



ADMINISTRATIVE RULES OF MONTANA



6.6.3846 CERTIFIED ASSUMING INSURERS - CHANGE IN CERTIFICATION

- (1) The commissioner has the authority to suspend, revoke, or otherwise modify a certified reinsurer's certification at any time if the certified reinsurer fails to meet its obligations or security requirements as stated in 33-2-1216, MCA, and these rules, or if other financial or operating results of the certified reinsurer, or documented significant delays in payment by the certified reinsurer, lead the commissioner to reconsider the certified reinsurer's ability or willingness to meet its contractual obligations.
- (2) Upon revocation of the certification of a certified reinsurer by the commissioner, the assuming insurer shall be required to post security to continue to take credit for reinsurance. The commissioner may allow additional credit equal to the ceding insurer's pro rata share of trust funds meeting the standards of 33-2-1216, 33-2-1217, MCA, and these rules, discounted to reflect the risk of uncollectibility and anticipated expenses of trust administration. Notwithstanding the change of a certified reinsurer's rating or revocation of its certification, a domestic insurer that has ceded reinsurance to that certified reinsurer may not be denied credit for reinsurance for a period of three months for all reinsurance ceded to that certified reinsurer, unless the reinsurance is found by the commissioner to be at high risk of uncollectibility.
- (3) When an assuming insured has been certified by the commissioner pursuant to 33-2-1216(5)(e), MCA, (based on certification in a qualified jurisdiction and NAIC certification) and the certification in the NAIC-accredited jurisdiction (hereinafter the other jurisdiction) changes, the provisions of ARM 6.6.3850 apply.

Authorizing statute(s): 33-1-313, 33-2-1517, MCA

Implementing statute(s): 33-2-1216, MCA

History: NEW, 2016 MAR p. 2186, Eff. 11/26/16.