



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017)
(Implements RCW 34.05.310)

Do **NOT** use for expedited rule making

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STATE OF WASHINGTON
FILED

DATE: June 22, 2021

TIME: 10:48 AM

WSR 21-13-133

Agency: Office of the Insurance Commissioner

Subject of possible rule making: Reinsurance agreements

Insurance Commissioner Matter R 2021-05

Statutes authorizing the agency to adopt rules on this subject: RCW 48.02.060, 48.12.480, section 2, chapter 138, Laws of 2021, and section 4, chapter 138, Laws of 2021 (Senate Bill 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 100% solvency capital. Conversely, U.S. 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. Senate Bill 5048 (2021) passed this past legislative session incorporating key components of the NAIC model. The Commissioner is considering rulemaking to further align with the model law.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: None

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) 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:

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(If necessary)

Name:
Address:
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Web site:
Other:

Additional comments:

Date: June 22, 2021	Signature: 
Name: Mike Kreidler	
Title: Insurance Commissioner	