



ADMINISTRATIVE RULES OF MONTANA

6.6.3864 ASSUMING INSURER - RISKS OTHER THAN LIFE, ANNUITIES, ACCIDENT AND HEALTH OR DISABILITY - TRUST AGREEMENT PROVISIONS - PERMISSIVE

- (1) When a trust agreement is established in conjunction with a reinsurance agreement pursuant to 33-2-1217, MCA, covering risks other than life, annuities, and accident and health or disability, the trust agreement may, notwithstanding any other conditions in this regulation, provide that the ceding insurer shall undertake to use and apply amounts drawn upon the trust account, without diminution because of the insolvency of the ceding insurer or the assuming insurer, for the following purposes:
 - (a) to pay or reimburse the ceding insurer for the assuming insurer's share under the specific reinsurance agreement regarding any losses and allocated loss expenses paid by the ceding insurer, but not recovered from the assuming insurer, or for unearned premiums due to the ceding insurer if not otherwise paid by the assuming insurer;
 - (b) to make payment to the assuming insurer of any amounts held in the trust account that exceed 102% of the actual amount required to fund the assuming insurer's obligations under the specific reinsurance agreement; or
 - (c) when the ceding insurer has received notification of termination of the trust account and when the assuming insurer's entire obligations under the specific reinsurance agreement remain unliquidated and undischarged 10 days prior to the termination date, to withdraw amounts equal to the obligations and deposit those amounts in a separate account in the name of the ceding insurer in any qualified United States financial institution as defined in 33-2-1217, MCA, apart from its general assets, in trust for such uses and purposes specified in (a) and (b) as may remain executory after such withdrawal and for any period after the termination date.

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

Implementing statute(s): 33-2-1217, MCA

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