

October 4, 2019

Via Email

The Honorable Chlora Lindley-Myers
Director of the Missouri Department of Commerce & Insurance
Chair, NAIC Reinsurance Task Force

Re: Exposure of Revisions to Credit for Reinsurance Accreditation Standard

Dear Director Lindley-Myers,

This comment letter is submitted on behalf of Underwriters at Lloyd's, London ("Lloyd's"). Lloyd's is one of the largest non-US domiciled providers of reinsurance capacity to the US insurance industry. In 2018, the Lloyd's market assumed over \$5.6 billion in reinsurance premiums from the US. We appreciate the opportunity to provide these comments on the Reinsurance Task Force's proposal to make the covered agreement implementation an accreditation standard.

As the Reinsurance Task Force knows, Lloyd's has been one of the main advocates for reinsurance collateral reform for more than a decade. Over the last several years, we have worked with a number of state insurance departments and legislatures to achieve enactment of the certified reinsurer regime. That experience helped impress upon us the value of making crucial reforms like this part of the NAIC accreditation program. We believe the certified reinsurer regime would not have been enacted in all 50 states if it had not been made an accreditation requirement. Often state legislators are faced with a daunting number of topics to cover in a very limited timeframe. The knowledge that the state insurance regulators who make up the NAIC – the experts in insurance regulatory standard setting – have deemed a particular standard important enough to be part of the accreditation program can go a long way towards convincing state legislators that a particular piece of legislation is a priority.

Given the important role that accreditation can play at the state level, Lloyd's strongly supports the Reinsurance Task Force's proposal to make the covered agreement implementation an accreditation standard effective October 1, 2022. Aligning the accreditation standard deadline with the covered agreement deadline will help to encourage all states to adopt the changes in a timely manner. We applaud the Reinsurance Task Force's work on this important issue.

Regards,

