

REINSURANCE (E) TASK FORCE

Reinsurance (E) Task Force December 9, 2025, Minutes

Draft Pending Adoption

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Reinsurance (E) Task Force
Hollywood, Florida
December 9, 2025

The Reinsurance (E) Task Force met in Hollywood, FL, Dec. 9, 2025. The following Task Force members participated: Ricardo Lara, Chair, represented by Monica Macaluso (CA); Angela L. Nelson, Vice Chair, represented by John Rehagen (MO); Heather Carpenter represented by David Phifer (AK); Mark Fowler represented by Lori Brock (AL); Jimmy Harris represented by Chris Erwin (AR); Michael Conway represented by Rolf Kaumann (CO); Jared Kosky represented by Wanchin Chou (CT); Trinidad Navarro represented by Tom Hudson (DE); Michael Yaworsky represented by Carolyn Morgan, Bradley Trim, and Corey Hubbard (FL); Doug Ommen represented by Kevin Clark (IA); Holly W. Lambert represented by Roy Eft (IN); Scott Saiki represented by Melanie Fujiwara (HI); Vicki Schmidt represented by Tish Becker (KS); Sharon P. Clark represented by Mark Griggs (KY); Timothy J. Temple represented by Tom Travis (LA); Michael T. Caljouw represented by Christopher Joyce (MA); Robert L. Carey represented by Robert Wake (ME); Grace Arnold represented by Fred Andersen (MN); Mike Chaney represented by Mark Cooley (MS); Mike Causey represented by Jacqueline Obusek (NC); Jon Godfread represented by Matt Fischer (ND); D.J. Bettencourt represented by Ned Cataldo (NH); Justin Zimmerman represented by David Wolf (NJ); Ned Gaines represented by Diana Branciforte (NV); Judith L. French represented by Dale Bruggeman (OH); Glen Mulready represented by Eli Snowbarger (OK); TK Keen represented by Paul Throckmorton (OR); Michael Humphreys represented by Diana Sherman (PA); Michael Wise represented by Hinal Patel (SC); Cassie Brown represented by Jamie Walker (TX); Jon Pike represented by Jacob W. Garn (UT); Scott A. White represented by Greg Chew (VA); and Nathan Houdek represented by Mark McNabb (WI).

1. Adopted its Summer National Meeting Minutes

Rehagen made a motion, seconded by Bruggeman, to adopt the Task Force's Aug. 11 minutes (*see NAIC Proceedings—Summer 2025, Reinsurance (E) Task Force*). The motion passed unanimously.

2. Adopted the Report of the Reinsurance Financial Analysis (E) Working Group

Kaumann stated that the Reinsurance Financial Analysis (E) Working Group met Nov. 24, Oct. 30, and Sept. 30 in regulator-to-regulator session, pursuant to paragraph 3 (specific companies, entities, or individuals) of the NAIC Policy Statement on Open Meetings, to approve several certified and reciprocal jurisdiction reinsurers for passporting.

Kaumann stated that the Working Group has now approved 107 reciprocal jurisdiction reinsurers and 42 certified reinsurers for passporting and that 49 states and two territories have passported a reciprocal jurisdiction reinsurer. He noted that the list of passported reinsurers can be found on the certified and reciprocal jurisdiction reinsurer web page.

Kaumann made a motion, seconded by Joyce, to adopt the report of the Working Group. The motion passed unanimously.

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

Wake stated that the Working Group last met Oct. 21 in regulator-to-regulator session, pursuant to paragraph 8 (international regulatory matters) of the NAIC Policy Statement on Open Meetings, where it reapproved the status of Bermuda, France, Germany, Ireland, Japan, Switzerland, and the United Kingdom (UK) as qualified jurisdictions

and Bermuda, Japan, and Switzerland as reciprocal jurisdictions. He noted that Bermuda, Japan, and the UK are in the process of making changes to their regulatory systems and that NAIC staff are monitoring the implementation of these changes and will report any findings to the Working Group.

4. Received a Status Report on Projects at the NAIC that Affect Reinsurance

Macaluso stated that the Life Actuarial (A) Task Force recently adopted *Actuarial Guideline LV—Application of the Valuation Manual for Testing the Adequacy of Reserves Related to Certain Life Reinsurance Treaties* (AG 55) at the Summer National Meeting. She stated that several state insurance regulators proposed this project, which made changes to the asset adequacy testing (AAT) methodology for the assets that support reinsurance transactions.

Andersen stated that since the adoption of AG 55 at the Summer National Meeting, the Life Actuarial (A) Task Force has created and approved standardized templates to streamline the reporting process. These templates are designed to present essential AG 55 information clearly and concisely for regulators, covering details about the assuming company, key risks, supporting assets, assumed net yields, cash flow testing results, and attribution analyses explaining any changes in reserves. They also include documentation of mortality and policyholder behavior assumptions, both before and after transactions.

Andersen stated that the finalized guideline and templates are available on the Life Actuarial (A) Task Force web page. He noted that companies are expected to submit their first reports by April 1, 2026, and noted that for those who have previously filed *Actuarial Guideline LIII—Application of the Valuation Manual for Testing the Adequacy of Life Insurer Reserves* (AG 53) Complex Asset Disclosure reports, the process for AG 55 will be nearly identical. Reports will be provided to the domestic regulator upon request and to the Minnesota department representing the Valuation Analysis (E) Working Group. Filing instructions for both AG 53 and AG 55 are scheduled for distribution in early February 2026, with the recipient list based on 2024 Schedule S data.

Andersen stated that companies are encouraged to check their inclusion on the distribution list and to reach out if they believe they should or should not receive the filing instructions. The Valuation Analysis (E) Working Group plans to review incoming filings promptly and aims to begin sharing general findings at the 2026 Summer National Meeting. These findings will be presented to various NAIC groups, including the Life Actuarial (A) Task Force, Financial Stability (E) Task Force, Reinsurance (E) Task Force, and potentially the Financial Condition (E) Committee.

Rehagen stated that the request for the data for Missouri companies would come directly from Missouri and not from the Life Actuarial (A) Task Force or Valuation Analysis (E) Working Group. Dan Schelp (NAIC) stated that this is because the Nonadmitted and Reinsurance Reform Act of 2010 (NRA) requires that only the domestic regulator of a professional reinsurer can regulate the financial solvency and examine those reinsurers.

Macaluso provided an update on an initiative regarding offshore life reinsurance, noting an increased focus lately on offshore reinsurance and that it was a topic of discussion at the Commissioners' Mid-Year Roundtable. She noted that the NAIC has worked to address these concerns through projects such as AG 55, which were originally initiated to address issues related to offshore reinsurance; however, more work will likely be needed to further address this area.

Macaluso stated that NAIC staff, with the help of several key regulators, held two regulator-only education sessions intended to bring regulators up to speed on these issues and allow for preliminary discussions with the regulators to see what they are seeing in their states and discuss potential next steps. She noted that these were not formal Task Force sessions, but rather were held to provide information to regulators from the Task Force and several other task forces and working groups. She stated that committee support plan to hold another session to complete the discussions that have been held and figure out the best possible next steps that can be taken.

Macaluso stated that the NAIC held a property/casualty (P/C) reinsurance roundtable for commissioners and senior regulators that was designed to deepen members' shared understanding of existing P/C reinsurance issues and facilitate deeper engagement with the topic. She noted that the event was hosted by the California Department of Insurance (DOI). It was held in Pasadena, CA, and included a tour of the fire damage from the wildfires that occurred earlier this year.

Macaluso stated that the roundtable included several sessions where discussions were provided by commissioners, key regulators, and industry groups heavily involved in these issues. She noted that the presentations heard during the roundtable described how reinsurance market dynamics are influencing primary insurance pricing and coverage decisions, as well as what regulators can do to ensure that resilience, mitigation, and fair oversight are fully integrated into the system of state-based regulation. She stated that the goal was to leave attending members not only better informed but better prepared to evaluate and guide reinsurance structures and resiliency efforts that protect both insurers and the consumers who depend on them.

Macaluso noted that Task Force leadership and NAIC staff are working on the next steps after the roundtable. The current planned direction is to continue building knowledge, which will include investing in training, analytics, and regulatory tools to better assess the strength of reinsurance programs and their impact on solvency. She noted that the NAIC plans to strengthen collaboration through shared data on catastrophe exposure, joint modeling initiatives, and cross-state coordination on public-private solutions. Additionally, the NAIC aims to be proactive and shape the market response through policy, oversight, and engagement.

Macaluso stated that the NAIC and the Reinsurance Association of America (RAA) have arranged to hold a two-day training session in Kansas City in January 2026 for key regulators, with a focus on the basics of how reinsurance programs work, from contract drafting to underwriting and pricing to claim management, and how capital markets support the reinsurance industry.

Jake Stultz (NAIC) stated that in 2023, the Macroprudential (E) Working Group created a new reinsurance worksheet, which is an optional tool for state insurance regulators to gain a better understanding of reinsurance transactions at the companies they regulate. He requested that anybody who had used the worksheet and had any comments on the overall form or function provide them to him so they can be compiled and shared with the appropriate NAIC group. Stultz noted that the Macroprudential (E) Working Group will also continue to focus on its 13 key considerations, with a major emphasis on cross-border reinsurance.

Stultz stated that the Valuation Analysis (E) Working Group is currently completing its third year of reviews of AG 53. He noted that AG 53 is broad and covers AAT for life insurers, but he noted that the Task Force's primary focus in the process has been on the work involved with reinsurance, primarily focused on where this may affect the "Bilateral Agreement Between the United States of America and the European Union on Prudential Measures Regarding Insurance and Reinsurance" (EU Covered Agreement) and the "Bilateral Agreement Between the United States of America and the United Kingdom on Prudential Measures Regarding Insurance and Reinsurance" (UK Covered Agreement). He noted that a wide range of people are working on this project, including actuaries from the NAIC and regulators from several states, including actuaries, investment experts, and financial staff. Stultz said that other subject matter experts (SMEs) from the NAIC are brought in when needed and that the work being performed is regulator-only.

Stultz stated that the Financial Condition (E) Committee is planning to discuss the ongoing issues with co-yearly renewable term (co-YRT) and combination reinsurance at its meeting on Dec. 11. He noted that this issue has been discussed extensively at the Statutory Accounting Principles (E) Working Group over the past year and was adopted by the Working Group and the Accounting Practices and Procedures (E) Task Force at the Summer National Meeting before progress was halted at the Financial Condition (E) Committee. He stated that this issue

involves risk transfer analysis guidance on treaties that mix coinsurance and yearly renewable term, commonly referred to as co-YRT arrangements. In these structures, the coinsurance and YRT components are interdependent through shared experience refunds or other features. The Valuation Analysis (E) Working Group highlighted that a misapplication of the statutory risk transfer guidance was being applied by a small number of entities.

Stultz stated that principle-based reserving under *Valuation Manual* (VM)-22, Requirements for Principle-Based Reserves for Life Products with Secondary Guarantees, was adopted by the Life Actuarial (A) Task Force prior to the Summer National Meeting, and the Longevity Risk (E/A) Subgroup met in July to request proposals to develop the longevity risk C-2 factor for longevity reinsurance. The Subgroup received and discussed four proposals earlier this fall and exposed them at the Life Actuarial (A) Task Force's Dec. 8 meeting. He noted that all proposals involve structural changes to the life risk-based capital (RBC) blanks.

Stultz noted that the Statutory Accounting Principles (E) Working Group adopted an agenda item that included a new disclosure for reporting assets subject to funds withheld or modified coinsurance (modco) on May 22, which will be effective for 2025 year-end reporting. Additionally, the Statutory Accounting Principles (E) Working Group would send a referral to the Reinsurance (E) Task Force after the Fall National Meeting, requesting input on the insurance maintenance reserve impact on reinsurance collateral.

Wolf stated that at the Life Actuarial (A) Task Force meeting on December 8, New Jersey led a discussion on potentially modifying the reinvestment guardrails for pension risk transfer business, with the intent of lessening the incentives for offshore reinsurance in these transactions.

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

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