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Acting Commissioner

LYNN BECKNER  
Associate Commissioner  
Financial Regulation

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202  
Direct Dial: 410-468-2168 Fax: 410-468-2020  
[www.insurance.maryland.gov](http://www.insurance.maryland.gov)

## **BULLETIN 24-17**

DATE: July 9, 2024  
TO: Insurance Holding Company Systems  
RE: Annual Group Capital Calculation

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The Maryland Insurance Administration (the “Administration”) is issuing this Bulletin to advise insurance holding company systems about 2024 Maryland Laws Ch. 121, which establishes an annual group capital calculation reporting requirement, is codified at Section 7–603(i),<sup>1</sup> and will become effective on October 1, 2024. The deadline to report an annual group capital calculation for the initial reporting period is May 1, 2025. Details about the reporting requirement are set forth below.

Section 7–603(i) requires the ultimate controlling person of an insurance holding company system to file an annual group capital calculation with the lead state commissioner.<sup>2</sup> The group capital calculation includes information about potential risks to policyholders emanating from outside the insurance companies, as well as the location and sources of capital within the group. It will be used by the Administration in solvency monitoring activities.

Section 7–603(i)(2) describes circumstances in which an insurance holding company system is exempt from filing an annual group capital calculation. Section 7–603(i)(4) provides that the lead state commissioner may exempt an insurance holding company system from filing an annual group capital calculation or accept a limited group capital filing in lieu of an annual group calculation, in accordance with criteria the lead state commissioner specifies by regulation. The Administration expects to promulgate a regulation that specifies the criteria it will apply when exercising discretion pursuant to Section 7–603(i)(4) no later than December 1, 2024.

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<sup>1</sup> Statutes referenced in this Bulletin are within the Insurance Article of the Annotated Code of Maryland.

<sup>2</sup> The term “lead state” is defined in the NAIC Financial Analysis Handbook.

The annual group capital calculation must be completed in accordance with the NAIC Group Capital Calculation Instructions, which are available on the NAIC Group Capital Calculation Working Group website<sup>3</sup> under “Documents.”

**An insurance holding company system that is required to file an annual group capital calculation with the Administration must file it on or before May 1. It may be submitted by email to [holdingcompanyfiling.mia@maryland.gov](mailto:holdingcompanyfiling.mia@maryland.gov) or by mail to the address below.**

**Chief Financial Analyst  
Maryland Insurance Administration  
200 St. Paul Place, Suite 2700  
Baltimore, Maryland 21202**

Any questions about this Bulletin or the annual group capital calculation requirement may be directed to:

Gregory Ricci, Chief Financial Analyst  
[gregory.ricci@maryland.gov](mailto:gregory.ricci@maryland.gov)  
(410) 468-2168

Joy Hatchette  
Acting Insurance Commissioner

By: **Signature on Original**  
Lynn Beckner  
Associate Commissioner  
Financial Regulation

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<sup>3</sup> <https://content.naic.org/committees/e/group-capital-calculation-wg>