

NAIC Accreditation HB 2045



NAIC Accreditation

DCBS required to maintain accreditation by the NAIC

NAIC accreditation:

- Provides assurance that minimum standards are met
- Allows states to rely on each other for regulation of non-domestic business
- Reduces regulatory redundancies for insurers and for states

Credit for Reinsurance Model Law #785

Model law is required for accreditation

- Reinsurance is insurance for insurance companies
- Credit for reinsurance is an accounting rule
 - Allows insurers to receive a financial statement credit for potential liabilities transferred to a reinsurer

Revised Model Law #785

NAIC revised the model law to implement the reinsurance collateral provisions of the Covered Agreements.

- Covered Agreements were negotiated under the Dodd-Frank Act.
- Agreements between the U.S. and European Union and United Kingdom, eliminate certain non-U.S. reinsurer collateral requirements.

Failure to adopt the provisions

States are required to adopt the covered agreement provisions by Sept. 1, 2022.

Failure adopt such provisions will result in:

- Loss of NAIC accreditation
- Federal preemption of state regulatory authority

HB 2045 amendments

DCBS proposed amendments to HB 2045 to include the key provisions of NAIC Model Law #785.

HB 2045 amendments will also:

- Correct the minimum trusteed surplus amount in ORS 731.511(7)(c) to \$10 million
- Provide DCBS express authorization to access insurance-related corporate activities tax information