

**FROM:** Julian James, Director, Worldwide Markets  
**LOCATION:** 86/G12  
**EXTENSION:** 5998  
**DATE:** 11<sup>th</sup> October 2002  
**REFERENCE:** Y2887  
**SUBJECT:** ACCREDITED REINSURER STATUS IN KANSAS  
**SUBJECT AREA(S):** Lloyd's has become an accredited reinsurer in Kansas  
**ATTACHMENTS:**  
**ACTION POINTS:** **Underwriters and brokers to note**  
**DEADLINE:**

This bulletin is most relevant to underwriters and brokers transacting reinsurance business in the US.

By letter dated September 12 2002 the Kansas Insurance Department has confirmed that they have approved "Underwriters at Lloyd's, London" as a "Trusteed Reinsurer" or accredited reinsurer.

As a result of Lloyd's accreditation a cedent domiciled in Kansas can take credit for a reinsurance at Lloyd's where underwriters fund their liabilities in the US Situs Credit for Reinsurance Trust Funds ("CRTF's") in accordance with US regulatory requirements.

Prior to the granting of accredited reinsurer status a Kansas cedent could take credit for reinsurance only if underwriters' liabilities were funded by an alternative method, such as a letter of credit. This alternative funding remains a valid way of taking credit for reinsurance. If a letter of credit in an amount equal to 100% of gross liabilities under a contract (including IBNR) is provided the liabilities do not need to be included in the calculation of the CRTF minimum amount. Please refer to the quarterly "US Trading Regulatory Reporting" bulletin issued by Market Reporting Department for further guidance.

Following this approval, Underwriters at Lloyd's are accredited reinsurers in "all" US states.

Questions regarding Lloyd's status in the US may be addressed to the Worldwide Markets, Market Services Centre on ext.6677.

This bulletin is being sent to all Active Underwriters, Managing Agents and Lloyd's brokers.