



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

BULLETIN No. FS-25-1
August 12, 2013

TO: All Insurers Seeking To Be a Certified Reinsurer

RE: Requirements to Become a Connecticut Certified Reinsurer - Updated

The purpose of this Bulletin is to set forth the requirements for an insurer to become a certified reinsurer pursuant to Connecticut's Credit for Reinsurance law, as amended by Public Act No. 12-139 ("Act"), which was effective October 1, 2012.

The Act aligns Conn. Gen. Stat. § 38a-85 and § 38a-85a with the amendments to the Credit for Reinsurance Model Law as adopted by the National Association of Insurance Commissioners ("NAIC") on November 6, 2011. Those revisions included the requirements to be met by an insurer to be certified as a reinsurer in Connecticut.

The Insurance Department has amended the credit for reinsurance regulations based on the revised NAIC Credit for Reinsurance Model Regulation. The amended regulations provide the requirements for a regulatory jurisdiction to be qualified and the standards by which a reinsurer may be certified as a reinsurer in Connecticut for purposes of insurers taking a credit, as an asset or a deduction from liability for amounts ceded to or assumed by such a reinsurer. The regulations, which were effective August 6, 2013, may be viewed online at http://www.sots.ct.gov/sots/lib/sots/regulations/recentlyadopted/ecopy_reg_6129.pdf

Conn. Gen. Stat. § 38a-85a (P.A. 12-139) provides that to be eligible for certification by the Commissioner as a reinsurer in Connecticut for the purposes of Conn. Gen. Stat. §38a-85, as amended, an assuming insurer shall:

- Be domiciled and licensed to transact insurance or reinsurance in a qualified jurisdiction, as identified by the Commissioner;
- Maintain minimum capital and minimum surplus requirements or their equivalent in an amount prescribed by the Commissioner pursuant to the regulations concerning credit for reinsurance;
- Maintain financial strength ratings from two or more rating agencies that are deemed acceptable by the Commissioner pursuant to the amended regulations concerning credit for reinsurance;
- Agree to submit to the jurisdiction of this state and appoint the Commissioner as its agent for service of process in this state;

- Agree in the trust instrument, if the assuming insurer chooses to secure its obligations incurred under reinsurance agreements issued or renewed as a certified reinsurer in the form of a multi-beneficiary trust, that such assuming insurer shall, upon termination of any trust account of such trust, fund any deficiency of any other trust account of such trust out of the remaining surplus of the trust;
- Agree to meet applicable filing requirements as prescribed by the commissioner; and
- Comply with any other requirements deemed necessary for certification by the Commissioner.

If an applicant for certification has been certified as a reinsurer in a jurisdiction accredited by the National Association of Insurance Commissioners, the Commissioner may certify such applicant as a certified reinsurer in this state and may accept the rating assigned to such certified reinsurer by such jurisdiction.

The amended credit for reinsurance regulations provide more detail relating to the application process to become a certified reinsurer in Connecticut.

The Insurance Department has created a Credit for Reinsurance webpage. It can be accessed by clicking on the link on the right side of the Insurance Department homepage or using the following link to the [Certified Reinsurance](#) page. This webpage provides the following materials:

- Application to Become a Qualified Jurisdiction
- Checklist to Become a Qualified Jurisdiction
- Certified Reinsurer Application
- Certified Reinsurer Renewal Application
- Instructions for Public Comment regarding Certified Reinsurer Application and Renewal Applications (called Notice of Application for Certification Template)
- Links to the relevant statute and regulations

The webpage also provides a listing of jurisdictions that have been qualified and companies that have been certified by the Connecticut Insurance Department.

Regulatory bodies seeking to be qualified or companies seeking to become certified are required to contact the Financial Regulation Division before submitting any applications. Once these pre-application conversations have been held, three (3) hard copies of the relevant application must be submitted to the Financial Regulation Division at:

State of Connecticut Insurance Department
Attn: Financial Regulation Division – Credit For Reinsurance
153 Market St. 7th Floor
Hartford, CT 06103

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Please contact the Insurance Department Financial Regulation Division at 860.297.3814 or ctinsdept.financial@ct.gov with any questions.



Thomas B. Leonardi
Insurance Commissioner