**Section 1104.30 Credit for Reinsurance – Accredited Reinsurers**

a) Pursuant to Section 173.1(1)(B) of the Code, the Director shall allow credit for reinsurance ceded by a domestic insurer to an assuming insurer that is accredited as a reinsurer in this State as of the date of the ceding insurer's most recent statutory financial statement. An accredited reinsurer must:

1) File a properly executed Form AR-1 (Certificate of Assuming Insurer) found in Appendix A as evidence of its submission to this State's jurisdiction and to this State's authority to examine its books and records;

2) File with the Director a certified copy of a letter or a certificate of authority or of compliance as evidence that it is licensed to transact insurance or reinsurance in at least one state or, in the case of a United States branch of an alien assuming insurer, is entered through and licensed to transact insurance or reinsurance in at least one state;

3) File annually with the Director a copy of its annual financial statement filed with the insurance department of its state of domicile or, in the case of an alien assuming insurer, with the state through which it is entered and in which it is licensed to transact insurance or reinsurance, and a copy of its most recent audited financial statement; and

4) Maintain a surplus as regards policyholders in an amount not less than $20 million, or obtain the affirmative approval of the Director upon a finding that it has adequate financial capacity to meet its reinsurance obligations and is otherwise qualified to assume reinsurance from domestic insurers.

b) If the Director determines that the assuming insurer has failed to meet or maintain any of these qualifications, the Director may, upon written notice and opportunity for hearing, suspend or revoke the accreditation. Credit shall not be allowed a domestic ceding insurer under this Section if the assuming insurer's accreditation has been revoked by the Director, or if the reinsurance was ceded while the assuming insurer's accreditation was under suspension by the Director.

(Source: Amended at 43 Ill. Reg. 14133, effective November 19, 2019)