

June 30, 2011

Bulletin 183

CONTINUING ABILITY OF COMPANIES TO ISSUE REINSURANCE

This bulletin is directed to all insurers issuing policies of insurance against loss or damage on account of encumbrances upon or defects in the title to real estate. The purpose of this bulletin is to clarify that recent changes to Indiana statutes governing reinsurance do not prevent title insurers from acting as reinsurers.

Public Law X-2011 (HEA 1486) amended IC 27-6, in part by adding a definition of "reinsurer" to IC 27-1-2-3. Under the new law, IC 27-1-2-3(aa) defines a reinsurer as an insurer principally engaged in the business of reinsurance, that does not conduct a significant amount of direct insurance, and that is not engaged on an ongoing basis in the business of soliciting direct insurance. The Department does not interpret this definition to mean that only insurers who fit this definition may offer reinsurance. Any insurer, including a title insurer organized under IC 27-7-3, that meets the requirements of IC 27-6-10-1 may be an accredited reinsurer. However, the credit for reinsurance allowed by 27-6-10-16 will only be considered for insurers meeting the definition of a "reinsurer" in IC 27-1-2-3(aa).

Questions regarding this bulletin should be directed to Cynthia D. Donovan, Chief Financial Examiner, who can be reached at 317-232-2408 or cdonovan@idoi.IN.gov.

INDIANA DEPARTMENT OF INSURANCE

A handwritten signature in black ink that reads "Stephen W. Robertson". The signature is written in a cursive style with a horizontal line through the middle of the letters.

Stephen W. Robertson, Commissioner