

CHAPTER 45-03-07 REINSURANCE

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45-03-07-01. Definitions.

As used in this chapter:

1. "Domestic insurer" is an insurer licensed in this state and incorporated in this state.
2. "Foreign insurer" is an insurer licensed in this state but incorporated in a jurisdiction other than this state.

History: Effective January 1, 1984.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-02-20

45-03-07-02. Foreign insurer cessions.

A foreign insurer may cede reinsurance to a reinsurer to which the foreign insurer is permitted to cede reinsurance under the law, regulations, or rules of the jurisdiction of that insurer's domicile.

History: Effective January 1, 1984.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-02-20

45-03-07-03. Domestic insurer cessions.

A domestic insurer may cede reinsurance to:

1. A reinsurer licensed in any other state or the District of Columbia if that reinsurer conforms to the same standard of solvency which would be required if, at the time the reinsurance is effected, the reinsurer was licensed in this state.
2. A reinsurer not licensed in any state or the District of Columbia if the reinsurer appears on the most recent "Non-Admitted Insurers Quarterly Listing" published by the national association of insurance commissioners (The NAIC List).
3. A reinsurer not licensed in any state or the District of Columbia, and not appearing on the NAIC List, if approval of the commissioner is obtained by the filing of an application and current financial statement showing that the reinsurer meets the requirements set out in section 45-03-07-04.

History: Effective January 1, 1984.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-01-08

45-03-07-04. Procedure for approval of reinsurer.

The reinsurer requested to obtain the approval of the commissioner pursuant to subsection 3 of section 45-03-07-03 and North Dakota Century Code section 26.1-02-20 shall not accept reinsurance unless at the time of cession such reinsurer has been approved by the commissioner. The commissioner shall approve a reinsurer if such reinsurer has:

1. Filed with the commissioner an application including:
 - a. Satisfactory evidence of good repute and financial integrity.
 - b. Satisfactory evidence that the reinsurer has capital and surplus or its equivalent under the laws of its domiciliary jurisdiction which equals five million dollars or in the case of any Lloyd's or other similar unincorporated group of individual insurers, that the group maintains a trust fund of not less than fifty million dollars as security to the full amount thereof for all policyholders and creditors in the United States of all members of the group.
2. Provided the commissioner with a copy of its current annual financial statement in United States dollars. The statement shall be provided no more than six months after the close of the period reported upon and shall be certified by an accounting or auditing firm licensed in the jurisdiction of the reinsurer's domicile.
3. Promptly advised the commissioner in writing of any changes in the information so furnished arising subsequent to the date upon which such information is filed but prior to the commissioner's disposition of the application.

History: Effective January 1, 1984.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-02-20

45-03-07-05. Continued proof of compliance.

A reinsurer shall also provide to the commissioner annually proof of continued compliance with subsection 1 of section 45-03-07-04, along with an annual statement complying with subsection 2 of section 45-03-07-04 following the first year the application is approved by the commissioner.

History: Effective January 1, 1984.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-02-20

45-03-07-06. Withdrawal of approval of reinsurer.

The commissioner may withdraw approval if at any time the commissioner has reason to believe that any reinsurer:

1. Is in unsound financial condition;
2. Is no longer eligible under North Dakota Century Code section 26.1-02-20 or this chapter; or
3. Has willfully violated the laws of this state.

The commissioner shall promptly mail notice of such withdrawal to the reinsurer and to each licensed insurer whose most recent annual statement shows it was reinsured by such reinsurer.

History: Effective January 1, 1984.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-02-20

45-03-07-07. Separability of provisions.

If any provision of this chapter, or the application of such provision to any person or circumstance, is held invalid, the remainder of the chapter and the application of such provisions to persons or circumstances other than those as to which it is held invalid is not affected thereby.

History: Effective January 1, 1984.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-02-20