

**Maryland Insurance Administration**  
**Reinsurance Application for Certified Reinsurers**

This application is to be completed by an insurer seeking to be authorized as a certified reinsurer in Maryland. The insurer (“Applicant”) should complete the information requested below and provide the supporting documentation required referencing the appropriate section of the application checklist. The Commissioner reserves the right to request information in addition to what has been set forth in this application.

**I. Applicant Information**

Company Name:  
Home Office Address:  
Domiciliary Jurisdiction / Supervisory Authority:  
Ultimate Controlling Person (§ 7-101):  
Applicable Lines of Business:  
  
Primary Contact Name:  
Email:  
Telephone:  
Address:

**II. Filing Requirements for Reinsurer Currently Certified by Another NAIC-Accredited Jurisdiction**

If an applicant for certification has been certified as a reinsurer in an NAIC accredited jurisdiction, the Maryland Commissioner has the discretion to defer to that jurisdiction’s certification and assigned rating; i.e., “passporting.” To assist the Maryland Commissioner in the determination to defer to another jurisdiction’s certification the following application procedures should be followed:

- a. Has the applicant been certified by an NAIC accredited jurisdiction? (Yes or No)\_\_\_\_;  
[If “Yes,” Maryland will confirm that the initial or renewal certification has been reviewed by the NAIC Reinsurance Financial Analysis (E) Working Group (“ReFAWG”) for passporting purposes.]
- b. If the answer to question II.a. (above) is “No,” please proceed to Section III of this application.
- c. If the answer to question II.a. (above) is “Yes,” the applicant shall provide the information specified in the table below for consideration by the Commissioner. In the alternative, the Commissioner may permit the applicant to provide written certification that some or all the required information was previously filed with the Lead State and the ReFAWG.

Note: The ReFAWG and the Lead State may have already collected, reviewed and approved relevant documentation such as; Biographical Affidavits, Certificates of Good Standing, Licenses, Rating Agency Reports, Reports of Auditors and other certification documents. States are encouraged to accept these prior filings as complete, in lieu of duplicative filing requests.

Citation to State Law / Regulation	Requirements	Y or N	Reference and Supporting Documents
§5-909 COMAR 31.05.08.24F(1)	<p><b>Status of Domiciliary Jurisdiction:</b> The applicant must be domiciled and licensed in a Qualified Jurisdiction, as determined by this state.</p>		
§5-909 COMAR 31.05.08.24F(5) and 31.04.08.24K	<p><b>Verification of Certification Issued by an NAIC Accredited Jurisdiction:</b> If the applicant is requesting that the Commissioner recognize the certification issued by another NAIC accredited jurisdiction (i.e., passporting), the applicant must provide a copy of the approval letter or other documentation provided to the applicant by such NAIC accredited jurisdiction. The applicant must confirm the following information:</p> <ul style="list-style-type: none"> <li>a. Name of state(s) in which applicant is currently certified.</li> <li>b. The rating and collateral percentage assigned by the accredited jurisdiction with respect to the applicant.</li> <li>c. The effective and expiration dates with respect to the certification</li> <li>d. The lines of business to which the certification is applicable.</li> <li>e. The applicant's commitment to comply with all requirements necessary to maintain certification.</li> </ul>		

<p>§5-911 and COMAR 31.05.08.08 through .10</p>	<p><b>Mechanisms Used to Secure Obligations Incurred as a Certified Reinsurer:</b>  The applicant must specify the mechanisms it will use to secure obligations incurred as a Certified Reinsurer. If the applicant intends to utilize a multibeneficiary trust for this purpose, the applicant must submit (1) a copy of the approval from the domiciliary regulator with regulatory oversight of the 100% collateral and reduced collateral multibeneficiary trusts or its intention to secure the approval of the domiciliary regulator of the trust before either trust can be used. (2) the form of the trust that will be used to secure obligations incurred as a certified reinsurer; and (3) the form of the trust that will be used to secure obligations incurred outside of the applicant’s certified reinsurer status, i.e., the applicant’s 100% collateralized trust (if applicable). The form of each trust is required to be submitted pursuant to state law in order to ensure that security for these obligations will be kept separate and to ensure that each trust meets the requirements of the state’s Credit for Reinsurance statute and/or regulation.</p> <p><b>NOTE:</b>  <i>The MBT includes a provision that: The certified reinsurer must bind itself by the language of the multibeneficiary trust and agreement with the Commissioner with principal regulatory oversight of each such trust account, to fund, upon termination of any such trust account, out of the remaining surplus of such trust any deficiency of any other such trust account.</i></p>		

Citation to State Law/Regulation	Requirements	Y or N	Reference and Supporting Documents
COMAR 31.05.08.24(J)(7)	<p><b>Form CR-1 (For Initial and Renewal Applications):</b> The applicant must provide Maryland Form CR-1, which must be properly executed by an officer authorized to bind the applicant to the commitments set forth in the form. <a href="https://insurance.maryland.gov/Insurer/Documents/insurer-services/formcr-1.pdf">https://insurance.maryland.gov/Insurer/Documents/insurer-services/formcr-1.pdf</a></p>		
§6-2035 §2-112(a)(9)	<p><b>Fee:</b> \$2,000 made payable to the Maryland Insurance Administration</p>		
COMAR 31.05.08.24F(4) and D(3)	<p><b>Other Requirements:</b> The applicant must:</p> <ol style="list-style-type: none"> <li>a. Commit to comply with other reasonable requirements deemed necessary for certification by the certifying state. Failure to comply with such other requirement could disqualify the reinsurer from certification.</li> <li>b. Provide a statement that the applicant agrees to post 100% security upon the entry of an order of rehabilitation or conservation against the ceding insurer or its estate.</li> </ol>		
COMAR 31.05.08.24E(1)	<p><b>Public Notice Requirement:</b> The Maryland Commissioner is required to post notice on the insurance department's website promptly upon receipt of any application for certification, including instructions on how members of the public may respond to the application. The Maryland Commissioner may not take final action on the application until at least 30 days after posting such notice. The Maryland Commissioner will consider any comments received during the public notice period with respect to this application.</p>		

### III. Filing Requirements:

Citation to Insurance Article, Annotated Code of Maryland/Code of Maryland Regulations	<u>Requirements</u>	<u>Reference and Supporting Documents</u>
§5-909  COMAR 31.05.08.24(J) (5) & (6)	<b>Status of Domiciliary Jurisdiction:</b>  If the Applicant is authorized as a certified reinsurer in another jurisdiction:  1. Submit documentation (e.g., approval letter, certificate of authority) from a NAIC accredited jurisdiction if the Applicant has been approved as a certified reinsurer in that jurisdiction. At the minimum, this documentation must confirm the following information: a) Name of state(s) in which Applicant is currently certified. b) The rating and collateral percentage assigned with respect to the Applicant.	

Citation to Insurance Article, Annotated Code of Maryland/Code of Maryland Regulations	<u>Requirements</u>	<u>Reference and Supporting Documents</u>
	c) The effective and expiration dates with respect to the certification. d) The lines of business to which the certification is applicable. e) The Applicant's commitment to comply with all requirements necessary to maintain certification.	
§5-908(a)  COMAR 31.05.08.24E(1)          COMAR 31.05.08.24J(5)	If the Applicant is NOT authorized as a certified reinsurer in another jurisdiction:  1. Submit a copy of the certificate of authority or license to transact insurance and/or reinsurance from the Applicant's domiciliary jurisdiction. Identify the jurisdiction: _____ Date of Expiration: _____  2. Submit a certification from the Applicant's domestic supervisory authority affirming that the Applicant is in good standing (or the jurisdiction's equivalent classification) and maintains capital and surplus in excess of the jurisdiction's highest regulatory action level.	

<p>COMAR 31.05.08.24J</p>	<p><b>Financial Filings:</b></p> <p>1. Submit the most recent report of the independent auditor.</p> <p>2. Submit the audited financial statements for the last three years that demonstrates the Applicant has minimum capital and surplus, or the equivalent, of at least \$250,000,000. If the Applicant is an association including incorporated and individual unincorporated underwriters, statements must demonstrate that the reinsurer has capital and surplus equivalents (net of liabilities) of at least \$250,000,000, and a central fund containing a balance of at least \$250,000,000. Please note the following requirements with respect to these financial statements:</p> <ul style="list-style-type: none"> <li>• Audited U.S. GAAP basis statements must be submitted if available.</li> <li>• Audited IFRS basis statements are acceptable but must include an audited footnote reconciling equity and net income to a U.S. GAAP basis.</li> <li>• With the permission of the Commissioner, an Applicant may be allowed to submit audited IFRS basis statements with reconciliation to U.S. GAAP certified by an officer of the Applicant.</li> <li>• Upon the initial application for certification, the Commissioner may consider audited financial statements for the last three years as filed with the Applicant's non-U.S. jurisdiction supervisor. If the Commissioner accepts such statements in the initial filing, the Applicant must acknowledge and commit that future financial statement filings will include the appropriate reconciliation to a U.S. GAAP basis, as indicated above.</li> </ul>	
<p>COMAR 31.05.08.24J</p>	<p><b>Actuarial Opinion/Regulatory Filings:</b></p> <p>Submit the actuarial opinion as filed with the non-U.S. jurisdiction supervisor and any other regulatory filings.</p>	
<p>COMAR 31.05.08.24L(1)</p>	<p><b>Reinsurance Ceded:</b></p> <p>Applicants not domiciled in the U.S. shall submit a properly executed NAIC Form CR-F Assumed Reinsurance (for property/casualty Applicants) or NAIC Form CR-S Reinsurance Assumed (for life and health Applicants).</p>	

COMAR 31.05.08.24J(7)	<b>Form CR-1:</b> Submit the properly executed Maryland Insurance Administration Certificate of Certified Reinsurer Form CR-1.	
COMAR 31.05.08.24F(3) and (4)	<p><b>Financial Strength Ratings:</b></p> <p>The Applicant must maintain interactive financial strength ratings from two or more acceptable rating agencies:</p> <ol style="list-style-type: none"> <li>1. Submit a list of all interactive financial strength ratings currently maintained by the Applicant.</li> <li>2. Submit the full rating agency reports with respect to all financial strength ratings currently maintained by the Applicant, if available.</li> <li>3. If a full rating agency report is not available, the Applicant must provide a letter from the applicable rating agency confirming its current financial strength rating.</li> <li>4. Provide a description of any changes within the last three years in the financial strength rating from an approved rating agency.</li> </ol> <p>NOTE: Acceptable rating agencies include A.M. Best, Fitch Ratings, Moody's Investor Service, Standard &amp; Poor's, Kroll Bond Rating Agency, or any other Nationally Recognized Statistical Rating Organization deemed acceptable by the Commissioner.</p>	

Citation to Insurance Article, Annotated Code of Maryland/Code of Maryland Regulations	<u>Requirements</u>	<u>Reference and Supporting Documents</u>
COMAR 31.05.08.24G(2) (e) and G(2)(b)	<p><b>Disputed and/or Overdue Reinsurance Claims/ Business Practices:</b></p> <p>1. Submit a list of all reinsurance claims that are in dispute and/or more than 90 days past due regarding reinsurance assumed from U.S. domestic ceding insurers.</p> <p>2. Submit a description of the Applicant’s business practices in dealing with U.S. ceding insurers, including its record of compliance with reinsurance contractual terms, and a statement that the Applicant commits to comply with all contractual requirements applicable to reinsurance contracts with U.S. ceding insurers.</p>	
COMAR 31.05.08.24G	<p><b>Receivership and Liquidation Priority:</b></p> <p>Submit information on the liquidation priority of reinsurance obligations to domestic and non- domestic ceding insurers in the context of an insolvency proceeding.</p>	
COMAR 31.05.08.24G(2) (j)	<p><b>Solvent Schemes of Arrangement:</b></p> <p>Submit a description of any past, present, or proposed future participation in any solvent scheme of arrangement, or similar procedure, involving U.S. ceding insurers.</p>	
COMAR 31.05.08.24G(2) (f)	<p><b>Regulatory Actions:</b></p> <p>Submit a description of any regulatory actions taken against the reinsurer which shall include all regulatory actions, fines and penalties, regardless of the amount, and any changes with respect to the provisions of the reinsurer’s domiciliary license.</p>	



Citation to Insurance Article, Annotated Code of Maryland/Code of Maryland Regulations	<u>Requirements</u>	<u>Reference and Supporting Documents</u>
§5-911 and COMAR 31.05.08.08 through .10	<p><b>Mechanism Used to Secure Obligations Incurred as a Certified Reinsurer:</b></p> <p>1. Specify the mechanism the Applicant will use to secure obligations incurred as a Certified Reinsurer if so approved by the Commissioner.</p> <p>2. If the Applicant intends to utilize a multi-beneficiary trust for this purpose, submit:</p> <ul style="list-style-type: none"> <li>a) The form of the trust that will be used to secure obligations incurred as a certified reinsurer; and</li> <li>b) The form of the trust that will be used to secure obligations incurred outside of the applicant’s certified reinsurer status, i.e., the applicant’s 100% collateralized trust (if applicable).</li> </ul> <p>3. Submit evidence that the form of the trust and any amendments to the trust have been approved by either the insurance regulatory agency of the state where the trust is domiciled or the insurance regulatory agency of another state who, pursuant to the terms of the trust instrument, has accepted responsibility for regulatory oversight of the trust.</p>	
§6-203 §2-112(a)(9)	<b>\$2,000 made payable to the Maryland Insurance Administration</b>	

**CERTIFICATION**

The undersigned has executed the attached application dated \_\_\_\_\_, 20\_\_\_\_, on behalf of \_\_\_\_\_(Name of Applicant). The undersigned is the \_\_\_\_\_(Title) of \_\_\_\_\_(Name of Applicant) and is authorized to execute and make this application. By signing below, the undersigned indicates that he/she is familiar with the contents of the application and that the information contained in this application is accurate and complete to the best of his/her information and belief.

\_\_\_\_\_(Signature)

\_\_\_\_\_(Type or Print Name)