

**NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
THIRTEENTH AMENDMENT TO INSURANCE REGULATIONS 17, 20 AND 20-A
(11 NYCRR 125)**

CREDIT FOR REINSURANCE

I, Adrienne A. Harris, Superintendent of Financial Services, pursuant to the authority granted by Sections 202 and 302 of the Financial Services Law and Sections 301, 1301(a)(9), 1301(c), 1308 and 4525(b) of the Insurance Law, do hereby promulgate the following Thirteenth Amendment to Part 125 of Title 11 of the Official Compilation of Codes, Rules, and Regulations of the State of New York (Insurance Regulations 17, 20, and 20-A), to take effect upon publication of the Notice of Adoption in the State Register, to read as follows:

(New Matter is Underlined; Matter in Brackets is Deleted)

The lead-in paragraph of section 125.4(h)(8)(ii) is amended as follows:

(ii) In order to determine whether the domiciliary jurisdiction of an alien assuming insurer is eligible to be recognized as a qualified jurisdiction, the superintendent will evaluate the reinsurance supervisory system of the non-U.S. jurisdiction, both initially and on an ongoing basis, and consider the rights, benefits and the extent of reciprocal recognition afforded by the non-U.S. jurisdiction to reinsurers licensed and domiciled in the U.S. The superintendent will create and publish a list of jurisdictions whose domiciliary reinsurers may be approved by the superintendent as eligible for certification. No jurisdiction will be deemed to be qualified unless it agrees to share information in accordance with Insurance Law section 110 and cooperate with the superintendent with respect to all certified reinsurers and reciprocal jurisdiction reinsurers domiciled within that jurisdiction. Additional factors to be considered in determining whether to recognize a qualified jurisdiction, in the discretion of the superintendent, include the following:

Section 125.6(b) is amended as follows:

(b) Other than as permitted pursuant to sections 125.4(e), (f) and (g) for risks other than life, annuity and accident and health, or section 125.4(h) and (i) of this Part, credit taken by a ceding insurer for reinsurance ceded to an unauthorized assuming insurer, which is not an accredited, certified, or reciprocal jurisdiction assuming insurer, shall not exceed the amounts withheld under a reinsurance treaty with such unauthorized insurer as security for the payment of obligations thereunder, provided such funds are held subject to withdrawal by, and under the control of, the ceding insurer. Amounts withheld include:

(1) For reinsurance treaties other than those entered into on or after January 1, 2015 ceding term life insurance or universal life insurance with secondary guarantees or those entered into prior to January 1, 2015 ceding term life insurance or universal life insurance with secondary guarantees issued on or after January 1, 2015:

(i) funds withheld for which the ceding insurer has set up a liability;

[(2)] (ii) letters of credit complying with Part 79 of this Title (Insurance Regulation 133); and

[(3)] (iii) funds deposited in trust agreements complying with Part 126 of this Title (Insurance Regulation 114); and

(2) For a reinsurance treaty entered into on or after January 1, 2015 ceding term life insurance or universal life insurance with secondary guarantees or a reinsurance treaty entered into prior to January 1, 2015 ceding term life insurance or universal life insurance with secondary guarantees issued on or after January 1, 2015, any security listed in paragraph (1) of this subdivision that meets the requirements of the National Association of Insurance Commissioners' Actuarial Guideline XLVIII.¹

A new section 125.9 is added as follows:

§ 125.9 Credit taken under certain conditions.

Credit taken by an authorized insurer for a reinsurance treaty entered into on or after January 1, 2015 ceding term life insurance or universal life insurance with secondary guarantees or a reinsurance treaty entered into prior to January 1, 2015 ceding term life insurance or universal life insurance with secondary guarantees issued on or after January 1, 2015 to an authorized assuming insurer or accredited assuming insurer where the assuming insurer does not meet the exemptions in the National Association of Insurance Commissioners' Actuarial Guideline XLVIII, shall not exceed the amount of funds held by or on behalf of the ceding insurer as security for the payment of obligations for such reinsurance, provided such funds meet the requirements of the National Association of Insurance Commissioners' Actuarial Guideline XLVIII.

¹ Actuarial Guideline XLVIII is included in the National Association of Insurance Commissioners' publication entitled the *Accounting Practices and Procedures Manual*. See 11 NYCRR Section 83.2(c).

KATHY HOCHUL
Governor



ADRIENNE A. HARRIS
Superintendent

CERTIFICATION

I, Adrienne A. Harris, Superintendent of Financial Services, do hereby certify that the foregoing is the Thirteenth Amendment to Part 125 of Title 11 of the Official Compilation of Codes, Rules, and Regulations of the State of New York (Insurance Regulations 17, 20, and 20-A), signed by me on July 1, 2024 pursuant to the authority granted by Financial Services Law Sections 202 and 302 and Insurance Law Sections 301, 316, 1501(a), 1503(c), 1604, 1702, and 1717(c), to take effect upon the publication of the Notice of Adoption in the State Register.

Pursuant to the provisions of the State Administrative Procedure Act, prior notice of the proposed rule was published in the New York State Register on April 24, 2024. No other publication or prior notice is required by statute.

Signed copy filed with Department of State
Adrienne A. Harris
Superintendent of Financial Services

Date: July 1, 2024