



DEPARTMENT OF THE TREASURY
BUREAU OF THE FISCAL SERVICE
WASHINGTON, DC 20227

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For Paperwork Reduction Act
Statement and Burden Estimate
Statement See Last Page of Letter

December 31, 2025

**ANNUAL LETTER TO EXECUTIVE OFFICERS OF COMPANIES REPORTING TO THE
DEPARTMENT OF THE TREASURY AS COMPLEMENTARY REINSURERS**

Congress authorized the Secretary of the Treasury (the Secretary) in 31 U.S.C. § 9304-9305 to certify a surety company to do business with the United States if the Secretary determines that the company meets certain conditions and is able to carry out its contracts. Treasury has published its requirements for companies applying to underwrite or reinsure federal bonds at 31 C.F.R. Part 223.

Pursuant to 31 C.F.R. 223.12, Treasury also recognizes companies as Complementary Reinsurers on bonds or policies not running to the United States. This enables companies holding a Treasury Certificate of Authority and those companies recognized by Treasury as Admitted Reinsurers to receive credit for reinsurance reported on their Treasury Schedule F for reinsurance obtained from a Treasury recognized Complementary Reinsurer. It also enables companies holding a Treasury Certificate of Authority to protect excess risks not running to the United States with reinsurance obtained from a Treasury recognized Complementary Reinsurer. This Annual Letter describes the documentation companies seeking such recognition must submit.

PLEASE NOTE:

- Treasury's final rule as it relates to Complementary Reinsurers became effective August 9, 2024. The Surety Bond Branch continues to accept initial applications for Complementary Reinsurers. For more information on the final rule, see Treasury's implementation guide published on the Surety Bond website at <https://www.fiscal.treasury.gov/surety-bonds/downloads.html>.
- Complementary Reinsurers must apply to Treasury for recognition on an annual basis. Recognition by Treasury as a Complementary Reinsurer will be effective for a term that expires on the last day of October.
- Treasury will publish a listing of Complementary Reinsurers accepted to the program on the Surety Bond Branch website on November 1, 2026.
- For Complementary Reinsurers whose initial application is approved subsequent to November 1, Treasury has a process for timely updating the listing throughout the year for approved companies.
- This letter, the final rule implementation guide, and all forms/checklists are available on the Surety Bond website: <https://www.fiscal.treasury.gov/surety-bonds/>.

Pursuant to 31 C.F.R. 223.12(i)(3), Treasury requires companies applying for recognition as Complementary Reinsurers to submit the following:

New Applications:

1. For initial applications, all information provided by the company or by the supervisory authority of the company's domiciliary jurisdiction to any U.S. state regulator in the two most recently completed calendar years.
2. Payment of the application fee.

Application for renewal:

1. For applications for renewal of recognition, all semi-annual and annual filing information provided by the company or by the supervisory authority of the company's domiciliary jurisdiction to any U.S. state regulator in the most recently completed calendar year. The company should submit the same packet that is submitted to the state in 2026 for state recognition effective 01/01/2027 – 12/31/2027.
2. Payment of the renewal fee

To facilitate submission of the application, Treasury asks applicants to complete a coversheet along with the checklist, used for an initial application or renewal, with basic details of the company. The coversheet and checklist of items to be submitted is posted on the Surety Bonds website at:

<https://www.fiscal.treasury.gov/surety-bonds/downloads.html>. Please make one complete filing of all documents, to assist in processing of initial applications accurately and timely.

Pursuant to 31 C.F.R. 223.12(i) companies applying for recognition as a Complementary Reinsurer must be recognized by at least one U.S. state regulator as a Reciprocal Jurisdiction Reinsurer, as defined by the state's credit for reinsurance law or regulation based on the NAIC's Credit for Reinsurance Model Law and Regulation and be licensed to write reinsurance by and have its head office in (or is domiciled in) a non-U.S. jurisdiction that is subject to an in-force Covered Agreement entered into with the United States pursuant to 31 U.S.C 313-314, . Companies must meet and maintain all capital and surplus, solvency, and market conduct requirements under the applicable Covered Agreement. **For the two Covered Agreements in force as of the date of this Annual Letter, the applicable requirements include the requirement to maintain capital and surplus of no less than \$250,000,000 and Risk Based Capital (RBC) of 300% or Solvency Capital Requirement (SRC) under Solvency II of 100%.**

In order to be satisfied that Treasury-recognized Complementary Reinsurers are solvent and able to keep and perform their contracts, Treasury will rely upon a company's RBC or SRC under Solvency II. These solvency ratios are not designed to be used as a stand-alone tool in determining the financial solvency of an insurance company. As such, Treasury uses them in conjunction with its regulations and a company's overall financial results, ratios, and trends to evaluate its financial strength and solvency. The solvency ratio must be maintained at adequate levels as set forth in the in-force covered agreement applicable to the company. If a company's solvency ratio falls below this threshold or otherwise exhibits a concerning trend, Treasury may require the company to take corrective action to maintain its participation in Treasury's program.

To satisfy Treasury that Complementary Reinsurers are maintaining adequate financial strength, Treasury utilizes the company's financial/regulatory filings including all applicable schedules, notes, independent auditor's opinion, and actuarial opinion to perform a financial analysis. If a company exhibits a concerning trend, Treasury may require the company to take corrective action to maintain its participation in Treasury's program. Applicable schedules also include that NAIC Annual Statement Schedule F or Form CR-F as required by the lead U.S. state.

Additionally, companies must provide a detailed listing of all disputed or overdue reinsurance claims outstanding more than 90 days regarding reinsurance assumed from U.S. domestic ceding insurers in order for Treasury to evaluate the company's prompt payment of claims.

As part of their submission to Treasury, Companies must provide to Treasury a copy of the properly executed Form RJ-1 and any other information the lead state commissioner may require.

Please note that in accordance with 31 CFR 223.22, a fee of \$3,700 is required for determining the continued qualification of a company as an Alien Reinsurer. An application fee of \$5,300, is due upon submission of the initial application for recognition as a Complementary Reinsurer. To pay your fee, go to the Surety Bonds website at <https://www.fiscal.treasury.gov/surety-bonds/> and click "PAY ONLINE".

EMAIL ALL DOCUMENTATION TO:

surety.bonds@fiscal.treasury.gov

Melvin Saunders
Manager
Surety Bond Branch

ANNUAL CALENDAR OF TREASURY FILINGS IN 2025 FOR COMPANIES RECOGNIZED BY THE TREASURY AS COMPLEMENTARY REINSURERS OF SURETY DOING BUSINESS WITH THE UNITED STATES GOVERNMENT COMPANIES

Renewal Due Dates:

- Due February 15 (or the following business day if the 15th falls on a weekend) Renewal Fee of \$3,700 (email proof of payment to the Surety Bond Branch).
- Due July 1 (or the following business day if the 1st falls on a weekend) State Package submitted in 2026 for state effective period 01/01/2027 – 12/31/2027.

New Application Dates:

- Due Whenever Applicable Initial application along with application fee of \$5,300.

Note: More information on applications can be found on the Surety Bond website at <https://www.fiscal.treasury.gov/surety-bonds/complementary-reinsurers.html>. Additionally, all forms are available at: <https://www.fiscal.treasury.gov/surety-bonds/downloads.html>.

Paperwork Reduction Act Statement

By authority of 31 U.S.C. 9304-9308, 31 CFR, Part 223, the information requested in this letter is required to retain a benefit and to enable the Assistant Commissioner, Fiscal Accounting, Bureau of the Fiscal Service, Department of the Treasury, to determine if your company is maintaining compliance with the requirements of the Department of the Treasury in order for your company to remain qualified and acceptable as a surety or reinsurer of Federal bonds. Certified companies are required to file this information with Treasury once each year on March 1. Failure to provide this information will result in non-compliance with Treasury regulations and may result in a loss of your company's authority to act as a surety or reinsurer of Federal bonds.

Burden Estimate Statement

The estimated average burden associated with this collection is 4 hours per respondent or record keeper, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Bureau of the Fiscal Service, Forms Management Officer, Parkersburg, WV 26106-1328. *This address should only be used for comments and/or suggestions concerning the amount of time spent to collect this data. Do not send the completed paperwork to the address above for processing.*