



CREDIT ALLOWED A DOMESTIC CEDING INSURER

The below information only provides excerpts of the Delaware Code.

Please view [18 Del. C. 9](#) for full details.

§ 911 Credit allowed a domestic ceding insurer.

Credit for reinsurance shall be allowed a domestic ceding insurer as either an asset or a reduction from liability on account of reinsurance ceded only when the reinsurer meets the requirements of paragraph (1), (2), (3), (4), (5) or (6) of this section. Credit shall be allowed under paragraph (1), (2) or (3) of this section only as respects cessions of those kinds or classes of business which the assuming insurer is licensed or otherwise permitted to write or assume in its state of domicile or, in the case of a U.S. branch of an alien assuming insurer, in the state through which it is entered and licensed to transact insurance or reinsurance. Credit shall be allowed under paragraph (3) or (4) of this section only if the applicable requirements of paragraph (7) of this section have been satisfied.

- (1) Credit shall be allowed when the reinsurance is ceded to an assuming insurer that is licensed to transact insurance or reinsurance in this State.
- (2) Credit shall be allowed when the reinsurance is ceded to an assuming insurer that is accredited by the Commissioner as a reinsurer in this State. In order to be eligible for accreditation, a reinsurer must:
 - a. File with the Commissioner evidence of its submission to this State's jurisdiction;
 - b. Submit to this State's authority to examine its books and records;
 - c. Be licensed to transact insurance or reinsurance in at least 1 state, or in the case of a U.S. branch of an alien assuming insurer, be entered through and licensed to transact insurance or reinsurance in at least 1 state;
 - d. File annually with the Commissioner a copy of its annual statement filed with the insurance department of its state of domicile and a copy of its most recent audited financial statement; and
 - e. Demonstrate to the satisfaction of the Commissioner that it has adequate financial capacity to meet its reinsurance obligations and is otherwise qualified to assume reinsurance from domestic insurers. An assuming insurer is deemed to meet this requirement as of the time of its application if it maintains a surplus as regards policyholders in an amount not less than \$20,000,000 and its accreditation has not been denied by the Commissioner within 90 days after submission of its application. When the reinsurance is ceded to an assuming insurer that is domiciled in, or in the case of a U.S. branch of an alien assuming insurer is entered through, a state that employs standards regarding credit for reinsurance substantially similar to those applicable under this statute and the assuming insurer or U.S. branch of an alien assuming insurer:

1. Maintains a surplus as regards policyholders in an amount not less than \$20,000,000; and
 2. Submits to the authority of this State to examine its books and records.
- b. The requirement of paragraph (3) a.1. of this section does not apply to reinsurance ceded and assumed pursuant to pooling arrangements among insurers in the same holding company system.

QUALIFIED UNITED STATES FINANCIAL INSTITUTIONS

§ 913 Qualified U.S. financial institutions.

(a) For purposes of § 912(3) of this title, a "qualified U.S. financial institution" means an institution that:

- (1) Is organized or (in the case of a U.S. office of a foreign banking organization) licensed under the laws of the United States or any state thereof;
- (2) Is regulated, supervised and examined by U.S. federal or state authorities having regulatory authority over banks and trust companies; and
- (3) Has been determined by either the Commissioner or the Securities Valuation Office of the National Association of Insurance Commissioners to meet such standards of financial condition and standing as are considered necessary and appropriate to regulate the quality of financial institutions whose letters of credit will be acceptable to the Commissioner.

(b) A "qualified U.S. financial institution" means, for purposes of those provisions of this law specifying those institutions that are eligible to act as a fiduciary of a trust, an institution that:

- (1) Is organized, or, in the case of a U.S. branch or agency office of a foreign banking organization, licensed, under the laws of the United States or any state thereof and has been granted authority to operate with fiduciary powers; and
- (2) Is regulated, supervised and examined by federal or state authorities having regulatory authority over banks and trust companies.