PETER GOULD

November 2, 2026

John Rehagen, Chair & Monica Macaluso, Vice Chair
Mutual Recognition of Jurisdictions (E) Working Group
NAIC
c/o Jake Stultz, Manager II, Accounting Policy & Dan Schelp, Chief Counsel, Regulatory Affairs

Re: Request for Comments for Qualified Jurisdiction Reviews of Guernsey
https://content.naic.org/sites/default/files/inline-files/notice-of-exposure-of-qj-reviews_1.pdf

Dear Chair Rehagen and Vice Chair Macaluso:

I am a retiree and annuity contract owner. I depend on annuities for a considerable portion of my retirement income. I am deeply concerned about the effect of US insurers' exploitation of the Credit for Reinsurance Models through offshoring reinsurance and the exponential growth of this practice.

This regulatory arbitrage has created a race to the bottom - while the perpetrators drain cash and reduce capital, the long-tail risks of the liabilities will leave policy owners holding an empty bag of promises. These maneuvers are especially pernicious because the jurisdictions lack transparency and stakeholder (policy owner) access to financial information.

In your request for comments, you cut directly to the issue - "NAIC must reasonably conclude that the jurisdiction's reinsurance supervisory system achieves a level of effectiveness in financial solvency regulation that is deemed acceptable for purposes of reinsurance collateral reduction". In what universe does a reduction of collateral protect consumers?

While I'm not an actuary or a forensic accountant, you have both on staff. You have the duty and power to protect US insurance consumers. Being designated as a Qualified Jurisdiction is a privilege that should be conditioned on the following:

1. Full transparency - if carriers in this applicant jurisdiction will be underwriting, insuring or reinsuring US insurance policies, they should file VM-30 and all other such reports that US companies would have to file. In addition, annual statements using US Statutory Accounting Standards should be filed and should be available to the public at no charge.

2. No more capital, reserves, asset and liability alchemy - it's way past time to put policy owners first. If the applicant jurisdiction does not adopt standards identical or 99% equivalent to US requirements, they should not be approved.

According to Fitch, offshore reserves ceded by U.S. life insurers have nearly doubled since 2020 to reach $1.3 trillion in 2025. The risk to US consumers is immense. A seriously adverse event or series of events would be catastrophic.

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Thank you for your consideration of my comments and for the work that you do to protect consumers.

Yours truly,

Peter Gould