



DATE: DECEMBER 28, 2011

TO: ALIEN REINSURERS

SUBJECT: **2011 FILING INSTRUCTIONS TO ESTABLISH OR MAINTAIN STATUS AS QUALIFIED UNLICENSED REINSURER IN PENNSYLVANIA [31 PA Code §161.3(3) and (4)]**

FROM: KAUSHIK K. PATEL, CHIEF
FINANCIAL ANALYSIS DIVISION

This memorandum identifies the criteria your company must meet and the documents you must submit to establish or maintain qualified reinsurer status in the Commonwealth of Pennsylvania. These requirements are set forth in 31 PA Code Chapter 161, which are available on The Pennsylvania Code website at: [Requirements for Qualified Reinsurers](#). Please note that these requirements are NOT APPLICABLE to risk-retention groups, surplus lines insurers, health insurers, or other licensed entities.

Please note the Department is no longer invoicing for the filing fees; they are now due with the filing.

FILING REQUIREMENTS

All reinsurers must file one (1) copy of each of the following:

1. **Cover Letter** - Please include a cover letter that provides a contact person and identifies your company type as:
 - a) Single assuming alien insurer,
 - b) Group of insurers, which includes unincorporated individual insurers, or
 - c) Group of incorporated alien insurers under common administration.
2. **QR-1 and QR-2 Forms** - A properly executed QR-1 and QR-2 form must be filed. Please use the blank forms at the links provided: [QR-1 Form](#) and [QR-2 Form](#). The lawful agent designated in the QR-1 form needs to be a corporate officer such as the Corporate Secretary; it can not simply be the name of the company.
3. **Annual Statement** - A hard copy annual statement showing substantially the same information as that required to be reported on the NAIC annual statement blank by licensed insurers.
4. **List of Retrocessionaires** - A listing of the identity, domicile, and premium volume for each of your company's retrocessionaires, when the amount of reinsurance premium ceded is greater than or equal to \$50,000.
5. **Financial Exhibit** - Please provide a financial exhibit that quantifies the liabilities attributable to business directly written or assumed in the United States.
6. **Trust Report** - Please instruct the trustees of your trust account(s) to submit a report that:
 - a) Sets forth the balance of your company's trust account,

- b) Lists the trust's investments at the preceding year's end, and
- c) Certifies the date of the termination of the trust, if so planned, or certifying that the trust will not expire prior to the next following December 31.

CRITERIA

In addition to filing the required documents listed above, the following criteria must be maintained to keep your qualified reinsurer status:

CRITERIA	SINGLE ASSUMING INSURERS	GROUPS INCLUDING UNINCORPORATED INDIVIDUAL INSURERS	GROUPS INCORPORATED UNDER COMMON ADMINISTRATION
MINIMUM SURPLUS See Trust Account section for the amount that must be held in trust	\$20 million	\$100 million aggregate	\$10 billion aggregate
TRUST ACCOUNT 1. Trusted Surplus And 2. Additional trust fund requirement	1. \geq \$ 20 million and 2. Liabilities* [§161.3(3)(vii)(A)]	1. \geq \$ 100 million and 2. Liabilities* [§161.3(3)(vii)(B)]	1. \geq \$ 100 million and 2. Liabilities* [§161.3(4)(vii)]
NAIC's LISTING Be listed on the NAIC's <i>Listing Of Alien Non-Admitted Insurers</i>	Yes [§161.3(3)(iv)]	Yes [§161.3(3)(iv)]	N/A
ANNUAL CERTIFICATION <i>Make available</i> to the Commissioner an annual certification of the member's solvency by the member's domiciliary regulator and its independent public accountant	N/A	YES [§161.3(3)(vii)(B)]	YES [§161.3(4)(vii)]

* Liabilities - An amount not less than the aggregate Liabilities Attributable to Business Directly Written or Assumed in the U.S.

FILING INFORMATION

GENERAL INSTRUCTIONS

1. **Filing Fees** - The annual filing fee is currently \$750. Please remit with your annual filing.

2. **Filing Dates** -

- Alien companies with a fiscal year-end of December 31, 2011 must file by March 1, 2012.
- Companies with a fiscal year-end other than December 31, 2011 must file within 60 days of the fiscal year-end.
- Trust reports must be filed by March 1, 2012, regardless of the assuming insurer's fiscal year-end.

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- 3. *Extensions*** - The insurance laws of Pennsylvania make no provision for granting filing date extensions for the documents listed above.

SEND INQUIRIES, PAYMENTS AND FILINGS TO:

Kaushik K. Patel, Chief
Financial Analysis Division
Pennsylvania Insurance Department
1345 Strawberry Square
Harrisburg, PA 17120
Phone: 717.787.3952 FAX: 717.787.8557
E-mail: ra-in-analysis@pa.gov