

Sec. 38a-88-13. Scope and Application

(a) Sections 38a-88-13 to 38a-88-19, inclusive, of the Regulations of Connecticut State Agencies are intended to conform to national uniform standards governing reserve financing arrangements pertaining to life insurance policies containing guaranteed nonlevel gross premiums, guaranteed nonlevel benefits and universal life insurance policies with secondary guarantees; and to ensure that, with respect to each such financing arrangement, funds consisting of primary security and other security, as those terms are defined in section 38a-88-14 of the Regulations of Connecticut State Agencies, are held by or on behalf of ceding insurers in the forms and amounts required in this section and sections 38a-88-14 to 38a-88-19, inclusive, of the Regulations of Connecticut State Agencies. In general, reinsurance ceded for reserve financing purposes has one or more of the following characteristics: Some or all of the assets used to secure the reinsurance contract or to capitalize the reinsurer (1) are issued by the ceding insurer or its affiliates; (2) are not unconditionally available to satisfy the general account obligations of the ceding insurer; or (3) create a reimbursement, indemnification or other similar obligation on the part of the ceding insurer or any of its affiliates (other than a payment obligation under a derivative contract acquired in the normal course and used to support and hedge liabilities pertaining to the actual risks in the policies ceded pursuant to the reinsurance contract).

(b) Sections 38a-88-13 to 38a-88-19, inclusive, of the Regulations of Connecticut State Agencies shall apply to reinsurance treaties that cede liabilities pertaining to Covered Policies, as that term is defined in section 38a-88-14 of the Regulations of Connecticut State Agencies, issued by any life insurance company domiciled in this state. Sections 38a-88-13 to 38a-88-19, inclusive, of the Regulations of Connecticut State Agencies and sections 38a-88-1 to 38a-88-12, inclusive, of the Regulations of Connecticut State Agencies shall both apply to such reinsurance treaties that cede liabilities pertaining to covered policies; provided, that in the event of a direct conflict between the provisions of sections 38a-88-13 to 38a-88-19, inclusive, of the Regulations of Connecticut State Agencies and sections 38a-88-1 to 38a-88-12, inclusive, of the Regulations of Connecticut State Agencies, the provisions of sections 38a-88-13 to 38a-88-19, inclusive, of the Regulations of Connecticut State Agencies shall apply, but only to the extent of the conflict.

(Effective November 6, 2019)