

Public Notice: List of accredited reinsurers.
 See: 26 N.J.R. 4836(a).
 Public Notice: List of accredited reinsurers.
 See: 27 N.J.R. 5058(a).
 Amended by R.1996 d.3, effective January 2, 1996.
 See: 27 N.J.R. 3278(b), 28 N.J.R. 152(b).
 Public Notice: List of accredited reinsurers.
 See: 29 N.J.R. 5339(a).
 Public Notice: List of accredited reinsurers.
 See: 31 N.J.R. 80(a).
 Public Notice: List of accredited reinsurers.
 See: 32 N.J.R. 608(a).
 Public Notice: List of accredited reinsurers.
 See: 32 N.J.R. 4314(a).
 Amended by R.2001 d.6, effective January 2, 2001.
 See: 32 N.J.R. 3530(a), 33 N.J.R. 85(a).
 Public Notice: List of accredited reinsurers.
 See: 34 N.J.R. 315(b).
 Public Notice: List of Accredited Reinsurers.
 See: 35 N.J.R. 278(a), 5624(a).
 Public Notice: List of Accredited reinsurers.
 See: 37 N.J.R. 363(a).

11:2-28.5 Reinsurer domiciled and licensed in another state or jurisdiction which employs substantially similar standards to this subchapter

(a) An insurer shall be permitted to take a credit for reinsurance ceded to an assuming insurer which, as of the date of the ceding insurer's statutory financial statement:

1. Is domiciled and licensed in, or in the case of a United States branch of an alien assuming insurer, is entered through and licensed in, a state which employs substantially similar standards regarding credit for reinsurance to those set forth in this subchapter:

2. Submits a non-refundable filing fee of \$250.00 made payable to Treasurer, State of New Jersey;

3. Files with the Commissioner a certified copy of a certificate of authority, a certificate of compliance or an equivalent document which has been properly notarized as evidence that it is licensed to transact insurance or reinsurance in its state of domicile or, in the case of a United States branch of an assuming alien insurer, is entered through and licensed to transact insurance or reinsurance in at least one state:

4. Files with the Commissioner a properly executed form AR-1 (see Appendix) as evidence that it submits to this State's jurisdiction and authority to examine its books and records;

5. Files with the Commissioner a certification executed by an authorized officer of the reinsurer which certifies that the reinsurer's condition and method of operations are financially sound and will not render its operations hazardous to the public or its policyholders as determined by the factors set forth at N.J.A.C. 11:2-27.3. The officer shall certify that:

i. For a life and health assuming insurer, that:

(1) Its policy reserves are adequate; and

(2) It satisfies all minimum capital and surplus requirements in all states in which it is licensed to transact business; and

(3) Its capital and surplus levels are adequate relative to its distribution by type and level of risk of its invested assets and the business being written, and attaches any and all documents in support thereof;

ii. For a property and casualty assuming insurer, that net premium written to surplus as to policyholders does not exceed a 3:1 premium to surplus ratio and loss and loss adjustment expense reserve liability to surplus does not exceed a 4:1 ratio as of the date of the certified balance sheet from its most recent annual statement; and

iii. Except for reinsurance ceded and assumed pursuant to pooling arrangements among insurers in the same holding company system, that it maintains a surplus as regards policyholders in an amount not less than \$20,000,000;

6. A reinsurer shall append to the certification set forth in (a)5 above, a certified balance sheet from the reinsurer's most recent annual statement;

7. Within 90 days from the date of receipt of the completed filing, the filing shall either be deemed approved or the Commissioner shall transmit a letter to the filer which identifies the reasons upon which the Commissioner has found that either the reinsurer's state or jurisdiction of domicile does not employ substantially similar standards or the reinsurer otherwise fails to satisfy the requirements of this subchapter;

8. A reinsurer authorized pursuant to this section shall notify the Commissioner within 30 days of the occurrence of any of the following actions taken against it by any state or jurisdiction:

i. Any limitation on its ability to write new or renewal business;

ii. Any delinquency proceedings;

iii. A suspension, revocation or nonrenewal of its certificate of authority in any state or jurisdiction;

iv. An order or any action by any state or jurisdiction which requires it to cease writing new or renewal business; or

v. Any action, by any state or jurisdiction, requiring that the reinsurer file a plan or any document to increase its capital, for example, a risk based capital plan.

9. The above information shall be filed with the Commissioner at:

Office of Financial Examinations
 Attention: Reinsurance—Similar Standards
 New Jersey Department of Banking and Insurance
 20 West State Street
 PO Box 325
 Trenton, New Jersey 08625-0325

Amended by R.1996 d.3, effective January 2, 1996.
 See: 27 N.J.R. 3278(b), 28 N.J.R. 152(b).
 Amended by R.2001 d.6, effective January 2, 2001.
 See: 32 N.J.R. 3530(a), 33 N.J.R. 85(a).

11:2-28.6 Reinsurer maintaining trust funds

(a) An insurer shall be permitted to take a credit for reinsurance ceded to an assuming insurer where as of the date of the ceding insurer's statutory financial statement the assuming insurer meets the standards set forth in (a)1 and 2 below, in accordance with the procedures set forth in (a)3 through 8 below:

1. The assuming insurer maintains a trust fund in an amount prescribed in (b) below in a qualified United States financial institution for the payment of the valid claims of its United States policyholders and ceding insurers, their assigns and successors in interest.

2. The assuming insurer files with the Commissioner a letter requesting authorization to provide reinsurance. The letter shall specify: that the reinsurer seeks authorization based on the fact that it maintains trust funds for the benefit of its ceding insurers and United States policyholders; the location of the trust funds; and a list of documents and information submitted therewith and upon which the assuming insurer shall rely in connection with its request for authorization. The reinsurer shall submit to the Commissioner the following:

- i. A nonrefundable filing fee made payable to Treasurer, State of New Jersey of \$1,000 for an initial filing and \$1,000 for a renewal filing;
- ii. A properly executed form AR-1;
- iii. A description of which categories of insurance are effected by the cessions;
- iv. A certification executed by an authorized officer of the reinsurer which certifies that the reinsurer's condition and method of operations are financially sound and will not render its operations hazardous to the public or its policyholders as determined in accordance with the factors set forth at N.J.A.C. 11:2-27.3. The officer shall certify:

(1) For a life and health assuming insurer, that:

- (A) Its policy reserves are adequate;
- (B) It satisfies all minimum capital and surplus requirements in all states in which it is licensed to transact business; and

(C) Its capital and surplus levels are adequate relative to its distribution by type and level of risk of its invested assets and the business being written, together with any and all documents in support thereof;

(2) For a property and casualty assuming insurer, that net premium written to surplus as to policyholders does not exceed a 3:1 premium to surplus ratio and loss and loss adjustment expense reserve liability to surplus does not exceed a 4:1 ratio as of the date of the certified balance sheet from its most recent annual statement; and

(3) To the accuracy of the information required by (b) below;

v. A certified balance sheet from the reinsurer's most recent annual statement; and

vi. A list of the assets of the trust certified by the trustee.

3. The information in (a)1 and 2 above shall be filed with the Commissioner at:

Office of Financial Examinations
 Attention: Reinsurance Trust Fund
 New Jersey Department of Banking and Insurance
 20 West State Street
 PO Box 325
 Trenton, New Jersey 08625-0325

4. A reinsurer shall reapply for authorization annually at the address set forth in (a)3 above no later than June 1 of each year.

5. Within 30 days from receipt of the information in (a)1 and 2 above the Commissioner shall notify the filer of any deficiencies in its submission and the filer shall have 30 days to cure such deficiencies.

6. Within 90 days from the date of receipt of the completed filing, the filing shall either be deemed approved or the Commissioner shall transmit a letter to the filer which identifies the reasons upon which he or she has relied to determine that the filer has not met the requirements of this section and that insurers shall be prohibited from reporting credits for reinsurance for insurance ceded to the filer.

7. A reinsurer authorized pursuant to this section shall notify the Commissioner within 30 days of the occurrence of any of the following actions taken against it by any state or jurisdiction:

- i. Any limitation on its new or renewal business;
- ii. Any delinquency proceedings;
- iii. Its certificate of authority is suspended, revoked or nonrenewed in any state or jurisdiction;