NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

MEMORANDUM

To: Members, Interested Regulators and Interested Parties of the Financial Condition (E) Committee

From: Commissioner Nathan Houdek, (WI), Chair of the Financial Condition (E) Committee

Date: July 27, 2026

Re: NAIC Model 285-*Disclosure of Material Transactions Model Act* (#285)

As you are aware, there has been an emerging trend in recent years where an increasing number of U.S. life and annuity insurers have been ceding large portions of their business to other insurers, both affiliated and unaffiliated. While material affiliated reinsurance agreements are reviewed by the cedent's domestic regulator, non-affiliated agreements are not typically subject to regulatory review by the cedent's domestic regulator. This limits the ability of the domestic regulator to gain comfort of such cessions to unaffiliated reinsurers ahead of the transaction. A number of regulators have suggested the Committee should review the thresholds and requirements for reinsurance transactions in Model #285 to determine if those provisions remain appropriate.

This memorandum requests input from members, interested regulators and interested parties of the Financial Condition (E) Committee on that topic and more specifically what the more appropriate thresholds may be. Once the Committee receives such input, it will then consider whether the Committee should request approval from the NAIC Executive (EX) Committee to open up Model 285 to make such changes.

Please submit comments to NAIC staff (Dan Daveline, ddaveline@naic.org).