

WSR 21-13-133
PREPROPOSAL STATEMENT OF INQUIRY
OFFICE OF THE
INSURANCE COMMISSIONER

[Insurance Commissioner Matter R 2021-05—Filed June 22, 2021, 10:48 a.m.]

Subject of Possible Rule Making: Reinsurance agreements.

Statutes Authorizing the Agency to Adopt Rules on this Subject:
RCW 48.02.060, 48.12.480; sections 2 and 4, chapter 138, Laws of 2021,
(SB 5048).

Reasons Why Rules on this Subject may be Needed and What They
Might Accomplish: The National Association of Insurance Commissioners
(NAIC) recently adopted two revisions to its Credit for Reinsurance
Model Law. The amendments to the model law incorporate provisions of
an agreement between the United States and the European Union (EU).
The agreement eliminates reinsurance collateral and local presence re-
quirements for EU reinsurers that maintain \$250 million of their own
funds and one hundred percent solvency capital. Conversely, the United
States reinsurers that maintain similar capital and surplus would not
be required to maintain a local presence in order to do business in
the EU or in any EU jurisdiction. A similar agreement was signed with
the United Kingdom and extends similar treatment to qualified juris-
dictions and accredited NAIC jurisdictions. SB 5048 (2021) passed this
past legislative session incorporating key components of the NAIC mod-
el. The commissioner is considering rule making to further align with
the model law.

Process for Developing New Rule: Submit written comments by July
15, 2021.

Interested parties can participate in the decision to adopt the
new rule and formulation of the proposed rule before publication by
contacting David Forte, 302 Sid Snyder Avenue S.W., Olympia, WA 98504,
phone 360-725-7042, fax 360-586-3109, TTY 360-586-0241, email
rulescoordinator@oic.wa.gov, website www.insurance.wa.gov.

June 22, 2021
Mike Kreidler
Insurance Commissioner