

Certified Reinsurer

Pursuant to the Tenth Amendment to Regulations No. 17, 20 and 20-A (11 NYCRR125) http://www.ins.state.ny.us/r_finala/2011/rf17&20t.pdf, any unauthorized assuming insurer or any alien group of insurers that meets the Department's requirements may qualify as a Certified Reinsurer. Depending on the financial strength rating granted by the Department, a Certified Reinsurer will be allowed to post less than 100% collateral and still enable an authorized insurer to qualify for full reserve credit with respect to reinsurance contracts renewed or entered into on or after January 1, 2011, or the date the reinsurer becomes certified.

Financial Strength Rating granted by the Department	Percent of collateral required to allow ceding insurer to take full reserve credit
Secure-1	0%
Secure-2	10%
Secure-3	20%
Secure-4	75%
Vulnerable-5	100%

Initial and annual filing requirements to qualify as Certified Reinsurer

1. Company submits an initial application accompanied by a non-refundable fee of \$10,000. The annual renewal application must be accompanied by a non-refundable fee of \$5,000 (includes annual filing and processing charge of \$1,000) on or before the first day of July.
2. Company has on a stand-alone basis separate from its parent or any affiliates, an interactive financial strength rating from at least two of the following rating agencies: (1) Standard & Poor's (S&P); (2) Moody's Investors Service (Moody's); (3) Fitch Ratings (Fitch); (4) A.M. Best Company (Best); or (5) any other rating agency acceptable to the superintendent.
3. Company meets the standards of solvency, including standards for capital adequacy, established by its domiciliary regulator.
4. Company is authorized in its domiciliary jurisdiction to assume the kind or kinds of reinsurance ceded by the ceding insurer.
5. Company maintains a policyholders' surplus or equivalent in excess of \$250,000,000, which is calculated on the basis of U.S. GAAP or U.S. statutory accounting principles; or in the case of a group including incorporated and individual unincorporated underwriters, the group has minimum capital and surplus or equivalents (net of liabilities) of at least \$250 million and a central fund containing a balance of at least \$250 million.
6. Company submits audited financial statements of the unauthorized assuming insurer, from inception or for the last three years, whichever is less, and an actuarial opinion filed with its domiciliary regulator by the assuming insurer. The statements should include U.S. GAAP basis if available, or audited IFRS basis that includes an audited footnote reconciling equity and net income to U.S. GAAP basis.
7. Company submits a report in the form similar to the applicable NAIC Annual Filing Blank, either Schedule F or Schedule S.
8. Company submits a list of all disputed or overdue recoverables, regardless of whether the claims are in litigation or arbitration.

9. Company submits a certification from the domiciliary regulator of the assuming insurer that the assuming insurer is in good standing and that the regulator will provide financial and operational information to the superintendent.

10. The superintendent and the domiciliary regulator of the unauthorized alien assuming insurer have executed a memorandum of understanding (MOU) that addresses matters that the superintendent deems relevant for proper oversight of reinsurance transactions.

11. The assuming insurer must agree to notify the Department within 30 days of any change in domiciliary license status or any change in its rating status.

12. The reinsurer must agree that the reinsurance contract between the ceding insurer and the unauthorized assuming insurer must include an insolvency clause as provided for in Section 1308(a)(2)(A) of the Insurance Law, as well as designate a person in this State or the state of domicile of the ceding insurer as its true and lawful agent upon whom may be served any lawful process.

13. The reinsurer must agree that all reinsurance contracts will include the provisions of Sections 125.4(h)(6)(iv)(c) and 125.4(h)(6)(iv)(d) of Regulation 20.

Current List of Certified Reinsurers

Current Certified Reinsurers	Financial Strength Rating	Lines of Business Certified to Reinsure
ACE Tempest Reinsurance, Ltd.	Secure-2	Life, annuities and accident/health
Assured Guaranty Re Ltd.	Secure-3	Property/casualty
Hannover Re (Bermuda) Ltd	Secure-3	Property/casualty
Hannover Ruckversicherung AG	Secure-3	Life, annuities accident/health, property/casualty
Montpelier Reinsurance Ltd. (Bermuda)	Secure-3	Property/casualty
Swiss Reinsurance Company Ltd.	Secure-3	Life, annuities accident/health, property/casualty
Wilton Reassurance Company	Secure-3	Life, annuities and accident/health
XL Insurance (Bermuda) Ltd	Secure-3	Property/casualty
XL Re Ltd. (Bermuda)	Secure-3	Property/casualty

Contacts:

James Davis Assistant Chief Examiner State of New York Insurance Department Property Bureau 25 Beaver Street New York, NY 10004 (212) 480-5124	Dennis Fernez Assistant Chief Examiner State of New York Insurance Department Life Bureau 25 Beaver Street New York, NY 10004 Tel: (212) 480-5032	Carlton Meadows Supervising Examiner State of New York Insurance Department Life Bureau 25 Beaver Street New York, NY 10004 Tel: (212) 480-5017
--	---	---