

Hannover Re is a recognized reciprocal jurisdiction reinsurer

Reciprocal Reinsurer Status

Hannover Rück SE (Hannover Re) has been approved as **reciprocal reinsurer** in 51 US jurisdictions (including the District of Columbia) **as of January 1, 2023**. The reciprocal reinsurer status **eliminates** statutory collateral requirements on a prospective basis (for new and renewed treaties), as all US jurisdictions have implemented the changes to their state regulations according to the provisions of the US-EU Covered Agreement. Hannover Re will have to renew its status once per year to ensure meeting the regulatory and financial requirements to ensure financial stability for US ceding companies.

Background

- Beginning of 2017, the US and the EU successfully concluded a bilateral agreement on prudential measures regarding (re)insurance
- The so called Covered Agreement has finally entered into force on April 4, 2018 and required that the US states will eliminate collateral requirements within the next 5 years
- As of September 2022, all US states had implemented the provisions of the Covered Agreement into state laws and regulations
- For the financial statement reporting of US cedents, cessions effective **on or after Jan. 1, 2023 are to be reported in Schedule F - Part 3 as “authorized”** and thus reciprocal reinsurers are given the same reinsurance reporting treatment as U.S. licensed reinsurers
- Hannover Re's reciprocal jurisdiction reinsurer number is: RJ 1340125

Certified Reinsurer Status

Hannover Re is also a certified reinsurer in various US states which allow for reduced collateral. As of January 1, 2023, the reciprocal reinsurer status replaces the certified reinsurer status, which will continue to collateralize treaties written after the certification date until December 31, 2022.

For the complete list of US states certification dates, please see:

[Certified Reinsurer List - Hannover Re](#)

Background

- Reduced collateral is held in a Supplemental Reinsurance Trust, which is a separate trust for reduced collateral only
- According to its very strong ratings, Hannover Re is allowed to post **10% collateral** for US cedents domiciled in the certifying state
- Irrespective of the collateral percentage, US cedents continue to receive automatic full financial statement credit
- For the financial statement reporting of US cedents, cessions with reduced collateral are to be reported in Schedule F - Part 3 as “authorized” and thus certified reinsurers are given the same reinsurance reporting treatment as U.S. licensed reinsurers
- Hannover Re's certified reinsurer number is: CR 1340125

Trusted Reinsurer Status

Prior to the accreditation as certified reinsurer (and now reciprocal reinsurer), Hannover Re became a Trusted Reinsurer in 51 US jurisdictions (including the District of Columbia).

The trustee status allows Hannover Re to provide collateral through multi-beneficiary trust funds instead of providing letters of credit with full financial statement credit. Hannover Re's Master Reinsurance Trust posts **100% collateral** for reported liabilities (for non-certified and non-reciprocal treaty periods).

Because of Hannover Re's accreditation as trustee reinsurer, US cedents can treat cessions to Hannover Re as "authorized" in their financial statement reporting.

Benefits for our US-cedents

- Automatic **full financial statement credit** for all US business
- Collateral in multi-beneficiary **trust funds: top quality assets**, which are held by a qualified US financial institution in segregated trusts for the sole benefit of US cedents
- Hannover Re files quarterly and **annual financial statements for both trusts** and updates its trust reserves and assets at the end of each quarter
- Hannover Re's domiciliary regulator (or lead state) is the New York Department of Financial Services (**NYDFS**), which is **reviewing and pre-approving** all annual renewal documentation required in the comprehensive application process
- For the certified and reciprocal reinsurer status, the **NAIC ReFAWG** is also approving Hannover Re, in order to annually allow for passporting renewals in the other US states
- Hannover Re's group policyholders' surplus of **USD 14.6bn** as of December 31, 2023
- Hannover Re is rated **A+** by A.M. Best and **AA-** by Standard & Poor's

Contact

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