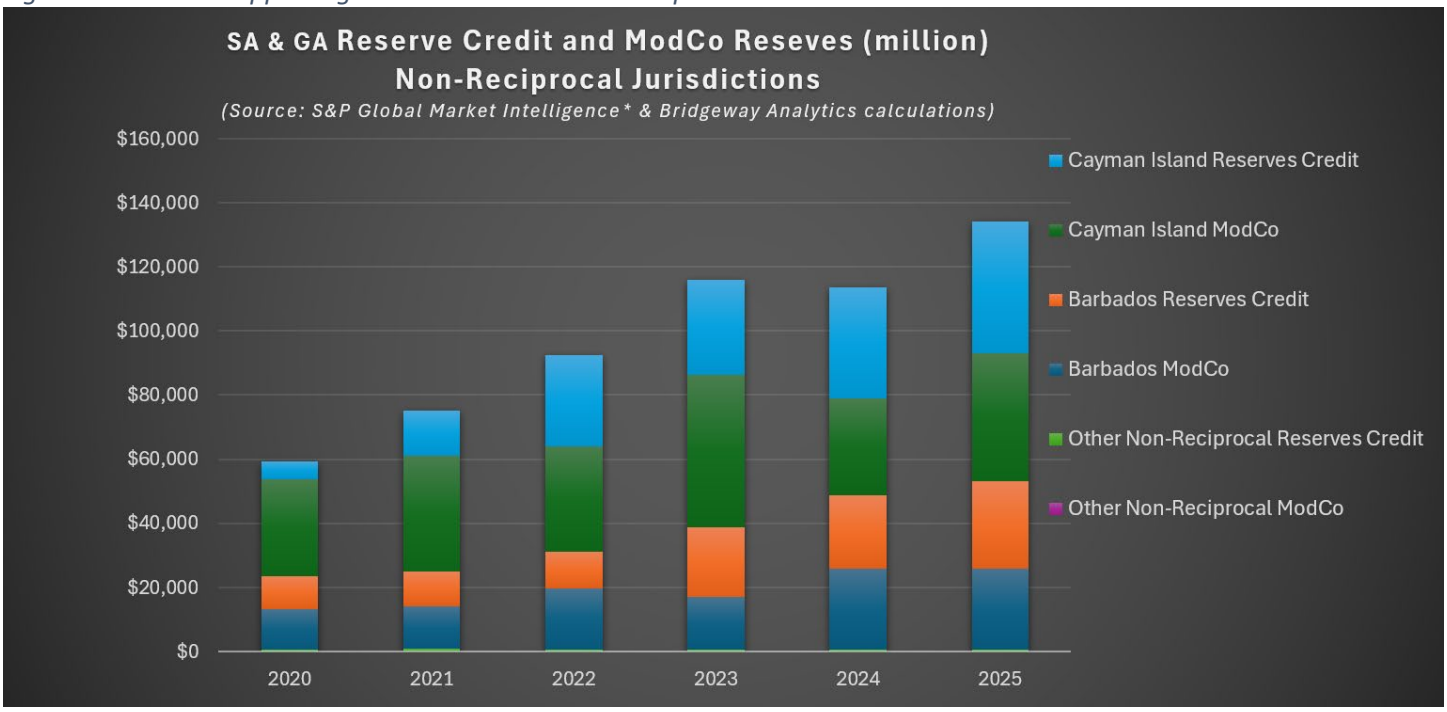
withheld (FWH) or modified coinsurance (ModCo) arrangements, under which the ceding insurer retains control of assets supporting reserves, which are subject to the insurer's domestic investment laws and regulatory oversight. **As shown in *Figure 1*, below, in 2025, ~$135 billion reserve credit was recognized from transactions with non-Reciprocal jurisdictions.**

Figure 1: Reserves supporting transactions with non-Reciprocal Jurisdictions



Current guidelines. U.S. statutory guidelines place significant guardrails on reinsurance transactions to limit risks in the event of recapture.

Reserves. *Credit for Reinsurance Model Law* (#785) and *Credit for Reinsurance Model Regulation* (#786) establish when a reserve credit can be taken, including requirements applicable to Qualified jurisdictions, Reciprocal jurisdictions, and collateral reduction or exemption frameworks. **Reserve credit generally requires collateral for transactions from non-Reciprocal jurisdictions**. Actuarial Guideline (AG) LV was adopted in 2025 to provide transparency into reserve assets supporting reinsurance transactions, offering extensive benefits to regulators by helping assess the adequacy of reserves that reflect moderately adverse conditions.

Surplus and RBC. Reinsurance can provide RBC credit to the ceding company, typically freeing surplus for redeployment as the insurer works toward its target RBC ratio. A U.S. reinsurer that is an NAIC filer would roughly be subsuming the RBC requirements. However, there is no visibility into the degree to which the reinsurer has funded the surplus for non-NAIC filers (e.g., non-U.S. reinsurers). At a high level, the following components are relevant:

- **RBC credit for the reinsured policy risk**. An RBC credit is provided for policy risk transferred to the reinsurer.
- **RBC credit for asset risk transferred to the reinsurer**. Similar to credit for policy risk, RBC credit is extended for the assets transferred to the reinsurer.[4]
- **Reinsurance counterparty risk.** Under Life RBC, an RBC counterparty charge of 0.78% is generally applied to reserve

[4] There are nuances with FWH or ModCo transactions, where the ceding insurer legally owns the assets, but the reinsurer subsumes the economic risks, with the cedent receiving RBC credit. If the assets are held in trust, the transaction will often involve the cedent assets being transferred to the trust, thereby providing the cedent RBC credit. Arrangements, such as letters of credit, can also address collateral requirements, limiting the need to fully fund the collateral.

credit and receivables, unless an exemption applies, such as for collateralized transactions structured as FWH, ModCo, and certain trusts. Since reserve credit for non-Reciprocal transactions generally requires collateral, they incur ~0 RBC charge. There is also an exemption for affiliated transactions that can qualify for different RBC treatment.

- **Reinsurance counterparty risk for subsidiaries.** Rather than applying the 0.78% charge, the RBC charge applied to subsidiaries generally reflects an equity ownership charge. NAIC filers receive look-through treatment, non-NAIC filing U.S. insurers face a 30% factor, and alien insurers receive a 0% RBC with a 100% factor applied to a $0 CV under Life RBC, and the carrying value is excluded from TAC

Appendix II and *Figures 6* and *7* walk through a stylized example of a reinsurance transaction and the resulting freed surplus that, if redeployed, is no longer available to support policies in a recapture event.

An empirically implied RBC charge. *Figure 2* presents empirically implied RBC charge measured as a percent of reserve credit, which ranges from 3.1% to 9.2% across lines of business; calculations are outlined in Appendix II. The analysis is segmented by companies identified as heavily focused on Life, Annuities, Accident & Health, and Variable Annuities, using the thresholds specified in *Figure 2*; *Figure 4* in Appendix I demonstrates relatively stable implied RBC charges across alternative thresholds, except for companies identified as heavily focused on Life and A&H when a restrictive threshold is used to identify those segments. **The analysis suggests an industry surplus shortfall of roughly $23 billion under an RBC charge of 3.8% (post-tax), assuming insurers' current RBC ratios represent their target**.[5] The estimate is conservative because it does not account for overcollateralization, which would limit the shortfall; regulators have discussed allowing for qualifying collateral, such as collateral qualifying under AG LV, to reduce the RBC charge. 13 cedents are estimated to fall within or near an RBC regulatory threshold if the flat 3.8% RBC (post-tax) recapture charge were implemented (i.e., RBC (ACL) ratio below 300% or RBC (CAL) of 150%).

The estimates from *Figure 2* should be interpreted in the context of the significant variation in business practices, as evidenced by the variation in RBC (CAL) ratios, TAC to Reserves & TAC, and the Implied RBC Charge of *Figure 3* in Appendix I. Reasonable assumptions can lead to empirically implied RBC charges that can range from 50% to 100% of the values in *Figure 2*.

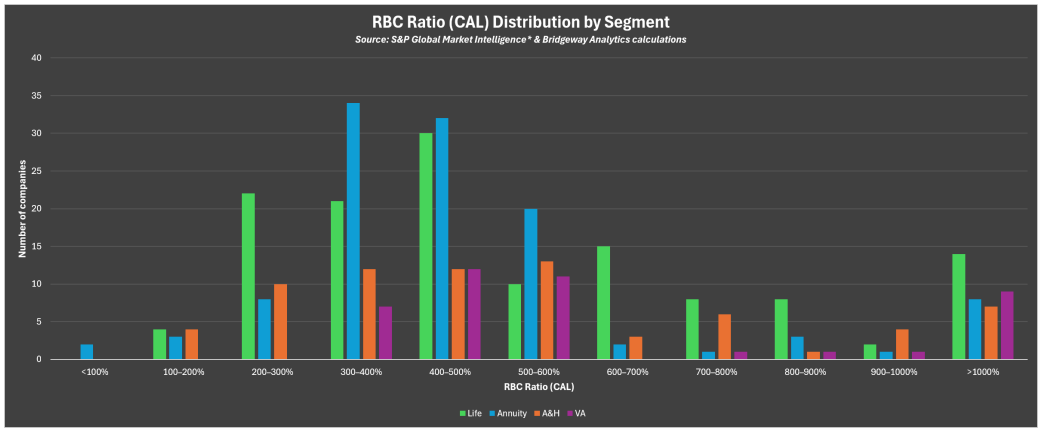
Figure 2: Implied RBC (CAL) charges across lines of business using 2025 data (Source: S&P Global Market Intelligence & Bridgeway Analytics calculations)*

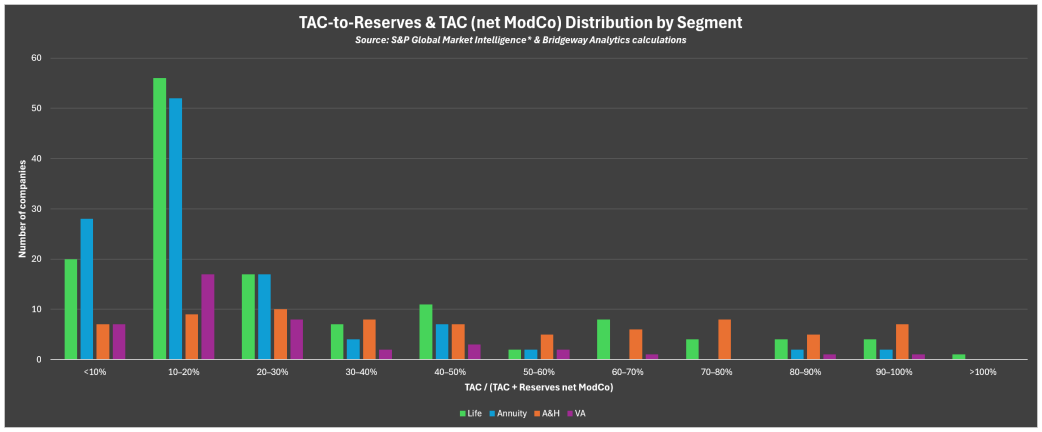
	Life Heavy (Life Reserves > 70% & >$10 million Reserves)	Annuity Heavy (Annuity Reserves > 70% & >$10 million Reserves)	A&H Heavy (A&H Reserves>30% & >10 million Reserves)	VA Heavy (VA Reserves > 40% of GA Reserves & >$10 million Reserves)	Full sample (RBC (CAL) > 0)
Sample size	135	114	73	42	686
TAC/Reserves & TAC (net ModCo) (weighted average)	20%	14%	32%	15%	16.6%
RBC ratio (CAL) (weighted average)	500%	452%	349%	459%	443%
RBC charge applied to reserve credit implied (weighted average $RBC (CAL) / (Reserves - ModCo + TAC))	4.1%	3.1%	9.2%	3.1%	3.8%

[5] $\text{Sum}_{\text{insurers}}(3.8\% * \text{RBC (CAL) ratio}_{\text{insurers}} * (\text{Reserve Credit} + \text{ModCo})_{\text{insurers}})$; see Appendix III for more details.

Appendix I: Industry practice and the range parameters. This appendix provides additional details on the distribution of RBC ratios (CAL) (LHS), TAC-to-Reserves & TAC (net ModCo) (middle), and Implied RBC Charge ($RBC (CAL) / Reserves - ModCo + TAC) in *Figure 3*. *Figure 4* provides comparative statics of the thresholds used to identify Life Heavy, Annuity Heavy, Accident & Health Heavy, and Variable Annuity Heavy insurers, and the implied RBC charges. Finally, *Figure 5* provides the distribution of reserves and valuation across business lines as of year-end 2025.

Figure 3: Distribution of RBC Ratios (CAL) (top), TAC-to-Reserves & TAC (middle), and Implied RBC Charge ($RBC (CAL) / Reserves - ModCo + TAC) (bottom) for Life Heavy, Annuity Heavy, Accident & Health Heavy, and Variable Annuity Heavy insurers as of year-end 2025 (Source: S&P Global Market Intelligence & Bridgeway Analytics calculations)*





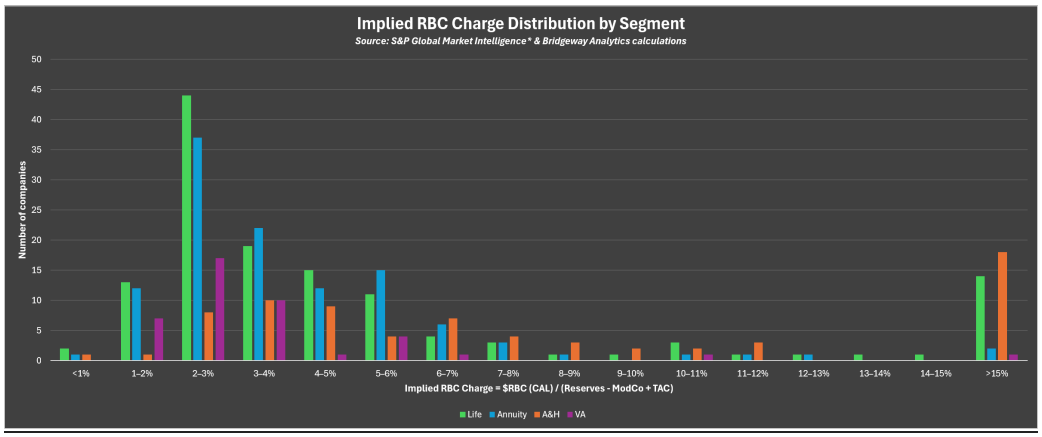
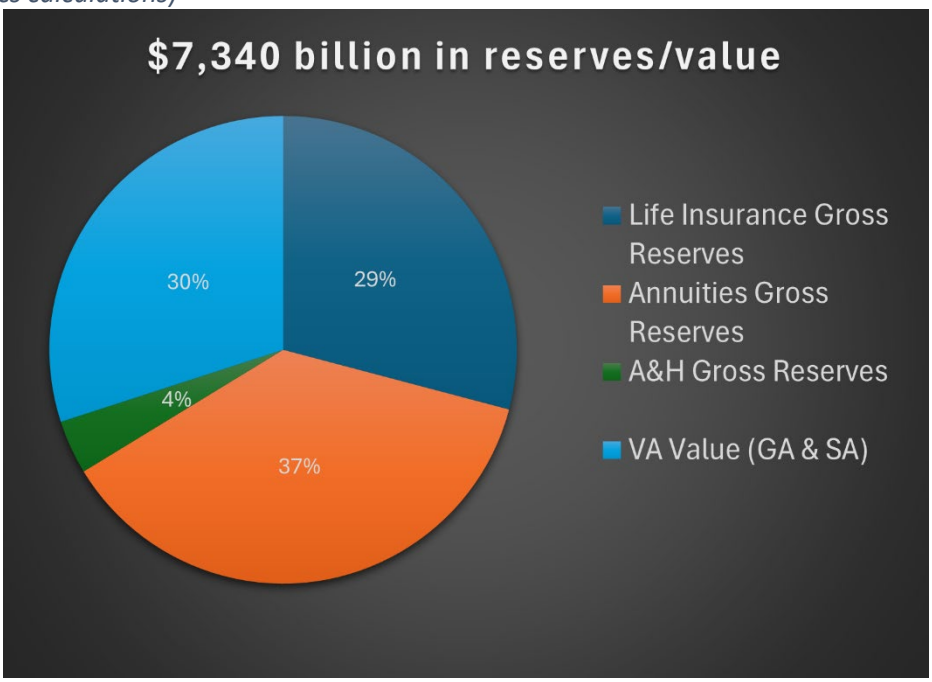


Figure 4: Comparative statics: Implied RBC charges under various thresholds for identifying business focus (Source: S&P Global Market Intelligence & Bridgeway Analytics calculations)*

	Life Heavy (Life Reserves> **Threshold** & >$10 million Reserves)	Annuity Heavy (Annuity Reserves > **Threshold** & >$10 million Reserves)	A&H Heavy (A&H Reserves> **Threshold** & >$10 million Reserves)	VA Heavy (VA Reserves > **Threshold** of GA Reserves & >$10 million Reserves)
Threshold	20%	20%	20%	20%
Sample size	337	275	83	51
TAC/Reserves & TAC (net ModCo) (weighted average)	16%	15%	29%	14%
RBC ratio (CAL) (weighted average)	456%	432%	357%	472%
Implied RBC charge (weighted average)	3.5%	3.4%	8.2%	3.1%
Threshold	90%	90%	90%	90%
Sample size	52	38	13	28
TAC/Reserves & TAC (net ModCo) (weighted average)	35%	15%	58%	17%
RBC ratio (CAL) (weighted average)	405%	466%	339%	493%
Implied RBC charge (weighted average)	8.70%	3.2%	17.0%	3.4%

Figure 5: The distribution of reserves & value across policies as of year-end 2025 (Source: S&P Global Market Intelligence & Bridgeway Analytics calculations)*



Appendix II: A stylized example demonstrating the sequence of calculations that arrive at the implied RBC charge

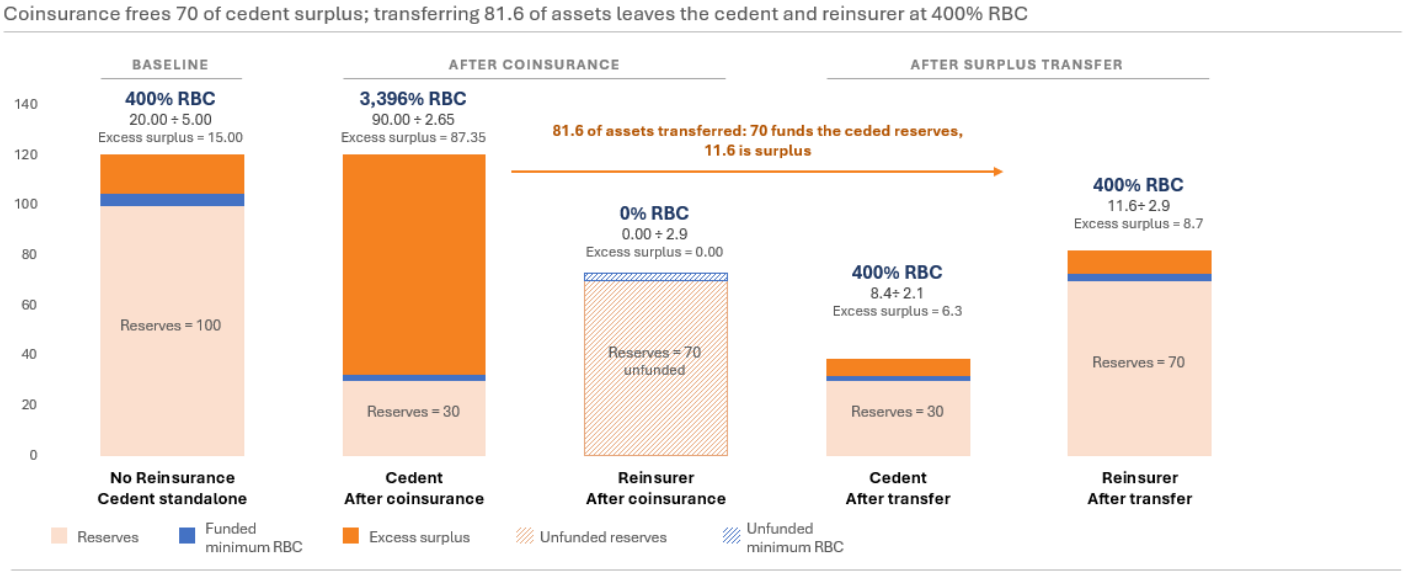
- Admitted assets = $120 million
- Surplus = $20 million
- Reserves = $100 million
    - Surplus / Reserves = 20%
- RBC ratio (CAL) = 400% = $20 million/$5 million (the $5 million CAL RBC solves the 400%)
    - **Implied RBC charge** = $5 million / $120 million = 4.2%
- Reinsuring 70% of reserves ($100 million) = $70 million

Potential surplus shortage

- A total of $70/$120 = 58% of admitted assets were reinsured
- RBC credit = $5 million * 58% = $2.9 million
    - **RBC credit = $RBC Charge * Reserve Credit / (Reserves + Surplus)**
    - **Implied RBC charge applied to Reserve Credit = $RBC Charge / (Reserves + Surplus)**
- Surplus from reinsurance (assuming a 400% RBC ratio target) that is freed for redeployment = $2.9 million * 400% = $11.7 million

Implied RBC charge applied to Reserve Credit = $RBC Charge (CAL) / (Reserves – ModCo + TAC)

Figure 6: Stylized case study: Capital neutral reinsurance transaction

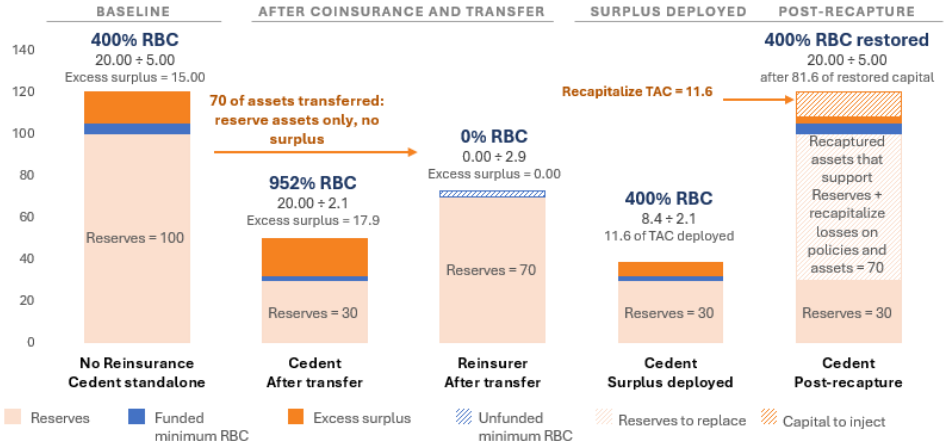


Assumptions & calculations

- Baseline, no reinsurance: reserves 100, RBC 5.00, surplus 20.00 → 20.00 ÷ 5.00 = 400%
- Reserves ceded = 70 → 70/120 = 58% of the business reinsured, to which RBC reinsurance credit will be received by the cedent and to which the reinsurer will face RBC charges
- Cedent's release of 70 reserves becomes surplus → TAC 90.00; RBC 2.65 = 2.1 (42% x 5.0) + 0.55 (0.78% x 70) RBC counterparty charge → 3,396% cedent RBC ratio
- Reinsurer after coinsurance: reserves requirements of 70 and RBC 2.9 (58% x 5.0) assumed but unfunded → reinsurer RBC ratio < 0%
- Transfer 81.6 of assets (70 funds to ceded reserves in trust, offsetting the RBC counterparty charge, and 11.6 is surplus): cedent RBC 400% = 8.4 ÷ 2.1 and reinsurer RBC 400% = 11.6 ÷ 2.9

Figure 7: Credit and recapitalization risks

Cedent can redeploy freed surplus, but recapture requires recapitalization of surplus beyond recognized losses when reserve credit is collateralized



If the treaty is recaptured, the cedent is exposed to credit losses and recapitalization risk

- **Counterparty credit risk**. The cedent faces uncertain exposure and potential losses on policies (e.g., lower interest rates for fixed-income annuities) and uncertain collateral, with assets that may face distress during such times.
- **Recapitalization risk**. The cedent will need to recapitalize the counterparty credit losses and 11.6 of TAC.
- **There may be other losses**. For example, related to recapturing a retrocession.

Assumptions & calculations

- Baseline, no reinsurance: reserves 100, minimum RBC 5.00, surplus 20.00 → 20.00 ÷ 5.00 = 400%
- Reserves ceded = 70 → 70/120 = 58% of the business reinsured
- Cedent transfers 70 of assets into trust → cedent TAC 20.00 and RBC counterparty charge offset, reinsurer TAC 0.00
- After transfer: cedent RBC ratio = 20.00 ÷ 2.1 = 952%, reinsurer 0.00 ÷ 2.9 = 0% (surplus unfunded)
- Surplus deployed: the cedent releases 11.6 of TAC → TAC 8.4 ÷ RBC 2.1 = 400%
- Recapture event: Cedent requires 70 reserves, and RBC returns to 5.00 → Trust has 70 net of losses + 11.6 additional TAC needed to restore the RBC ratio to 400%

Appendix III: RBC Ratio (CAL) Post-Recapture Charge

This Appendix presents the cedent-level impact of a flat 3.8% RBC charge (post-tax) applied to the reinsurance credit (translated to a 4.81% = 3.8%/(1-0.21) pre-tax charge). *Figure 8* measures the maximum potential decline of cedents' RBC (CAL) under the 3.8% charge (post-tax). The 86 companies shown represent 12.5% of the 686 companies with RBC greater than zero; 49 companies, or 7.1% of that population, have declines of at least 5 percentage points. In total, 13 cedents would have an RBC ratio that would fall near or below the regulatory trigger (i.e., 300% RBC (ACL)). *Figure 9* tabulates the number of RBC Ratio Levels for Companies with RBC (CAL) 100%+ Reductions. Due to data limitations, the figures do not account for potential RBC offsets from overcollateralization beyond reserve credit; thus, the estimates represent a maximum potential impact.[6]

Figure 8: Maximum Potential Impact of 3.8% (post-tax) Non-Reciprocal Recapture RBC (CAL) Charge - U.S. Life & Annuity Companies (YE2025)*

Decline in RBC (CAL) ratio **= RBC (CAL) before charge - RBC (CAL) after the charge**	**# Companies - 3.8% RBC charge**	**% of Companies in Table**	**% of All U.S. L&A Companies (RBC > 0)**
< 5%	37	43.0%	5.4%
5% - 20%	9	10.5%	1.3%
20% - 50%	12	14.0%	1.7%
50% - 100%	10	11.6%	1.5%
100%+	18	20.9%	2.6%
Total	**86**	**100.0%**	**12.5%**
Coverage			
Total U.S. life & annuity companies	711		
Total U.S. life & annuity companies with RBC > 0	686		
% of U.S. L&A companies (RBC > 0) impacted by the proposal	**12.5%**		
% of U.S. L&A companies (RBC > 0) with impact of 5% or more	7.1%		
***The maximum potential estimated impact does not reflect over-collateralization. Any such excess qualifying collateral can reduce the impact, potentially down to 0% for an individual company.**			

Figure 9: RBC Ratio Levels for Companies with RBC (CAL) 100%+ Reductions

RBC (CAL) ratio after charge (ACL equivalent)	**#Companies with 100%+ decline**	**% Companies in Table**
<150% CAL (<300% ACL)	4	22.2%
150% - 300% CAL (300% - 600% ACL)	6	33.3%
300% - 500% CAL (600% - 1000% ACL)	5	27.8%
500%+ CAL (1000%+ ACL)	3	16.7%
Total	**18**	**100.0%**

RBC Trigger Levels can be avoided with additional overcollateralization

[6] Details regarding collateral are reported only for transactions with Unauthorized reinsurers on Schedule S Part 4. A review of Schedule S Part 4 2025 data suggests insurers are not reporting Funds Deposited consistently.

Appendix IV. Limitations of the analysis

- **Collateral.** Collateral data are only available for transactions with Unauthorized insurers, which covers the non-Reciprocal sample. A review of Schedule S Part 4 2025 data suggests insurers are not reporting Funds Deposited consistently.
- **The use of RBC ratios as target ratios.** Throughout this memo, target RBC ratios are proxied by cedent company ratios or weighted industry averages.

Appendix IV. Data

Key calculations

- *Implied RBC charge applied to reserve credit% = $RBC Charge (CAL) / (Reserves – ModCo + TAC) = 2*$RBC Charge (ACL) / (Reserves – ModCo + TAC)*
- *TAC shortfall (non-allowance reinsurance credit) ($000) = Implied RBC Charge * RBC ratio (CAL) * Reserve Credit & ModCo*

Key data fields

- **General fields**
  - CAL RBC Ratio (251701)
  - Surplus (i.e., TAC) & Reserves
    - TAC = ACL RBC (123211) * ACL RBC Ratio (123212)
    - Net Reserves = Reserves: General Account (123675) - ModCo Reserves Life Contracts (115603) - ModCo Reserves A&H Contracts (115605) - ModCo Reserves Deposit Type Contracts (115607)
- **Non-Reciprocal Reinsurance – SA & GA**
  - Identifying Non-Reciprocal Reinsurance
    - Country Name (113837) ≠ U.S., E.U., U.K., Japan, Switzerland, or Bermuda
    - Reinsurance Authorization Status by year (120734)
  - Reserve Credit + ModCo Reserve
    - Schedule S Part 3 Section 2 (120742) - ModCo Reserves Life
    - Schedule S Part 3 Section 2 (120751) - ModCo Reserves A&H
    - Schedule S Part 4 (Unauthorized) Section 2 (120770) – Unauthorized Reserve Credit Taken (reserve credit taken, paid and unpaid losses recoverable, and other debits related to reinsurance)
  - Collateral
    - Total Relat: Unauth Ceded: Letters of Credit (120771)
    - Total Relat: Unauth Ceded: Trust Agreement (120772)
    - Total Relat: Unauth Ceded: Funds Deposited (120773)
    - Total Relat: Unauth Ceded: Other (120774)
    - Total Relat: Unauth Ceded: Misc. Balances (Credit) (120775)
- **Identifying lines of business**
  - Life Heavy - Life Insurance: Gross AR: Total Life & Ann inc Supp (126797)
    - Note: [Life ASI page 132] Reserves should be computed on a "gross" basis, i.e., direct and reinsurance assumed combined. Then, deductions for reinsurance ceded should be computed…
  - Annuity Heavy - Annuities: Gross AR: Total Life & Ann inc Supp (126986)
    - Note: [Life ASI page 132] Reserves should be computed on a "gross" basis, i.e., direct and reinsurance assumed combined. Then, deductions for reinsurance ceded should be computed…
  - A&H Heavy - Gross Policy Reserve AR: Total Accident and Health (325032)
    - Note: [Life ASI page 132] Reserves should be computed on a "gross" basis, i.e., direct and reinsurance assumed combined. Then, deductions for reinsurance ceded should be computed…
  - VA Heavy: Note that reserves are not reported separately. Variable-annuity value is used as a proxy because reserves are not reported separately. References to VA Reserves in Figures 2 and 4 denote this value proxy, rather than a separately reported reserve measure.

- General Account Value AR: Ind Variable Annuities: General Acct (310072) +
- General Account Value AR: Group Variable Annuities: General Acct (310072) +
- Separate Account Value AR: Ind Variable Annuities: General Acct (310073) +
- Separate Account Value AR: Group Variable Annuities: General Acct (310073) +

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Capital Adequacy (E) Task Force
RBC Proposal Form

☐ Capital Adequacy (E) Task Force ☐ Health RBC (E) Working Group ☒ Life RBC (E) Working Group
☐ Catastrophe Risk (E) Subgroup ☐ P/C RBC (E) Working Group ☐ Longevity Risk (A/E) Subgroup
☐ Variable Annuities Capital. & Reserve (E/A) Subgroup ☐ Economic Scenarios (E/A) Subgroup ☐ RBC Investment Risk & Evaluation (E) Working Group

DATE: 10/22/2026

CONTACT PERSON: Kazeem Okosun
TELEPHONE: 816-783-8981
EMAIL ADDRESS: kokosun@naic.org
ON BEHALF OF: Life Risk-Based Capital (E) Working Group
NAME: Ben Slutsker, Chair
TITLE: Director of Life Actuarial Valuation
AFFILIATION: Minnesota Dept of Commerce
ADDRESS: 85 7th Place East, Suite 280
Saint Paul, MN 55101

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Agenda Item # 2026-17-L
Year 2027

DISPOSITION

ADOPTED:
☐ TASK FORCE (TF) _____
☐ WORKING GROUP (WG) _____
☐ SUBGROUP (SG) _____

EXPOSED:
☐ TASK FORCE (TF) _____
☐ WORKING GROUP (WG) _____
☐ SUBGROUP (SG) _____

REJECTED:
☐ TF ☐ WG ☐ SG _____

OTHER:
☐ DEFERRED TO _____
☐ REFERRED TO OTHER NAIC GROUP
☐ (SPECIFY) _____

IDENTIFICATION OF SOURCE AND FORM(S)/INSTRUCTIONS TO BE CHANGED

☐ Health RBC Blanks ☐ Property/Casualty RBC Blanks ☒ Life and Fraternal RBC Blanks
☐ Health RBC Instructions ☐ Property/Casualty RBC Instructions ☒ Life and Fraternal RBC Instructions
☐ Health RBC Formula ☐ Property/Casualty RBC Formula ☐ Life and Fraternal RBC Formula
☐ OTHER _____

DESCRIPTION/REASON OR JUSTIFICATION OF CHANGE(S)

The proposal addresses the Financial Condition (E) Committee referral directing the Working Group to develop a Risk-Based Capital (RBC) charge applicable to reserve credit taken, modified coinsurance reserves, unearned premium reserves, and other reserve credits ceded to unauthorized assuming insurers not domiciled in reciprocal jurisdictions. The proposal recognizes AG55-permitted collateral in determining the resulting RBC requirement and is intended to reflect the additional capital that may be required if a ceding company must recapture business ceded to such assuming insurers. The proposal also provides recognition of overcollateralization, subject to limitations prescribed in the Life RBC instructions.

Additional Staff Comments:

The attached Blank proposal 2026-32BWG is only for reference purpose. The actual exposure will happen in the Blanks Working Group

** **This section must be completed on all forms.** **Revised 2-2023**

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REINSURANCE

LR016

Basis of Factors

There is a risk associated with recoverability of amounts from reinsurers. The risk is deemed comparable to that represented by bonds between risk classes 1 and 2 and is assigned a pre-tax factor of 0.78**%**. To avoid an overstatement of risk-based capital, the formula gives a 0.78**%** pre-tax credit for reinsurance with non-authorized and certified companies, for reinsurance among affiliated companies, for reinsurance with funds withheld or reinsurance with authorized reinsurers that is supported by equivalent trusteed collateral that meets the requirements stipulated in Appendix A-785 (Credit for Reinsurance), where there have been regular bona fide withdrawals from such trusteed collateral to pay claims or recover payments of claims during the calendar year covered by the RBC report, and for reinsurance involving policy loans. Withdrawals from trusteed collateral that are less than the amounts due the ceding company shall be deemed to not be bona fide withdrawals.

There is also a risk associated with recapture of businesses ceded to reinsurers. The increase in ceded business, particularly to jurisdictions outside the U.S., naturally increases recapture risks. Abstracting from the complexities and risks of the recapture transaction, the mechanical implications of placing policies back on the cedent's balance sheet increase capital requirements. A pre-tax factor of [4.81%] (a 21% tax rate is used, to derive a post-tax recapture charge of 3.8%) is used as a proxy, applied to ceded reserves and modified coinsurance balances for all reinsurance located outside of reciprocal jurisdictions, to account for the additional capital that would be required if a ceding company had to recapture those reserves.

Specific Instructions for Application of the Formula

Lines (1) through (7)
The first seven components of the reinsurance formula are charged against all reinsurance recoverables and ceded reserve credits as reported in Schedule S.

Lines (8) through (12)
A negative 0.78% pre-tax factor is applied to these five components. These adjustments should only be applied to business assumed from subsidiaries of the company. The adjustment should be multiplied by the proportion of the ceding company owned by the parent. The subsidiary's RBC is part of the individual company's RBC, and sister affiliate reinsurers should NOT be included. In addition, no adjustment should be made where an adjustment has already been taken in the re-established liability components above. This would be the case if the subsidiary reinsurer was unauthorized or the treaty with the company involved funds held.

Lines (13) through (16)
The last four components are primarily Page 3 liabilities (including Line 24.02 – Reinsurance in Unauthorized and Certified Companies and Line 24.03 – Funds Held under Reinsurance Treaties with Unauthorized and Certified Reinsurers, Line 24.07 – Funds Held under Coinsurance and Line 25 – Aggregate Write-ins for Liabilities). Line (15) is also to include amounts in support of Lines (1) through (7) and subject to the provisions of *Credit for Reinsurance Model Regulation (#786)*. A pre-tax factor of negative 0.78**%** is applied. This considers that these liabilities reported on Page 3 have been reestablished in the balance sheet offsetting the reinsurance ceded reserve credits taken elsewhere.

Lines (17) through (21)

Calculation of gross and net recapture risk capital requirement is only required for non-reciprocal In-Scope Transactions as defined in Life & Fraternal Annual Statement Instructions for Schedule S, Part 3 Section 1 & Section 2.

Line (17) – Non-Reciprocal Jurisdiction Reserve Credit.

Column (1) Report the total Reserve Credit Taken & Modified Reserve amounts from Schedule S, Part 3, Section 1, Column 20, line 9999999 and Schedule S, Part 3, Section 2, Column 19, line 9999999.

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Column (4) Apply the Recapture Risk – Non-Reciprocal Jurisdiction capital pre-tax factor of [0.0481].

Line (18) – Permitted Collateral Shortfall Surcharge / Overcollateralization Credit

Overcollateralization must be due upon recapture in order to receive the offset for the capital charge. Apply a factor of −1.0000. A positive statement value represents Permitted Collateral above 100% of the Non-Reciprocal Jurisdiction Amount and reduces the Line (17) capital charge. A negative statement value represents a collateral shortfall and, after application of the factor, increases the capital requirement dollar-for-dollar.

Do not recognize collateral above [104.81%] of an assuming insurer's Non-Reciprocal Jurisdiction Amount or use one assuming insurer's excess collateral to offset another's deficiency.

Line (19) – Gross Recapture Risk Charge

Report the sum of the RBC Requirement amounts reported on Lines (17) and (18). Report no less than zero.

$$\text{Line (19)} = \text{MAX}[\text{Line (17), Column (4)}, +\text{Line (18), Column (4)}, 0]$$

This is the gross recapture risk charge requirement before deducting RBC already included in Lines (1) through (16) for the same transactions.

Line (20) – Less: RBC requirement assessed in Line (1) through (16)
Report the RBC requirement or credit already included in Lines (1) through (16) attributable to the same reinsurance transactions included in the calculation of Line (19).
Include only the actual RBC requirement already recognized in Lines (1) through (16) for transactions reported in Schedule S, Part 3, Section 1, Column 20 and Section 2, Column 19.
Apply a factor of −1.0000.

Line (21) – Net Recapture Risk Charge
Report the excess of Line (19), Column (4), over Line (20), Column (4), but not less than zero.

$$\text{Line (21)} = \text{MAX}[\text{Line (19), Column (4)}, + \text{Line (20), Column (4)}, 0]$$

This is the additional requirement above RBC already included in Lines (1) through (16) for the same transactions.

Consequently, the total RBC requirement attributable to a non-reciprocal jurisdiction transaction equals the greater of:

- the existing RBC requirement included in Lines (1) through (16) for the same transaction; or
- the Gross Non-Reciprocal Jurisdiction Requirement calculated on Line (19).

REINSURANCE

		Annual Statement Source	(1) Statement Value	(2) 100% Owned Affiliates	(3) RBC Subtotal		Factor		(4) RBC Requirement
	Reinsurance Ceded†								
(1)	Recoverable on Paid Losses (Life)	Schedule S Part 2 Column 6 Line 1199999				X	0.0078	=	
(2)	Recoverable on Paid Losses (A&H)	Schedule S Part 2 Column 6 Line 2299999				X	0.0078	=	
(3)	Recoverable on Unpaid Losses (Life)	Schedule S Part 2 Column 7 Line 1199999				X	0.0078	=	
(4)	Recoverable on Unpaid Losses (A&H)	Schedule S Part 2 Column 7 Line 2299999				X	0.0078	=	
(5)	Unearned Premiums (A&H)	Schedule S Part 3 Section 2 Column 9 Line 4599999				X	0.0078	=	
(6)	Other Reserve Credits (A&H)	Schedule S Part 3 Section 2 Column 10 Line 4599999				X	0.0078	=	
(7)	Reserve Credit (Life)	Schedule S Part 3 Section 1 Column 9 Line 4599999	$2,000,000		$2,000,000	X	0.0078	=	$15,600

			(1) Statement Value	(2) Other than 100% Owned Affiliates	(3) RBC Subtotal		Factor		(4) RBC Requirement
	Reinsurance Assumed Credit								
(8)	Affiliate Reserve Credit (Life)	Schedule S Part 1 Section 1 Column 9 Line 0799999				X	-0.0078	=	
(9)	Affiliate Reinsurance Payable (Life)	Schedule S Part 1 Section 1 Column 11 Line 0799999				X	-0.0078	=	
(10)	Reinsurance Assumed on Unearned Premiums (A&H)	Schedule S Part 1 Section 2 Column 9 Line 0799999				X	-0.0078	=	
(11)	Reinsurance Assumed Other Reserved Credits (A&H)	Schedule S Part 1 Section 2 Column 10 Line 0799999				X	-0.0078	=	
(12)	Reinsurance Assumed - Losses (A&H)	Schedule S Part 1 Section 2 Column 11 Line 0799999				X	-0.0078	=	
	Reinsurance Payable Credit								
(13)	Reinsurance in Unauthorized and Certified Companies	Page 3 Column 1 Line 24.02				X	-0.0078	=	
(14)	Funds Held in Unauthorized and Certified Reinsurers	Page 3 Column 1 Line 24.03				X	-0.0078	=	
(15)	Funds Held in Authorized Reinsurers and Funds Held in Reciprocal Jurisdiction Reinsurers and Trusteed Collateral Supporting Authorized Reinsurance	Page 3 Column 1 Line 24.07 in part and Company Records				X	-0.0078	=	
(16)	Other Reinsurance Recoverable or Reserves "Reestablished" on Page 3	Page 3 Column 1 Line 25 in part				X	-0.0078	=	
	Recapture Risk - Non Reciprocal Jurisdiction								
(17)	**Non-Reciprocal Jurisdiction Reserve Credit (Life and A&H)**	**Schedule S, Part 3, Section 1, Column 20, Line 9999999 + Schedule S, Part 3, Section 2, Column 19, Line 9999999**				X	**0.0481**	=	
(18)	**Permitted Collateral Shortfall Surcharge/ Overcollateralization Credit (Life and A&H)**	**Schedule S, Part 3, Section 1, [MIN(Column 22, 104.81% × Column 20) − Column 20], plus Schedule S, Part 3, Section 2, [MIN(Column 21, 104.81% × Column 19) − Column 19].**				X	**-1.0000**	=	
(19)	**Gross Recapture Risk Charge**	**Line (17) + Line (18)**						=	
(20)	**Less: RBC requirement assessed in Line (1) through (16)**	**Company Records**				X	**-1.0000**	=	
(21)	**Net Recapture Risk Charge**	**Line (19) + Line (20)**							
(22)	Total Reinsurance	Sum of Lines (1) through (16) **plus Line (21)**							

† Statement values should be net of policy loans if policy loans are part of the reinsurance transaction.

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

	DATE: 11/5/2026	**FOR NAIC USE ONLY**
CONTACT PERSON:		Agenda Item # 2026-32BWG
TELEPHONE:		Year 2027
EMAIL ADDRESS:		Changes to Existing Reporting [X]
ON BEHALF OF:		New Reporting Requirement [ ]
NAME:	**Ben Slutsker**	**REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT**
TITLE:	**Director of Life Actuarial Valuation**	No Impact [X] Modifies Required Disclosure [ ]
AFFILIATION:	**Minnesota Dept. of Commerce**	Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? [No] ****If Yes, complete question below****
ADDRESS:	**85 7th Place East, Suite 280**	**DISPOSITION**
	Saint Paul, MN 55101	[ ] Rejected For Public Comment [ ] Referred To Another NAIC Group [ ] Received For Public Comment [ ] Adopted Date [ ] Rejected Date [ ] Deferred Date [ ] Other (Specify)

BLANK(S) TO WHICH PROPOSAL APPLIES

[X] **ANNUAL STATEMENT**	[X] **INSTRUCTIONS**	[X] **CROSSCHECKS**
[ ] **QUARTERLY STATEMENT**	[X] **BLANK**	
[X] Life, Accident & Health/Fraternal	[ ] Separate Accounts	[ ] Title
[ ] Property/Casualty	[ ] Protected Cell	[ ] Other
[ ] Health	[ ] Health (Life Supplement)	[ ] Life (Health Supplement)

Anticipated Effective Date: Annual 2027

IDENTIFICATION OF ITEM(S) TO CHANGE

This proposal was prepared to incorporate a more detailed reporting of Schedule S – Part 3, Section 1 and Schedule S – Part 3, Section 2. The expanded presentation helps to facilitate the work of Life Risk Based Capital (E) Working Group, which has been directed by the Financial Condition (E) Committee to develop a more refined RBC framework to capture reinsurance risk, including recapture risk and counterparty risk.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

The current Schedule S structure does not separately identify collateral supporting reinsurance recoverable and reserve credits. As a result, sufficient data is not available to distinguish between collateralized and uncollateralized reinsurance exposures for Life RBC purposes.

The proposed reporting elements provide transparency regarding the extent to which reinsurance exposures are secured by collateral while maintaining consistency with existing Schedule S reporting. The continuation-page approach minimizes disruption to the existing schedules while providing data necessary for future RBC calculations, regulatory analysis, and solvency monitoring. Separate continuation pages for Life and Accident & Health business recognize that the underlying exposure measures and associated RBC calculations may differ across product lines.

*****IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL*****

NAIC STAFF COMMENTS

Comment on Effective Reporting Date:

Other Comments:

** **This section must be completed on all forms.** **Revised 11/17/2022**

SCHEDULE S – PART 3 – SECTION 1

REINSURANCE CEDED LIFE INSURANCE, ANNUITIES, DEPOSIT FUNDS, AND OTHER LIABILITIES WITHOUT LIFE OR DISABILITY CONTINGENCIES, AND RELATED BENEFITS LISTED BY REINSURING COMPANY AS OF DECEMBER 31, CURRENT YEAR

Detail Eliminated To Conserve Space

Column 15 – Funds Withheld Under Coinsurance

Report the amount of funds withheld on coinsurance contracts.

Column 16 – Reserve Credit Taken & Modified Coinsurance Reserve

Report the sum of Column 9, Reserve Credit Taken – Current Year, and Column 14, Modified Coinsurance Reserve (Column 9 + 14).

Column 17 – Other Collateral

Report qualifying collateral securing the reserve credit taken or recoverable from the assuming reinsurer that is not reported as Modified Coinsurance Reserve or Funds Withheld Under Coinsurance.

Qualifying collaterals must meet the requirements of the Credit for Reinsurance Model Law (785) and Credit for Reinsurance Model Regulation (786) and may consist of the following:

- **Multiple beneficiary trusts** — trusts established for the benefit of more than one ceding entity. Where collateral is held in a multiple beneficiary trust, report only the portion allocable to the reporting entity under the terms of the trust agreement. The aggregate amount reported by all ceding entities with respect to a single trust shall not exceed the trust balance.
- **Letters of credit** — clean, irrevocable, unconditional and evergreen letters of credit issued or confirmed by a qualified United States financial institution as defined in Appendix A-785 of the Accounting Practices and Procedures Manual.
- **Trust agreements** — single beneficiary trust agreements established for the sole benefit of the reporting entity.
- **Other qualifying collateral** — deposits or other assets pledged as security and held in a trust or custodial account, subject to withdrawal solely by, and under the control of, the reporting entity.

Amounts reported shall be limited to collateral held for the benefit of the reporting entity that is available for withdrawal by or under the control of, the reporting entity as of the reporting date.

No amount shall be reported more than once, either within this column or in combination with the amounts reported as Modified Coinsurance Reserve or Funds Withheld Under Coinsurance. Collateral securing obligations of more than one assuming reinsurer shall be allocated among those reinsurers and shall not be reported in full against each.

Column 18 – Total Collateral (Column 14 ~~+~~=Column 15 + Column 17) Not in excess of Column 16

Column 19 – Net Recoverable Net Collateral, (Columns 16 – 18)

Note that Columns 20 through 22 are not applicable to all reinsurers. Only complete these columns for affiliated and/or unaffiliated reinsurers, including captives, domiciled in jurisdictions other than Reciprocal Jurisdictions (as updated in https://content.naic.org/sites/default/files/inline-files/RJ%20List.pdf). (Collectively In-Scope Transaction)
These Columns need to be filled out for both General Accounts and Separate Accounts categories if In-Scope Transactions apply.

For avoidance of doubt, the following reinsurance transactions will be excluded from In-Scope Transactions:
Transaction with:

- Authorized reinsurers;
- Certified reinsurers, only if domiciled in reciprocal jurisdictions*;
- Reinsurers domiciled in reciprocal jurisdictions*;
- U.S.-domiciled captives.

* As updated in https://content.naic.org/sites/default/files/inline-files/RJ%20List.pdf

Column 20 – Reserve Credit Taken & Modified Coinsurance Reserve

Report the full amount reported in Column 16, Reserve Credit Taken and Modified Coinsurance Reserve, for each In-Scope Transaction. The amount reported in this column shall not exceed the amount reported in Column 16.

Column 21 – Collateral Not Recognized

Report the portion of modified coinsurance reserves, funds withheld under coinsurance, and other collateral reported in Columns 14, 15 and 17 that consists of assets not eligible for recognition as permitted collateral for purposes of the Life Risk-Based Capital formula, including non-admitted assets, assets permitted to be admitted by the ceding company's domiciliary regulator but which are otherwise non-admitted, letters of credit, contingent notes, credit-linked notes, excess of loss (XOL) reinsurance, parental and affiliate guarantees. Also include any collateral that, under the terms of the reinsurance agreement, would not be available to the ceding insurer upon recapture of the reinsurance agreement. If Column 20 is zero, report zero. The amount reported shall not exceed the sum of Columns 14, 15, and 17. Amounts reported in this column shall not be recognized as permitted collateral for purposes of the Life Risk-Based Capital formula.

Column 22 – Permitted Collateral

Report the amount of collateral eligible for recognition as permitted collateral for purposes of determining the Non-Reciprocal Jurisdiction Requirement. The amount reported shall reflect the applicable collateral reported in Columns 14, 15, and 17, less the amount reported in Column 21. If Column 20 is zero, report zero. Collateral attributable to an assuming insurer shall be reported only for that assuming insurer and shall not be applied to any other assuming insurer. Only collateral that, under the terms of the reinsurance agreement, would be available to the ceding insurer upon recapture of the reinsurance agreement may be recognized in this column. The amount reported shall not be less than zero. Assets reported in this column shall be recognized as Permitted Collateral for purposes of the Life Risk-Based Capital formula.

SCHEDULE S – PART 3 – SECTION 2

REINSURANCE CEDED ACCIDENT AND HEALTH INSURANCE LISTED BY REINSURING COMPANY AS OF DECEMBER 31, CURRENT YEAR

Detail Eliminated To Conserve Space

Column 14 – Funds Withheld Under Coinsurance

Report the amount of funds withheld on coinsurance contracts.

Column 15 – Unearned Premiums & Reserve Credit Taken & Modified Coinsurance Reserve

Report the sum of Column 9, Unearned Premiums (Estimated) plus Column 10, Reserve Credit Taken Other than for Unearned Premiums plus Column 13, Modified Coinsurance Reserve.

Column 16 – Other Collateral

Report qualifying collateral securing the reserve credit taken or recoverable from the assuming reinsurer that is not reported as Modified Coinsurance Reserve or Funds Withheld Under Coinsurance.

Qualifying collaterals must meet the requirements of the Credit for Reinsurance Model Law (785) and Credit for Reinsurance Model Regulation (786) and may consist of the following:

- **Multiple beneficiary trusts** — trusts established for the benefit of more than one ceding entity. Where collateral is held in a multiple beneficiary trust, report only the portion allocable to the reporting entity under the terms of the trust agreement. The aggregate amount reported by all ceding entities with respect to a single trust shall not exceed the trust balance.
- **Letters of credit** — clean, irrevocable, unconditional and evergreen letters of credit issued or confirmed by a qualified United States financial institution as defined in Appendix A-785 of the Accounting Practices and Procedures Manual.
- **Trust agreements** — single beneficiary trust agreements established for the sole benefit of the reporting entity.
- **Other qualifying collateral** — deposits or other assets pledged as security and held in a trust or custodial account, subject to withdrawal solely by, and under the control of, the reporting entity.

Amounts reported shall be limited to collateral held for the benefit of the reporting entity that is available for withdrawal by, or under the control of, the reporting entity as of the reporting date.

No amount shall be reported more than once, either within this column or in combination with the amounts reported as Modified Coinsurance Reserve or Funds Withheld Under Coinsurance. Collateral securing obligations of more than one assuming reinsurer shall be allocated among those reinsurers and shall not be reported in full against each.

Column 17 – Total Collateral (Column 13 + Column 14 + Column 16) Not in excess of Column 15

Column 18 – Net Recoverable Net Collateral, (Columns 15 – 17)

Note that Columns 19 through 21 is not applicable to all reinsurers. Only complete these columns for affiliated and/or unaffiliated reinsurers, including captives, domiciled in jurisdictions other than Reciprocal Jurisdictions (as updated in https://content.naic.org/sites/default/files/inline-files/RJ%20List.pdf). (Collectively In-Scope Transaction)
These Columns need to be filled out for both General Accounts and Separate Accounts categories if In-Scope Transactions apply.

For avoidance of doubt, the following reinsurance transactions will be excluded from In-Scope Transactions:
Transaction with:

- Authorized reinsurers;
- Certified reinsurers, only if domiciled in reciprocal jurisdictions*;
- Reinsurers domiciled in reciprocal jurisdictions*;
- U.S.-domiciled captives.

* As updated in https://content.naic.org/sites/default/files/inline-files/RJ%20List.pdf

Column 19 – Unearned Premiums, Reserve Credit Taken, & Modified Coinsurance Reserve

Report the full amount reported in Column 15, Unearned Premiums, Reserve Credit Taken and Modified Coinsurance Reserve, for each In-Scope Transaction. The amount reported in this column shall not exceed the amount reported in Column 15.

Column 20 – Collateral not Recognized

Report the portion of unearned premiums, modified coinsurance reserves, funds withheld under coinsurance, and other collateral reported in Columns 13, 14 and 16 that consists of assets not eligible for recognition as permitted collateral for purposes of the Life Risk-Based Capital formula, including non-admitted assets, assets permitted to be admitted by the ceding company's domiciliary regulator but which are otherwise non-admitted, letters of credit, contingent notes, credit-linked notes, excess of loss (XOL) reinsurance, parental and affiliate guarantees. Also include any collateral that, under the terms of the reinsurance agreement, would not be available to the ceding insurer upon recapture of the reinsurance agreement. If Column 19 is zero, report zero. The amount reported shall not exceed the sum of Columns 13, 14 and 16. Assets reported in this column shall not be recognized as Permitted Collateral for purposes of the Life Risk-Based Capital formula.

Column 21 – Permitted Collateral

Report the amount of collateral eligible for recognition as permitted collateral for purposes of determining the non-reciprocal Jurisdiction Requirement. The amount reported shall reflect the applicable collateral reported in Columns 13,-14, and 16, less the amount reported in Column 20. If Column 19 is zero, report zero. Collateral attributable to an assuming insurer shall be reported only for that assuming insurer and shall not be applied to any other assuming insurer. Only collateral that, under the terms of the reinsurance agreement, would be available to the ceding insurer upon recapture of the reinsurance agreement may be recognized in this column. The amount reported shall not be less than zero.

SCHEDULE S – PART 3 – SECTION 1

Reinsurance Ceded Life Insurance, Annuities, Deposit Funds and Other Liabilities
Without Life or Disability Contingencies, and Related Benefits Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	Reserve Credit Taken		11	Outstanding Surplus Relief		14	15
NAIC Company Code	ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Type of Reinsurance Ceded	Type of Business Ceded	Amount in Force at End of Year	9 Current Year	10 Prior Year	Premiums	12 Current Year	13 Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
9999999 Totals														

SCHEDULE S – PART 3 – SECTION 1 (Continued)

Reinsurance Ceded Life Insurance, Annuities, Deposit Funds and Other Liabilities
Without Life or Disability Contingencies, and Related Benefits Listed by Reinsuring Company as of December 31, Current Year

ID Number from Col. 2	Name of Company From Col. 4	16 Reserve Credit Taken & Modified Coinsurance Reserve (Col. 9 + 14)	17 Other Collateral	18 Total Collateral (Col. 14 + 15 +17) Not in excess of Col. 16	19 Net Recoverable Net Collateral (Col. 16 – 18)	Non-Reciprocal Jurisdiction (Columns to be filled by In-Scope Transactions Only, See Instructions)		
						20 Reserve Credit Taken & Modified Coinsurance Reserve (Column 16)	21 Collateral not Recognized for RBC Purposes, (Not in excess of Col. 14 + 15 +17)	22 Permitted Collateral for RBC Purposes (Col. 14 + 15 +17 – 21)
9999999 Totals								

SCHEDULE S – PART 3 – SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	Outstanding Surplus Relief		13	14
										11	12		
NAIC Company Code	ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Type of Reinsurance Ceded	Type of Business Ceded	Premiums	Unearned Premiums (Estimated)	Reserve Credit Taken Other Than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
9999999 Totals													

SCHEDULE S – PART 3 – SECTION 2 (Continued)

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

		15	16	17	18	Non-Reciprocal Jurisdiction (Columns to be filled by In-Scope Transactions Only, See Instructions)		
						19	20	21
ID Number from Col. 2	Name of Company From Col. 4	Unearned Premiums, Reserve Credit Taken, & Modified Coinsurance Reserve (Col. 9 + 10 + 13)	Other Collateral	Total Collateral (Col. 13 + 14 +16) Not in excess of Col. 15	Net Recoverable Net Collateral (Col. 15 – 17)	Unearned Premiums, Reserve Credit Taken & Modified Coinsurance Reserve (Column 15)	Collateral not Recognized for RBC Purposes, (Not in excess of Col. 13 + 14 +16)	Permitted Collateral for RBC Purposes (Col. 13 + 14 +16 – 20)
9999999 Totals								

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