

1   **Rule 482-1-055-.18.2 Group Capital Calculation.**

2                   (1) Where an insurance holding company system has  
3   previously filed the annual group capital calculation at least  
4   once, the lead state commissioner has the discretion to exempt  
5   the ultimate controlling person from filing the annual group  
6   capital calculation if the lead state commissioner makes a  
7   determination based upon that filing that the insurance  
8   holding company system meets all of the following criteria:

9                   (a) Has annual direct written and unaffiliated assumed  
10   premium (including international direct and assumed premium),  
11   but excluding premiums reinsured with the Federal Crop  
12   Insurance Corporation and Federal Flood Program, of less than  
13   \$1,000,000,000.

14                  (b) Has no insurers within its holding company structure  
15   that are domiciled outside of the United States or one of its  
16   territories.

17                  (c) Has no banking, depository or other financial entity  
18   that is subject to an identified regulatory capital framework  
19   within its holding company structure.

20                  (d) The holding company system attests that there are no  
21   material changes in the transactions between insurers and non-

1      insurers in the group that have occurred since the last filing  
2      of the annual group capital.

3                (e) The non-insurers within the holding company system do  
4      not pose a material financial risk to the insurer's ability to  
5      honor policyholder obligations.

6                (2) Where an insurance holding company system has  
7      previously filed the annual group capital calculation at least  
8      once, the lead state commissioner has the discretion to accept  
9      in lieu of the group capital calculation a limited group  
10     capital filing if the insurance holding company system has  
11     annual direct written and unaffiliated assumed premium  
12     (including international direct and assumed premium), but  
13     excluding premiums reinsured with the Federal Crop Insurance  
14     Corporation and Federal Flood Program, of less than  
15     \$1,000,000,000; and all of the following additional criteria  
16     are met:

17                (a) Has no insurers within its holding company structure  
18      that are domiciled outside of the United States or one of its  
19      territories.

20                (b) Does not include a banking, depository or other  
21      financial entity that is subject to an identified regulatory  
22      capital framework.

1 (c) The holding company system attests that there are no  
2 material changes in transactions between insurers and non-  
3 insurers in the group that have occurred since the last filing  
4 of the report to the lead state commissioner and the non-  
5 insurers within the holding company system do not pose a  
6 material financial risk to the insurers ability to honor  
7 policyholder obligations.

15 (a) Any insurer within the insurance holding company  
16 system is in a Risk-Based Capital action level event as set  
17 forth in Section 27-2B-4 or a similar standard for a non-U.S.  
18 insurer.

19 (b) Any insurer within the insurance holding company  
20 system meets one or more of the standards of an insurer deemed  
21 to be in hazardous financial condition as set forth in Rule  
22 482-1-101-.03.

11 (a) With respect to Section 27-29-4(1)(2)a4, it satisfies  
12 either of the following:

13        1. The non-U.S. jurisdiction recognizes the U.S. state  
14 regulatory approach to group supervision and group capital, by  
15 providing confirmation by a competent regulatory authority, in  
16 such jurisdiction, that insurers and insurance groups whose  
17 lead state is accredited by the NAIC under the NAIC  
18 Accreditation Program shall be subject only to worldwide  
19 prudential insurance group supervision including worldwide  
20 group governance, solvency and capital, and reporting, as  
21 applicable, by the lead state and will not be subject to group  
22 supervision, including worldwide group governance, solvency

1 and capital, and reporting, as applicable, by the lead state  
2 and will not be subject to group supervision, including  
3 worldwide group governance, solvency and capital, and  
4 reporting, at the level of the worldwide parent undertaking of  
5 the insurance or reinsurance group by the non-U.S.  
6 jurisdiction.

7 2. Where no U.S. insurance groups operate in the non-  
8 U.S. jurisdiction, that non-U.S. jurisdiction indicates  
9 formally in writing to the lead state with a copy to the  
10 International Association of Insurance Supervisors that the  
11 group capital calculation is an acceptable international  
12 capital standard. This will serve as the documentation  
13 otherwise required in subparagraph 1.

14 (b) The non-U.S. jurisdiction provides confirmation by a  
15 competent regulatory authority in such jurisdiction that  
16 information regarding insurers and their parent, subsidiary,  
17 or affiliated entities, if applicable, shall be provided to  
18 the lead state commissioner in accordance with a memorandum of  
19 understanding or similar document between the commissioner and  
20 such jurisdiction, including but not limited to the  
21 International Association of Insurance Supervisors  
22 Multilateral Memorandum of Understanding or other multilateral

1 memoranda of understanding coordinated by the NAIC. The  
2 commissioner shall determine, in consultation with the NAIC  
3 Committee Process, if the requirements of the information  
4 sharing agreements are in force.

5 (5) A list of non-U.S. jurisdictions that "recognize and  
6 accept" the group capital calculation will be published  
7 through the NAIC Committee Process:

8 (a) A list of jurisdictions that "recognize and accept"  
9 the group capital calculation pursuant to Section 27-29-  
10 4(1)(2)a4, is published through the NAIC Committee Process to  
11 assist the lead state commissioner in determining which  
12 insurers shall file an annual group capital calculation. The  
13 list will clarify those situations in which a jurisdiction is  
14 exempted from filing under Section 27-29-4(1)(2)a4. To assist  
15 with a determination under Section 27-29-4(1)(2)b, the list  
16 will also identify whether a jurisdiction that is exempted  
17 under either Section 27-29-4(1)(2)a3 and Section 27-29-  
18 4(1)(2)a4 requires a group capital filing for any U.S. based  
19 insurance group's operations in that non-U.S. jurisdiction.

20 (b) For a non-U.S. jurisdiction where no U.S. insurance  
21 groups operate, the confirmation provided to meet the  
22 requirement of subparagraph (4)a2 will serve as support for

1 recommendation to be published as a jurisdiction that  
2 "recognizes and accepts" the group capital calculation through  
3 the NAIC Committee Process.

4 (c) If the lead state commissioner makes a determination  
5 pursuant to Section 27-29-4(1)(2)a4 that differs from the NAIC  
6 List, the lead state commissioner shall provide thoroughly  
7 documented justification to the NAIC and other states.

8 (d) Upon determination by the lead state commissioner  
9 that a non-U.S. jurisdiction no longer meets one or more of  
10 the requirements to "recognize and accept" the group capital  
11 calculation, the lead state commissioner may provide a  
12 recommendation to the NAIC that the non-U.S. jurisdiction be  
13 removed from the list of jurisdictions that "recognize and  
14 accepts" the group capital calculation.

15 Author: Commissioner of Insurance  
16 Statutory Authority: Ala. Code §§ 27-2-17 & 27-29-4  
17 History: New \_\_\_\_\_, 2026, Effective \_\_\_\_\_, 2026