

Checklist for Total and Partial Reinsurance Agreements Involving Foreign Insurance Companies

NOTE: If the Assumption Reinsurance Arrangement does not involve Texas business or policyholders located in Texas, no filing is required.

This checklist should be used for total and partial reinsurance transactions involving TWO FOREIGN INSURANCE COMPANIES that have Texas insurance business, or policyholders located in Texas. The statutory cites applicable in this matter include, Texas Insurance Code, Chapters 492, 493, 1102, 202, and 884. Note that reinsurance transactions that affect 100% of the entire outstanding business of the ceding insurer **ALWAYS** require prior approval.

Submit filing to CLRFilings@tdi.texas.gov formatted as a bookmarked .pdf file (see [Electronic Filing Guidelines](#)).

The reinsured (ceding) company may maintain its Certificate of Authority in Texas after the transaction, or cancel its Certificate of Authority if party to a direct total assumption of all Texas business.

Note that the reinsuring (assuming) company must be licensed in Texas and must be authorized to write the same lines of business as the business being transferred by the ceding company.

For certificates of assumption/endorsement filings, please see [TDI form LAH302](#).

General Documents Required

- 1. COVER LETTER – Cover letter should clearly explain the transaction, and note all parties involved (specify which are affiliated). Note the intentions of all parties post transaction. Note if the assumption reinsurance transaction is a partial or total (i.e. 100% of all the ceding company's direct insurance exposure), and if a total, the ceding company's go forward plan (i.e. maintain a shell or cancel license/dissolve entity). Include the date that any related assumption certificate or endorsement was filed with the Life/Health Division of TDI. Note if the assets or liabilities relevant to the transaction are material or > than 10% of the assuming party's total PHS. Note if there is a settlement agreement/arrangement of consideration between parties involved. Address any notification/reappointment of affected agents. Note any parties that have assets deposited/pledged to TDI and management's expectations related to such deposits. Address any due diligence issues (i.e. disclose any currently owned assets which may be potentially rendered non-admitted as a result of the assumption reinsurance).

The cover letter should be signed by a company officer, and include a phone number and email for the appropriate company contact person.

- 2. REINSURANCE AGREEMENT – Certified copies of the fully executed reinsurance agreement and related approvals from the respective domiciliary states must be submitted.
- 3. FILING FEE – The filing fee for a total reinsurance agreement is \$0. The filing fee for a partial reinsurance agreement is \$0.
- 4. BALANCE SHEET (applicable if related total assets or liabilities of the business being ceded is > 10% of assuming party's total PHS or > 25% of ceding party's total assets) – submit a four column balance sheet reflecting historical numbers from the most recently filed annual or quarterly statement. The first column should reflect the ceding party's financial position pre-transaction, the second column should reflect assuming party's financial position pre-transaction, the third column should reflect the effect of the transaction on the applicable balance sheet accounts, and the fourth column should reflect the financial position of the assuming carrier post-transaction.
- 5. SETTLEMENT AGREEMENT (if applicable) – Provide a copy of the settlement agreement reflecting the acquisition cost.
- 6. CANCELLATION OF CERTIFICATE OF AUTHORITY (if applicable) – A foreign insurance company may retain its Certificate of Authority in Texas or choose to have it canceled. To cancel a Certificate of Authority, submit [NAIC UCAA, Form 17](#) (Statement of Withdrawal). In addition, written confirmation from the Texas Comptroller's Office that all Texas premium taxes and annual statement filing fees have been filed and paid by the foreign insurer is required.

 Email filing to CLRFilings@tdi.texas.gov

► **Questions?**

Email us at CompanyLicense@tdi.texas.gov or call

512-676-6365.