

**60D.195 GROUP CAPITAL CALCULATION.**

Subdivision 1. **Annual group capital calculation; exemption permitted.** The commissioner may exempt the ultimate controlling person from filing the annual group capital calculation if the commissioner makes a determination that the insurance holding company system meets the following criteria:

(1) has annual direct written and unaffiliated assumed premium, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than \$1,000,000,000;

(2) has no insurers within the insurance holding company's structure that are domiciled outside of the United States or a United States territory;

(3) has no banking, depository, or other financial entity that is subject to an identified regulatory capital framework within the insurance holding company's structure;

(4) attests that no material changes in the transactions between insurers and noninsurers in the group have occurred since the last annual group capital filing; and

(5) the noninsurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

Subd. 2. **Limited group capital filing.** The commissioner may accept a limited group capital filing in lieu of the group capital calculation if:

(1) the insurance holding company system has annual direct written and unaffiliated assumed premium, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than \$1,000,000,000; and

(2) the insurance holding company system:

(i) has no insurers within the insurance holding company's structure that are domiciled outside of the United States or a United States territory;

(ii) does not include a banking, depository, or other financial entity that is subject to an identified regulatory capital framework; and

(iii) attests that no material changes in transactions between insurers and noninsurers in the group have occurred and the noninsurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

Subd. 3. **Previous exemption; required filing.** For an insurance holding company that has previously met an exemption with respect to the group capital calculation under subdivision 1 or 2, the commissioner may at any time require the ultimate controlling person to file an annual group capital calculation, completed in accordance with the NAIC group capital calculation instructions, if:

(1) an insurer within the insurance holding company system is in a risk-based capital action level event under section 60A.62 or a similar standard for a non-United States insurer;

(2) an insurer within the insurance holding company system meets one or more of the standards of an insurer deemed to be in hazardous financial condition, as defined under section 60E.02, subdivision 5; or

(3) an insurer within the insurance holding company system otherwise exhibits qualities of a troubled insurer, as determined by the commissioner based on unique circumstances, including but not limited to the

type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.

Subd. 4. **Non-United States jurisdictions; recognition and acceptance.** A non-United States jurisdiction is deemed to recognize and accept the group capital calculation if the non-United States jurisdiction:

(1) with respect to section 60D.19, subdivision 11b, paragraph (a), clause (4):

(i) recognizes the United States state regulatory approach to group supervision and group capital by providing confirmation by a competent regulatory authority in the non-United States jurisdiction that insurers and insurance groups whose lead state is accredited by the NAIC under the NAIC accreditation program: (A) are subject only to worldwide prudential insurance group supervision, including worldwide group governance, solvency and capital, and reporting, as applicable, by the lead state; and (B) are not subject to group supervision, including worldwide group governance, solvency and capital, and reporting, at the level of the worldwide parent undertaking of the insurance or reinsurance group by the non-United States jurisdiction; or

(ii) if no United States insurance group operates in the non-United States jurisdiction, indicates formally in writing to the lead state with a copy to the International Association of Insurance Supervisors that the group capital calculation is an acceptable international capital standard. The formal indication under this item serves as the documentation otherwise required under item (i); and

(2) provides confirmation by a competent regulatory authority in the non-United States jurisdiction that information regarding an insurer and the insurer's parent, subsidiary, or affiliated entities, if applicable, must be provided to the commissioner in accordance with a memorandum of understanding or similar document between the commissioner and the non-United States jurisdiction, including but not limited to the International Association of Insurance Supervisors Multilateral Memorandum of Understanding or other multilateral memoranda of understanding coordinated by the NAIC. The commissioner must determine, in consultation with the NAIC committee process, if the information sharing agreement requirements are effective.

Subd. 5. **Non-United States jurisdiction; publication.** (a) A list of non-United States jurisdictions that recognize and accept the group capital calculation under section 60D.19, subdivision 11b, paragraph (a), clause (4), must be published through the NAIC committee process to assist the commissioner determine which insurers must file an annual group capital calculation. The list must clarify the situations in which a jurisdiction is exempt from filing under section 60D.19, subdivision 11b, paragraph (a), clause (4). To assist with a determination under section 60D.19, subdivision 11b, paragraph (b), the list must also identify whether a jurisdiction that is exempt under section 60D.19, subdivision 11b, paragraph (a), clause (3) or (4), requires a group capital filing for any United States insurance group's operations in the non-United States jurisdiction.

(b) For a non-United States jurisdiction where no United States insurance group operates, the confirmation provided to comply with subdivision 4, clause (1), item (ii), serves as support for a recommendation to be published that the non-United States jurisdiction is a jurisdiction that recognizes and accepts the group capital calculation pursuant to the NAIC committee process.

(c) If the commissioner makes a determination pursuant to section 60D.19, subdivision 11b, that differs from the NAIC list, the commissioner must provide thoroughly documented justification to the NAIC and other states.

(d) Upon a determination by the commissioner that a non-United States jurisdiction no longer meets one or more of the requirements to recognize and accept the group capital calculation, the commissioner

may provide a recommendation to the NAIC that the non-United States jurisdiction be removed from the list of jurisdictions that recognize and accept the group capital calculation.

**History:** *1Sp2025 c 4 art 4 s 14*