

Summary of the Twelfth Amendment to 11 NYCRR 125 (Insurance Regulations 17, 20, and 20-A)

Section 125.1 is amended to add a preamble and make technical changes to the existing applicability language.

Section 125.2 adds new definitions.

Section 125.4(h)(7)(iv)(h) and (vii)(d) are amended to make technical changes and to require a translation into the English language.

A new Section 125.4(h)(11) is added regarding multi-beneficiary trusts.

A new Section 125.4(i) is added to provide an alternative method for allowing ceding insurers balance sheet credit for cessions to unauthorized assuming insurers. This section eliminates the requirement for the posting of collateral by reinsurers domiciled or headquartered in “reciprocal jurisdictions”, which includes the United Kingdom, member nations of the European Union, National Association of Insurance Commissioners (“NAIC”)-accredited jurisdictions, and any other jurisdiction that is a qualified jurisdiction pursuant to Section 125.4(h)(8) and that the Superintendent of Financial Services (“Superintendent”) determines meets certain additional requirements. In order for the ceding insurer to take full credit for the reinsurance without the assuming insurer posting 100% collateral, the assuming insurer must also meet certain requirements, such as being licensed to transact reinsurance by, and have its head office or be domiciled in, a reciprocal jurisdiction, and maintaining a minimum capital and surplus of at least \$250 million.

Section 125.5(a) and (b)(4) are amended to reference Section 125.4(i) and make technical changes.

Section 125.6(b) is amended to reference Section 125.4(i) and a reciprocal jurisdiction.

Section 125.7 is amended to permit the Superintendent to issue a certificate of recognition as a reciprocal jurisdiction reinsurer to each assuming insurer that complies with Section 125.4(i), and to make a technical change.

Section 125.8 is amended to reference a reciprocal jurisdiction reinsurer, increase the annual filing and processing fee from \$1,000 to \$2,000, and to make a technical change.