Qualified U.S. Financial Institutions ("QUSFI") Frequently Asked Questions

1. What are the eligibility requirements for a financial institution to be placed on the Qualified U.S. Financial Institutions List?

An applicant must:

• Provide evidence that it is a Qualified U.S. Financial Institution as defined in the application;

• Is authorized to issue letters of credit for reinsurance; and

• Has a credit rating assigned by Moody's Investors Service, S&P Global Ratings, Fitch Ratings, or Kroll Bond Rating Agency for its letters of credit or senior debt obligations not lower than BBB/Baa2, produced by the NRSRO using the methodology and criteria identified by the NAIC.

A U.S. branch or agency of a foreign financial institution must be:

• Authorized to issue LOCs for reinsurance; and

• Part of a foreign institution with a NRSRO rating as outlined above, in addition to being domiciled in a country with a sovereign debt rating of "Aa/AA" for long-term debt and/or "P1/A1" for short-term debt by a credit rating provider listed above. The applicant will be required to provide financial information to the SVO as requested.

2. What documents are required to apply for placement on the QUSFI List?

The completed application in its entirety, along with all required accompanying documentation, must be submitted in the NAIC Vision system at https://vision.naic.org. This includes the latest NRSRO report from S&P Global Rating's, Moody's Investors Services, Fitch Ratings, or Kroll Bond Rating Agency, produced using the specific methodology(ies) identified in the NRSRO List to Administer QUSFI List (found on the SVO website at https://www.naic.org/svo.htm) evidencing a rating of BBB/Baa or higher; a copy of the corporate charter or other document that demonstrates authority to issue LOCs; the latest FDIC call report with schedule RC-L; and the non-refundable application fee.

If the applicant is a U.S. branch or agency of a foreign bank, a copy of the Federal Financial Institutions Examination Council's Reporting Form FFIEC 002, Schedule L is required. A certification from the Secretary of the Board of Directors that the entity is authorized to issue LOCs (as evidenced by the corporate seal), is also required.

3. Where is the QUSFI application and renewal agreement?

The application and renewal agreement can be found on the SVO web site via this link: https://content.naic.org/sites/default/files/svo-qusfi-list-application.pdf

Fling instructions can be accessed via the VISION USER GUIDE, p. 33. Additional information can be found under the Resources tab on the SVO website. Please note that a user ID and password are required to access the Vision system. If you do not have a user ID then please complete the Vision Access Request Form and email the completed form to securitiessupport@naic.org. Questions about becoming a user of the system, or regarding your company's account and billing should be sent to this email address.

4. What happens when an applicant wishes to be placed on the QUSFI List but does not have the requisite documents?

The application will be processed only when all required documentation has been received and are in order. Otherwise, the application/filing will be rejected and the non-refundable fee will be assessed.

5. Is a rating from a NRSRO other than the ones listed in the P&P Manual acceptable?

No. Currently only Moody's Investors Service, S&P Global Ratings, Fitch Ratings, and Kroll Bond Rating Agency are on our list of Nationally Recognized Statistical Rating Organizations. We use ratings from these agencies that are produced using the specific methodology & criteria as noted in the NRSRO List to Administer QUSFI List (found on the SVO website at https://www.naic.org/svo.htm), to monitor institutions on the QUSFI List. We welcome the opportunity for other NRSROs to meet with us if they are interested in presenting their methodology to the SVO.

6. What are the application fees?

There will be an initial non-refundable application fee to be submitted at the same time as the Application ("SVO Filing Fees" are posted on the SVO web page https://www.naic.org/svo.htm). If the Application is approved, the Applicant will be placed on the QUSFI List and notified in writing or by electronic communication of the placement. The Listing will be renewed on an annual basis, subject to the financial institution's renewal application and its meeting all the eligibility requirements, and the renewal fee (posted on the SVO web page at SVO Filing Fees).

7. What if the QUSFI application fee was paid but the applicant was not approved?

The application fee is non-refundable.

8. Can the application, proof of investment grade bank rating, and audited financials be emailed?

No, these documents must be uploaded to Vision at https://vision.naic.org.

9. How long does the approval process take?

The completed application will be reviewed as soon as possible upon receipt. The QUSFI List is updated on a real time basis and published monthly on our website.

10. When is the renewal process for the QUSFI List?

The annual renewal process depends on the applicant's fiscal year end.

11. Are reminders sent for annual renewals?

Yes, we will email reminders to the two contacts provided. These selections can be revised at any time and updated as needed. It is the responsibility of the financial institution to update these contacts when necessary (in VISION), to ensure receipt of timely notices.

12. If the renewal application is not submitted, and the financial institution is removed from the QUSFI List, is there a filing fee to reapply?

Yes. The financial institution will need to reapply and pay the initial application fee, along with providing all the required documents.

13. Can a Call Report be submitted instead of the audited financial statement?

Yes, if that's all the domestic branch can provide.

14. Does each domestic branch that issues reinsurance letters of credit have to apply separately?

Yes, each branch is required to apply separately.

15. Is it possible for an institution to be removed from the QUSFI List based on a weakening credit profile?

Yes, we monitor and review credits on a periodic basis and take appropriate action as needed.