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 requirements 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 jurisdictions and accredited NAIC jurisdictions. SB 5048 (2021) passed this past legislative session incorporating key components of the NAIC model. The commissioner is considering rule making to further align with the model law.


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