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DEPARTMENT OF BUSINESS AND INDUSTRY
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**CREDIT FOR REINSURANCE STANDARDS FOR CAPTIVE RISK RETENTION
GROUPS FILING ON A U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES
BASIS**

Nevada Revised Statute (“NRS”) 694C.350.2 states that a captive insurer may take credit for reserves on risks ceded to a reinsurer that is in compliance with NRS 681A.140 to .240. For RRGs, the Division expects that, when using an unauthorized reinsurer, a reduction in liabilities would not be greater than the amount of collateral held by the ceding RRG pursuant to NRS 681A.110 to .240. Accounting for the provision for unauthorized reinsurance can be accounted for on the Property & Casualty Annual Statement as a liability on line 16 of page 3, or as a reduction of reinsurance recoverables on line 16 of page 2.

If you have any questions related to this Bulletin, contact insinfo@doi.nv.gov.

A handwritten signature in black ink, appearing to read "Barbara D. Richardson", written over a horizontal line.

Barbara D. Richardson
Commissioner of Insurance