



REINSURANCE ASSOCIATION OF AMERICA

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Members of the Ohio Senate Insurance and Financial Institutions Committee
The Ohio Capitol

Via email

RE: RAA Support for SB 284

Members:

We appreciate the opportunity to express our support for SB 284.

The Reinsurance Association of America is the leading trade association of property and casualty reinsurers doing business in the United States. RAA membership is diverse, including reinsurance underwriters and intermediaries licensed in the U.S. and those that conduct business on a cross border basis. The RAA represents its members before state, federal and international bodies.

SB 284 contains new additions to the NAIC's Model Credit for Reinsurance Bill. It creates a new category of "Reciprocal Jurisdictions" allowing qualified reinsurers can do business in the U.S., thus improving availability and affordability of insurance to Ohio residents. This bill implements the terms of the "covered agreement" negotiated by the Obama and Trump administrations with the European Union. In exchange for the elimination of reinsurance collateral for EU reinsurers doing business here, the EU will not impose burdensome requirements for American insurers doing business in the EU.

The bill gives the Ohio Department of Insurance the authority to require non-U.S. based insurers to provide the Department with necessary documents and information about the reinsurer to ensure solvency and sound operating practices. It also requires non-U.S. based insurers to consent to the jurisdiction of American courts and provide 100 percent security should the reinsurer resist paying an American court judgement.

The Director would have the authority to revoke the ability of any non-U.S. based reinsurer to do business in Ohio should that reinsurer fail to meet the Department's provisions in the bill or other state regulations.

Ohio citizens benefit when insurers have better ability to fully utilize the value of reinsurance. As natural disasters become more common, insurers rely on reinsurance to help pay claims after extraordinary events. Reinsurance helps make insurance for consumers more affordable and available by providing extra financial protection to insurance companies providing coverage to consumers.

We urge passage of SB 284 and remain ready to answer questions or provide additional information.

Sincerely,

A handwritten signature in black ink, consisting of the first name 'Paul' and the last name 'Martin' written in a cursive style.

Paul Martin
Vice President-State Relations