



SUMMARIES *and* REPORTS

Summer 2009 National Meeting

Reinsurance (E) Task Force

[Reinsurance \(E\) Task Force Page](#)

[Joint Executive \(EX\) / Plenary Committee Summary Report](#)

[Summer 2009 Meeting Summaries Index](#)

The Reinsurance (E) Task Force met June 13, 2009.

During this meeting, the Task Force:

- Received an update on HR 2571, The Nonadmitted and Reinsurance Reform Act of 2009, and on current discussion in the U.S. Congress regarding previous and possible future proposals to amend the Internal Revenue Code of 1986 to disallow the deduction for excess non-taxed reinsurance premiums with respect to U.S. risks paid to affiliates.
- Discussed the implementation process for the NAIC Reinsurance Regulatory Modernization Framework. The Task Force reviewed comments and discussion from its May 6–7 meeting. The Task Force noted that the NAIC has retained the services of Sidley Austin, LLP, to review the March 24 draft of the federal Reinsurance Regulatory Modernization Act of 2009, in order to provide advice regarding related constitutional issues. The Task Force advised that it will draft a revision of the legislation and distribute the draft for public comment after considering information provided by Sidley Austin, as well as comments related to non-constitutional issues.
- Received comments and discussed a proposed amendment to the Credit for Reinsurance Model Act (#785) that would provide a domiciliary commissioner with the authority to lower the minimum trusteed surplus requirement applicable to a multiple-beneficiary trust maintained by an assuming insurer in run-off (Tawa Proposal). The Task Force adopted a motion to direct NAIC staff to initiate the consideration process under procedures for model law development necessary to consider amendments to the Credit for Reinsurance Model Law and/or the Credit for Reinsurance Model Regulation (#786) with respect to 1) the Tawa Proposal; and 2) changes to the model law to be adopted uniformly by each state that chooses to seek certification as a home state supervisor of national reinsurers or port of entry supervisor as required under the proposed Reinsurance Regulatory Modernization Act of 2009.
- Adopted a guidance memo regarding reinsurance collateral for distribution to all commissioners, directors and superintendents of NAIC-member jurisdictions. The guidance was originally developed at the request of the Capital and Surplus Relief (EX) Working Group.
- Received an update on recent activity of the Reinsurance Subcommittee and Reinsurance Transparency Subgroup of the International Association of Insurance Supervisors.
- Received minutes from its May 6–7 meeting.

Action Items:

- Directed NAIC staff to prepare a request form for consideration of amendments to the Credit for Reinsurance Model Law (#785) and/or the Credit for Reinsurance Model Regulation (#786).
- Adopted a guidance memo regarding reinsurance collateral for distribution to all commissioners, directors and superintendants of NAIC-member jurisdictions.
- Received minutes from the Task Force's May 6–7 meeting.



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