

NAIC FINANCIAL REGULATION STANDARDS AND ACCREDITATION PROGRAM

REVIEW TEAM GUIDELINES

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Part C: Organizational and Personnel Practices

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d. Use of Contract Personnel

Standard: A department that utilizes contract personnel to assist in financial surveillance and regulation should ensure that those hired in the capacity of a contractor are subject to standards that are comparable to or exceed those standards applicable to employees of the state, including disclosure of any conflicts of interest and agreeing to maintain confidentiality of financial records, proprietary data and other sensitive information they may be exposed to while under contract.

Results-Oriented Guidelines:

1. The department should assess contractors used in performing financial surveillance and regulation activities to ensure the work being performed is commensurate with the department's processes and procedures.

Process-Oriented Guidelines:

1. The department should have a process in place to consider qualifications, training and professional development of contractors performing financial surveillance and regulation activities.
2. The department should have the authority to terminate a contract for services related to financial surveillance and regulation on the basis of poor performance.
3. The department should have a process in place to consider any potential conflicts of interest among the contract personnel.
4. The department should have a process in place to ensure the contract personnel will protect confidential information like financial records, proprietary data and other sensitive information they may be exposed to while under contract.

PART C: ORGANIZATIONAL AND PERSONNEL PRACTICES

Accreditation focuses primarily on a state's regulation of its domestic multi-state insurance companies. However, there may be states that do not have any domestic multi-state insurers that would like to be accredited. In those instances, the Part C: Organizational and Personnel Practices standards would apply to that state's domestic insurers as applicable. (See Policy on Accrediting a State with No Multi-State Insurers.)

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Organizational and Personnel Practices – continued

d) Use of Contract Personnel

A department that utilizes contract personnel to assist in financial surveillance and regulation should ensure that those hired in the capacity of a contractor are subject to standards that are comparable to or exceed those standards applicable to employees of the state, including disclosure of any conflicts of interest and agreeing to maintain confidentiality of financial records, proprietary data and other sensitive information they may be exposed to while under contract.

	YES	NO
1. Does the department have a process in place to consider qualifications, training and professional development of contractors performing financial surveillance and regulation activities on behalf of the department?	_____	_____
2. Does the department have the authority to terminate a contract for services related to financial surveillance and regulation on the basis of poor performance?	_____	_____
3. <u>Does the department have a process in place to consider any potential conflicts of interest among the contract personnel?</u>	_____	_____
4. <u>Does the department have a process in place to ensure the contract personnel will protect confidential information like financial records, proprietary data and other sensitive information they may be exposed to while under contract?</u>	_____	_____
35. As a separate attachment, please briefly discuss the department's consideration for use of contractors to perform financial surveillance and regulation activities, such as the factors considered when selecting a contractor and how contractor performance is evaluated. <i>*If this is an interim annual review, only provide the department's consideration for use of contractors if there has been a change from the previous submission of this information, otherwise indicate "no changes".</i>		

20265 SELF-EVALUATION GUIDE | INTERIM ANNUAL REVIEW FORM

**FINANCIAL REGULATION STANDARDS
AND ACCREDITATION PROGRAM**

Check One:

Self-Evaluation Guide

Interim Annual Review

Jurisdiction _____

Prepared by _____ Title _____ Date _____

Commissioner's Approval _____ Date _____

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PART B1: FINANCIAL ANALYSIS

a) Sufficient Qualified Staff and Resources

The department should have the appropriate staff and resources to effectively and timely review the financial condition of all domestic insurers.

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Financial Analysis – continued

YES

NO

5. As a separate attachment, provide a list of all domestic multi-state insurers at year end, including RRGs licensed as captives. This listing should include the following:
 - Company name,
 - Type of insurer (L&H, P&C, etc.),
 - Company code
 - Group code ~~(full review only)~~,
 - The number of states in which the company is licensed, operates, registered, qualified and/or eligible,
 - The analyst and/or contractor assigned to the company,
 - The analyst's supervisor and/or contract supervisor,
 - The date the preliminary analysis was completed for the annual statement (if applicable),
 - The date that the initial analysis was completed for the annual statement,
 - The date all supervisory review was completed for the annual statement,
 - The date the department designee review of the IPS was completed for the annual statement (if applicable),
 - The priority of the company,

When completing in preparation for a full accreditation review, also include the following:

- Total assets (~~full review only~~),
- Total capital and surplus (~~full review only~~),
- Total direct written premiums (~~full review only~~),
- Whether the insurer has been designated as financially troubled within the last five years (~~full review only~~), and
- Whether the insurer has been insolvent or placed into receivership within the last five years (~~full review only~~).

PART B3: DEPARTMENT PROCEDURES AND OVERSIGHT

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Department Procedures and Oversight – continued

b) Procedures for Troubled Companies

The department should generally follow and observe the procedures set forth in the *NAIC Troubled Insurance Company Handbook*. Appropriate variations in application of procedures and regulatory requirements should be commensurate with the identified financial concerns and operational problems of the insurer.

Accreditation Program Manual

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3. Provide a schedule that separately lists those multi-state companies, including any RRGs licensed as captives, identified as financially troubled ([priority 1](#), as designated by the state) and those multi-state companies, including any RRGs licensed as captives, that are insolvent and subject to receivership procedures within the last five years. For each company listed, briefly document the following:

- Is the company considered nationally significant?
- When the company was originally designated as financially troubled, including when appropriate department staff members were notified of the determination as to the financial condition of the company
- Were specialists utilized to assist the department in its evaluation of the company?
- Did the state enter orders and/or take action to monitor/control the company after it was identified as financially troubled (ex., more frequent reporting, RBC or corrective action plan)? Please discuss on a company-by-company basis.
- Whether the department has performed an examination, limited or full scope, more frequently than once every five years, as outlined in the NAIC Model Law on Examinations. If not, please discuss why no such examination was deemed necessary.
- Discuss whether/how the department has proactively communicated in a timely manner with other state insurance regulators where the insurance company is licensed, has a significant amount of written, assumed or ceded insurance business, has a significant market share, has an affiliate domiciled in that state, has pooled companies, or utilizes fronting entities, or where the domestic state is aware the company is either seeking to write business or is seeking a license.
- [Is the company still financially troubled \(priority 1\) and if not, when did the priority change occur?](#)

PART C: ORGANIZATIONAL AND PERSONNEL PRACTICES

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Organizational and Personnel Practices – continued

c) Retention of Personnel

The department should have the ability to attract and retain qualified personnel for those positions involved with financial surveillance and regulation.

4. In a separate attachment, discuss the [staffing fluctuations](#)~~level of turnover~~ that occurred during the past year. [Include the following information:](#)

- [Name and position of staff no longer with the financial solvency monitoring areas \(analysis, exams, financial solvency senior management, licensing, etc.\).](#)
- [and the reason for the turnover, within the financial solvency monitoring staff, including the financial solvency senior management.](#)
- [How long they were with the department.](#)
- [Name and position of interdepartmental moves \(promotions, new positions, etc.\), and](#)
- [Name and position of any new hires.](#)

Accreditation Program Manual

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PART D: PRIMARY LICENSING, REDOMESTICATIONS AND CHANGE OF CONTROL

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a) Sufficient Qualified Staff and Resources

The department should have the appropriate staff and resources to effectively and timely review applications for primary licensure of new companies and redomestications and Form A filings for all domestic insurers.

4. As a separate attachment, provide a listing of any L/H and P/C primary licensure applications and any multi-state L/H and P/C redomestication applications and Form A filings (whether approved or denied) received since the department's last full review. ~~Also include any multi state L/H and P/C primary redomestication applications received Jan. 1, 2020 and after.~~ With that list, please include the following:
 - Name of person responsible for reviewing the filing,
 - Type of filing,
 - Date the filing was received,
 - Date the filing was reviewed for completeness,
 - Date the company was informed of licensure, approval/denial of the filing.
 - Whether the filing review was completed timely per department procedures, and
 - If the review was not completed timely, provide the reason.

WORKPLAN FOR THE FULL ON-SITE ACCREDITATION REVIEW

Scheduling

- 1) NAIC staff will contact the state to schedule the dates for the on-site visit. The state can also reach out to NAIC to request dates for the on-site visit.
- 2) NAIC staff will propose a review team for the state under review, taking into consideration several factors, including conflicts of interest, team member availability, prior review team composition and team member expertise. The review team should include at least one former executive level regulator.
- 3) The number of consultants (i.e., team leader plus team members) to be utilized on a full accreditation review is primarily based on the number of multi-state insurers (including captive risk retention groups) domiciled in the state under review. The table below includes the recommended number of consultants, although the Committee has discretion to increase or decrease this amount based on factors such as the size and complexity of the domestic industry of the state under review. In no case may the number of consultants be less than three.

Total Multi-State Domestic Companies	Number of Consultants
1 — 20	3
21 — 40	4
41 — 60	5
61 — 80	6
81 — 100	7
Over 100	8

- 4) The proposed review team is sent to NAIC's chief operating officer for internal approval.
- 5) Once internal approval is obtained, NAIC staff will notify the chair and vice-chairs of the Financial Regulation Standards and Accreditation (F) Committee (the Committee) that the state is due for an accreditation review, and request approval of the proposed review team.
- 6) Once the chair and vice-chairs have approved the review team members, NAIC staff will notify the state of the proposed review team and ask if there are any objections (see Policy on the Refusal of Review Team Members).
- 7) After the review team has been approved, NAIC staff will contact the review team members and request their participation on the accreditation review. The review team members should confirm they are available for the review dates and there are no new conflicts of interest to disclose for the particular state under review. If there is a scheduling or personal conflict with any of the members of the original team selected, NAIC staff will select an alternate team member for the team and obtain approval from the state to use the team member and notify the team member.
- 8) NAIC staff ensures that all team members have completed the annual conflict of interest statement and the confidentiality and non-disclosure agreement. In addition, NAIC staff ensures a recent background check (performed at least once every three years) has been conducted for each of the consultants (see NAIC Accreditation Review Team Member Qualification and Selection Criteria,

Accreditation Program Manual
Workplan for the Full On-Site Accreditation Review

Team Member Disclosure Statement, and Confidentiality and Nondisclosure Agreement for Accreditation Team Member).

Planning

- 1) NAIC staff will request the state submit a completed self-evaluation guide (SEG). NAIC staff will update the General Page of the ~~Self Evaluation Guide~~ to request state specific follow-up and monitoring prior to sending the request to the state.
- 2) NAIC staff makes available the following documentation to each of the team members:
 - State-specific information (e.g., examination frequency, companies that trigger the RBC trend test, prescribed accounting differences, holding company filing deadline information, analysis and examination timeliness information, etc.);
 - Results from the prior review, [including the Review Team's Report with any key areas for improvement, the state's response \(if there is one applicable\), and the Part A Report](#);
 - Corrective Action Plan(s) (CAP) and updates, if applicable, that have occurred since the prior accreditation review;
 - "NAIC Financial Regulation Standards and Accreditation Program Review Team Guidelines" (the Guidelines) and any sound practices identified by relevant Financial Condition (E) Committee groups;
 - *NAIC Accreditation Program Manual*;
 - ~~Self evaluation guide~~SEG completed by the state;
 - Any additional supplemental information provided by the state;
 - Part A: Laws and Regulations report(s) performed by the NAIC Legal Division.
- 3) The review team members review the compiled SEG and other documentation pertaining to the state under review and highlight areas that may require additional emphasis during the review.
- 4) As a result of the review of the state's completed ~~self evaluation guide~~SEG and other information noted in step 2 above, NAIC staff, on behalf of the review team, may notify the state of any additional information or clarification necessary before the review.
- 5) The team leader will select analysis and examination files for the review team to review. The sample size will depend primarily on the number of team members participating in the review. Typically, for a full accreditation review, the team will select two multi-state analysis files and one multi-state examination file for each team member. Each team member will be expected to independently review the entire file for at least one analysis and one examination. There may be other situations that arise that warrant a different approach to selecting analysis and examination files for review, for example:
 - If the state has completed fewer exams than assigned team members during the review period, it may be necessary for team members to review the same file(s).
 - If the state has completed only a limited number of examinations during the review period, the sample selection may include companies for which the examination is still in process so long as there is, at a minimum, a draft examination report.
 - If the state has only completed coordinated exams as a participant and not the lead state during the review period, the team leader should select at least one coordinated exam for each of the

Accreditation Program Manual
Workplan for the Full On-Site Accreditation Review

team members to review, if possible; otherwise, it may be necessary for team members to review the same file(s).

- If the state has not completed any exams during the review period as a result of a re-review of exams, the team leader will not select any exams. The review team should rely on the results of the re-review.
- If there are fewer than two analysis files per team member, all the state's multi-state companies will be selected for review. The same file may be assigned to multiple team members.

The number of files selected could also vary based on the size and complexity of the files being reviewed. For example, if a team member is reviewing an extremely large or complex file, that team member may only review one analysis file and one examination file. In addition, due to additional responsibilities of the team leader, the number of files reviewed by this person could vary. Ultimate responsibility for the total number of files reviewed is left to the discretion of the team leader. In general, the procedures for selecting files for review by the accreditation review team are outlined below:

- A representative number of multi-state life, property/casualty, and risk retention group insurance companies will be selected in proportion to the total number of multi-state insurers. Non-traditional multi-state insurance companies, such as health maintenance organizations or title companies may also be selected for review when a state's insurance industry warrants such or there are not enough multi-state traditional insurance company files available for review.
- The review team will attempt to select company files for review covering all state priority designations.
- The review team will attempt to select company files for review for each analyst, examiner-in-charge, and supervisor while keeping in line with the above guidelines to the extent possible.
- The review team will select for review one or more company files in each of the following categories, if applicable:
 - An insurer that is presumed to be not financially troubled as designated by the state,
 - An insurer identified as financially troubled by the state, and
 - An insurer that is insolvent or subject to receivership proceedings within the last five years.
- Other factors may also be taken into consideration when selecting company files for review to ensure appropriate coverage of insurers displaying characteristics more likely to raise concerns from other states or pose the greatest potential impact on other states. Factors could include:
 - the number of states in which the company is licensed and/or writing business,
 - a company's total capital and surplus and total direct written premiums,
 - a company's current RBC ratio,
 - whether a company triggered the RBC trend test within the past five years,
 - a company's FAST Score,
 - other financial impact triggers as appropriate.
- As set forth in the Guidelines, the review of examinations should focus on the most recent examination files available. However, the Guidelines also state that a limited review of examinations performed since the prior accreditation review of examinations should be performed. As such, the review team will attempt to review a limited sample (generally one

Accreditation Program Manual
Workplan for the Full On-Site Accreditation Review

examination, and no more than two examinations) from this earlier period. In addition, each team member will be responsible for doing a limited review of the analysis files for at least one company for each year since the previous accreditation review of the analysis files.

Note:

The team leader will assign companies to team members for their review and all files reviewed by the review team will be discussed during the review team's discussion and report drafting process. The NAIC observer will also review a set of files which is typically the same analysis and examination file as one of the review team members, to help ensure consistency is maintained throughout each accreditation review.

- 6) For a state that has both multi-state examinations where they are the lead or sole state and coordinated examinations as a participating state, the review team should select at least one coordinated examination file to review; however, it may be appropriate to select more than one file. The review team should use a reasonable approach when determining the number of coordinated examinations to select for review. Factors to consider could include:
 - the total number of coordinated examinations as a participating state in conjunction with the overall size of the domestic industry,
 - the number of different EICs and/or contractors/contract firms used on such examinations,
 - other factors as discussed above for consideration when selecting multi-state examinations where they are the lead or sole state.

The review should include a review of Exhibit Z, Part Two, Section C (or a similar document). If, upon review of Exhibit Z, Part Two, Section C (or similar document), it is determined that the state did not meet the criteria to be classified as a fully participating state, it will be responsible for compliance with the accreditation guidelines for this work.

- 7) NAIC Staff will discuss with the team leader the number of life insurers domiciled in the state under review that cede XXX/AXXX business to a captive insurer. If the team leader has already selected one or more of these life insurers for a detailed review during the accreditation review, he should consider whether additional companies should be selected for a high-level review to assess compliance with the financial analysis guideline that is specific to these types of companies. If one of these life insurers has not been chosen for a detailed review, the team leader should select at least one or two of these life insurers for a high-level review to assess compliance with the financial analysis guideline that is specific to these types of companies. Ultimately, the number of life companies selected for review (detailed review of high-level review) should be based on the state's number of domestic life insurers that cede XXX/AXXX business to a captive.
- 8) The team leader will select applications for primary licensure of new companies, redomestications and Form A filings for the review team to review. The team leader will select applications for primary licensure of new companies, redomestication applications and Form A filings that were received since the previous accreditation review, ~~and redomestication applications that were received on or after Jan. 1, 2020~~. Filings received after Jan. 1, 2022, may be considered in the review team's Recommendation. Typically, for a full accreditation review, the team will select a total of two primary licensure applications, two redomestication applications and two Form A filings. However, the team leader has the discretion to decide that a larger number of files should be reviewed.

Accreditation Program Manual
Workplan for the Full On-Site Accreditation Review

- 9) The NAIC observer should obtain a written statement from the state under review that is signed by at least two knowledgeable senior level individuals (such as deputy commissioner, chief analyst, chief examiners, etc.) indicating the analysis, examination, primary application, redomestication application and Form A filings and workpapers will, in no way, be revised or altered since the state was made aware of the review team's file selection.
- 10) The NAIC observer and team leader will hold a company selection call with the state under review to discuss the company files the review team wishes to review. During this call, the state will have the opportunity to discuss the company selections and provide any details or circumstances that would be helpful for the review team to know. This information could be taken into consideration by the team leader to determine if the selection is still a good fit for the review team or particular team member to review.
- 11) The team leader will assign company files for each team member to review. Once that assignment has been made, the NAIC observer will notify the state under review and the team members of the assignments. The state may provide feedback on the assignments if there are any concerns. The team members will provide confirmation whether they have any conflicts with the assignments.
- 12) The NAIC observer will notify the state of any other data needs for the site visit and provide the state with a tentative agenda for the full review.
- 13) Once the companies have been selected for the review week and discussed with the state, the NAIC observer will provide information to the state on how best to provide the NAIC with the selected company files (*i.e., upload to NAIC Citrix server*), as deemed necessary. Submitted information should include supporting workpaper documentation that demonstrates the work performed by the department.
- 14) Team members may be required to review state/company information prior to the full review, as applicable for the state under review.

Site Visit

- 1) Prior to meeting with representatives from the state insurance department, a meeting of the review team members should be held to:
 - Discuss any findings or items of interest as a result of the file review thus far.
 - Discuss any additional information or documentation received from the state.
 - Review the agenda for the review and assign any additional responsibilities to each review team member (*i.e., financial solvency senior management interviews, Part D reviews, etc.*).
- 2) Meet with key staff from the state insurance department to obtain an overview of how the department is structured and how it operates. Senior level staff from all areas of the department involved in financial regulation and solvency surveillance should be present to answer any questions the review team may have related to the state's responses to the ~~self-evaluation guide~~[SEG](#). In addition, the team leader should discuss generally the procedures and objectives of the accreditation review process.

Accreditation Program Manual
Workplan for the Full On-Site Accreditation Review

At the end of each day, the review team leader and NAIC observer meet with key staff from the department and provide a daily update on the review team's progress and any key findings thus far.

- 3) Meet with financial solvency senior management and the commissioner to obtain an understanding of their role in solvency regulation and their thoughts on the department's strengths, weaknesses and potential threats as outlined in the Guidelines for "Department Procedures and Oversight."
- 4) Meet with staff from the legal and financial areas to follow-up on any concerns or questions resulting from the NAIC Legal Division's detailed review of the state's laws and regulations.
- 5) Through discussions with staff from the legal and financial areas, assess their understanding of the state's authority related to the laws and regulations, and how that authority is carried out in practice.
- 6) Obtain copies of pertinent financial analysis documents and reports for the workpapers and perform a detailed review of the work. As a result of the detailed review, interview applicable financial analysis staff, including supervisors, to discuss the overall analysis process and address any questions or concerns. The ultimate purpose of the detailed review is to develop the review team's recommendation regarding accreditation as outlined in Part B1: Financial Analysis and to draft the review team's report to the Committee.
- 7) Consider talking briefly with staff in other areas of the department to assess the effectiveness of the intra-department communication system (e.g., market conduct, financial examination division, legal, etc.).
- 8) Obtain copies of the examination file, the examination report and other pertinent workpapers to perform a detailed review. As a result of the detailed review, interview applicable financial examination staff, including EIC and supervisors, to discuss the overall examination process and address any concerns or questions. The ultimate purpose of the detailed review is to develop the review team's recommendation regarding accreditation as outlined in Part B2: Financial Examinations and to draft the Review Team's Report to the Committee.
- 9) For coordinated exams as a participating state, the review team shall obtain copies of the examination file, the examination report and other pertinent workpapers, including Exhibit Z, Part 2, Section C. The review should consist of verifying the state actively participated on the exam as indicated on Exhibit Z, Part 2, Section C, whether the exam was appropriately called in FEETS, ensuring the specific risks of the insurer were appropriately addressed, communication with the analyst throughout the exam was appropriate and evidenced, etc. The team member should consider the necessity of interviewing applicable financial examination staff to discuss the overall coordinated examination process and to address any concerns or questions. If the state only has coordinated exams as a participating state for the review team to review, interviews of applicable financial exam staff, including EIC and supervisors, to discuss the overall examination process and address any concerns or questions must be held. The ultimate purpose of the detailed review is to develop the review team's recommendation regarding accreditation as outlined in Part B2: Financial Examinations and to draft the Review Team's Report to the Committee.

Accreditation Program Manual
Workplan for the Full On-Site Accreditation Review

- 10) When a state does not have any examinations for the review team to review due to a re-review of examinations during the five-year accreditation period, the review team should rely on the work and recommendation from the prior review team.
- 11) Meet with actuaries, computer auditors, reinsurance and investment specialists, where applicable and/or deemed necessary, to determine how their expertise is utilized in the financial examination process and document these discussions.
- 12) The review team should be apprised of the results of the most recently completed year-end analysis and the examination timeliness statistical calculation performed by the NAIC observer during the planning phase. Each team member should consider the results of this calculation and other applicable factors during the development of the review team's recommendation regarding accreditation.
- 13) Meet with appropriate department staff to discuss the organizational and personnel practices section of the standards and the department's responses to this section of the completed ~~self-evaluation guide~~SEG. Document these discussions and obtain copies of pertinent documentation for the workpapers.
- 14) Meet with appropriate department staff to discuss the primary licensing, redomestications and change of control section of the standards and the department's responses to this section of the completed ~~self-evaluation guide~~SEG. Also discuss the team's review of primary licensure and redomestication applications and/or Form A filings with appropriate department staff and obtain copies of pertinent documentation for the workpapers.
- 15) The review team shall perform the following procedures to determine that the department is identifying potentially troubled insurers timely and instituting appropriate action. (Emphasis should be given to nationally significant companies where possible.)
 - Select one or more domestic companies from each of the following categories, if applicable, for detail review:
 - a) presumed to be not financially troubled (as designated by the state).
 - b) identified as financially troubled (Priority 1 as designated by the state).
 - c) insolvent and subject to receivership proceedings within the last five years.

Note:

The definition of a financially troubled insurance company is included in the Accreditation Interlineations.

- For category (a) companies, the primary objective is to determine if the company is properly categorized.
- For category (b) and (c) companies, the objective is to determine if the state timely identified the company as financially troubled and followed appropriate procedures after such determination, including the following:
 - Did the state identify the company as troubled when it should have done so?
 - Was the state's response after identification appropriate? For example:

Accreditation Program Manual
Workplan for the Full On-Site Accreditation Review

- Were appropriate department staff members notified of the determination as to the financial condition of the company?
- Did the state properly perform the fact-finding process to understand the company and its problems?
- Were specialists utilized to assist the department in its evaluation of the company?
- Did the state enter orders and/or take appropriate steps to monitor/control the company after it was identified as financially troubled? Was more frequent reporting required?
- Was a corrective plan required to be filed?
- Did the state properly and timely follow-up on all matters?
- Did the state act properly to protect policyholders?

Review Team's Recommendation

- 1) Once the review team members have completed their review of the various files (financial analysis, financial examinations, primary licensure, redomestications and Form A) and have no further questions for the department, the team should convene into a private meeting with the NAIC observer.
- 2) Using the Guidelines as a guide, the team shall discuss each of the Part B, C and D accreditation standards, including the department's understanding of and compliance with the standards. The information obtained during this discussion should be used to draft the review team's report as required in the following section and to develop the review team's recommendation.
- 3) Review teams should also take into consideration prior review team findings, particularly those that rose to the level of a key area for improvement. In instances where the review team found a previously identified key area for improvement to still be applicable, the review team should consider the overall severity and impact to financial solvency regulation by not rectifying the issue noted in the prior review. Such consideration could potentially impact the review team's Recommendation in that area.

3) For each of the three Part B: Regulatory Practices and Procedures subparts (Financial Analysis, Financial Examinations, Department Procedures and Oversight) and Part D: Primary Licensing, Redomestications and Change of Control, the review team must choose either Recommendation A or Recommendation B:

- Recommendation A: Based on what the Review Team observed during the review, which included a review of Department policies and procedures, a review of a selection of financial analysis and financial examination files and discussions with department representatives, the Review Team concluded that, in its opinion:
 - Other states should be able to rely on the Department's work;
 - There is no need for an additional on-site re-review; and
 - There is no need for additional follow-up action or monitoring by the Financial Regulation Standards and Accreditation (F) Committee during the next five years beyond the interim annual reviews, which are an annual requirement for all accredited jurisdictions.

Accreditation Program Manual
Workplan for the Full On-Site Accreditation Review

- Recommendation B: The team concluded that, in its opinion, Recommendation A is not appropriate.

The team's report shall include a discussion of the factors that led the team to come to this conclusion. In the discussion, it should be stated:

- *Whether other states should or should not be able to rely on the Department's work;*
- *Whether there is or is not a need for additional on-site re-review; and*
- *Whether there is or is not a need for additional follow-up action or monitoring by the F Committee during the next five years beyond the interim annual reviews.*

- 4) If the team selects Recommendation A for all three subparts of the Part B standards and the Part D standards, the team's recommendation is that the state be accredited or retain its accreditation for the full five-year period. The Committee may accept, modify or override the team's recommendation, as it deems appropriate.
- 5) If the team does not select Recommendation A for any or all three subparts of the Part B standards and/or the Part D standards, the review team shall recommend any follow-up action(s) it deems appropriate for the Committee's consideration. The Committee shall take into consideration the team's discussion of their findings, including any mitigating factors or additional information provided by the state to determine whether the state should be accredited. The Committee shall also determine any appropriate action or additional requirements of the state, including but not limited to: continued accreditation without further action, periodic monitoring, re-review, probation, suspension, etc. See also the Policy for Probation, Suspension and Revocation.

Note: If Recommendation B is selected for any of the three subparts of the Part B standards and/or the Part D standards, this does not imply that the review team is recommending that the state not be accredited. Rather, the review team is requesting the Committee's review and discussion of the review team's findings to allow the Committee to determine the most appropriate action, if any, related to the state's accreditation.

Accreditation Review Team's Report to the Committee

- 1) The review team will use the discussions held in the preceding section to draft the review team's report to the Committee. This report should include the findings and conclusions of the review team, including the recommendations for each Part B subpart and Part D standards and discussions regarding any follow-up or additional procedures or reviews, as applicable.
- 2) The review team's report should follow the template outline included in the *Accreditation Program Manual*. The report contains an executive summary that includes general information about the review, such as team members, number of domestic insurers and staffing levels, the review team's recommendation, supporting rationale for a Recommendation B, if applicable, Positive Attributes and Key Areas for Improvement. The report also includes a section for the review team's discussion which allows the team flexibility to include additional context and any information that would be valuable or meaningful to the Committee.

For purposes of the review team's report, the following terms are defined as:

Accreditation Program Manual
Workplan for the Full On-Site Accreditation Review

- **Positive Attribute:** An addition or improvement that enhances a process or procedure and delivers substantial value and benefits for the department and could also provide equal value and benefits to another department if implemented. Such identified attributes are not commonly seen by review teams and may meet or exceed the baseline minimum standards required by accreditation.
- **Key Area for Improvement:** A deviation from the required baseline minimum standards that results in a deficiency in the process or procedure that, if not corrected, could result in concerns for the department's ability to continue to properly monitor insurers and/or the insurance industry for financial solvency.

3) At the end of the onsite review, the team holds an exit conference with key personnel from the state insurance department to discuss the team's findings and provide them with a summary of any items that led to a Recommendation B, Positive Attributes and Key Areas for Improvement. A full copy of the Team's Report may be provided if available, or as a result of timing constraints, the review team's report may be provided to the state shortly following the review week. The state is also provided with a copy of the accreditation review exit survey and evaluation form.

- Occasionally, review teams may issue an informal "state-only" document that is intended to provide beneficial information back to the state to assist them in their processes going forward. While not an exhaustive list, information that may be included in this document could be any of the following:
 - Sound practices that may be helpful for the department.
 - More detailed discussion related to a key area for improvement to provide the department with more specifics to assist in addressing and correcting the identified issue.
 - Immaterial findings that did not rise to the level of discussion in the Team's Report; however, the team believed would be beneficial in the spirit of continual improvement.
 - Suggestions that may benefit the department.

The "state-only" document is shared only with the department and does not require the department to respond or take any action on the contents of the document. It is for informational purposes only, and meant to be a tool the department can use following the accreditation review.

4) The state has the opportunity to review and comment on the review team's report. The review team, collectively or through the team leader, has ultimate discretion regarding any changes to the review team's report.

5) The state under review should prepare a formal, written response to a recommendation B and/or any key areas identified for improvement within the review team's report, as applicable, and provide it to NAIC staff within the required timeframe. If the state has received a Recommendation B for any Part, the state should also consider the Policy on Accreditation Corrective Action Plans when preparing their response.

6) Copies of the final review team's report that discusses the state's compliance on Parts B, C and D and the department's formal response, as applicable, to a recommendation B and/or any noted key areas for improvement should be submitted to each member of the Committee.

Accreditation Program Manual

Workplan for the Full On-Site Accreditation Review

- 7) Review team members should submit documentation supporting time spent and expenses incurred during the accreditation review.

POLICY ON ACCREDITATION CORRECTIVE ACTION PLANS

The Financial Regulation Standards and Accreditation (F) Committee (the Committee) may require a state insurance department to submit and follow a corrective action plan (CAP) as a stipulation to being accredited. A CAP is generally required when issues of compliance with the accreditation standards have been identified. A CAP is a plan created by the state and submitted to the Committee for approval to correct the identified issue(s) and provides a measure of accountability for the state that the Committee can verify.

Factors to Include in Corrective Action Plan

The Committee may request that Aa state ~~should~~ prepare and submit a proposed CAP when any of the following occurs:

1. (1) the NAIC Legal Division identifies an issue of non-compliance in Part A;
2. (2) a Recommendation B is given by the review team; or
3. (3) a significant reportable finding is brought to the Committee's attention (e.g., via interim annual review or other means).

Once the Committee has been made aware of an issue(s) and/or concern(s) with a state, they will need to determine whether it would be beneficial for the state to submit a CAP. If the issue(s) and/or concern(s) are such that the Committee believes needs to be monitored on a regular basis, a CAP should be requested for consideration and approval.

When requesting a CAP, the Committee will need to identify what issue(s) and/or concern(s) should be addressed, including establishing any expectations (i.e., anticipated timeline of completion, reporting frequency, etc.). This information will be provided to the state to help in developing their CAP.

A proposed CAP should follow the template below or be substantially similar, and should include the following elements, as applicable:

In the case of a Part A deficiency:

1. The reason(s) why the Model Law or Regulation was not adopted;
2. The projected timeline and process for correction;
3. Anticipated hurdles or opposition to adopting the correction;
4. Administrative procedures or mitigating factors that are in place in the interim and are designed to accomplish the intent of the law or regulation until the correction is adopted;
5. A description of the exposure to policyholders in other states of companies domiciled in the state; and
6. Any other elements requested by the Committee.

<u>Part A identified deficiency</u>	<u>Reason it was not adopted</u>	<u>Anticipated adoption date</u>	<u>Process to correct identified deficiency</u>	<u>Any anticipated hurdles or opposition?</u>	<u>Mitigating procedures in place in the interim</u>	<u>Description of exposure & impact</u>	<u>Additional Information</u>

Accreditation Program Manual

In the case of a Part B or Part D deficiency:

1. An outline of the steps to be taken by the state to address the concerns of the Committee;
2. A description of the anticipated timeline for addressing the concerns;
3. Specific, measurable benchmarks that allow the Committee to monitor the state's progress through the state's self-reporting and/or a re-review; and
4. Any other elements requested by the Committee.

<u>Part B D identified deficiency</u>	<u>Steps to be taken to address deficiency</u>	<u>Measurable benchmarks to track progress</u>	<u>Anticipated completion date</u>	<u>Additional Information</u>

Following the Committee's approval of a state's CAP, the state will be expected to provide updates as requested. The updates should follow the CAP template and indicate how the state is progressing on correcting the identified issue(s) and/or concern(s). The expected frequency of reporting will be determined by the Committee at the time of the approval of the state's CAP and could be re-evaluated as necessary.

Result of the Corrective Action Plan

The Committee reviews a proposed CAP and may accept, revise or reject the CAP. The Committee's acceptance of a CAP is not considered a change to the state's accredited status, but, rather, is a measure of accountability between the state and the Committee. In situations where the CAP provided by the state rectifies the issue of non-compliance in a timely manner, as determined by the Committee, additional action by the Committee (probation, suspension, revocation) may not be deemed necessary. However, if the CAP proposed by the state is not acceptable to the Committee, or if the state does not adhere to the timeframe and/or stipulations in a CAP that the Committee has accepted, the Committee may take additional action (probation, suspension, revocation) based on the severity of the deficiency (or deficiencies) as determined on a case-by-case basis. For further information, refer to the NAIC Policy on Probation, Suspension and Revocation.

If the Committee deems the matter of non-compliance to be of significant concern and to warrant immediate action such that probation, suspension or revocation of a state's accreditation is needed to appropriately protect policyholders in other states, the Committee may move directly to probation, suspension, or revocation without first allowing correction through a CAP from the state.

POLICIES AND PROCEDURES FOR FINANCIAL REGULATION STANDARDS AND ACCREDITATION (F) COMMITTEE MEETINGS

National Meetings

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Full Reviews

At each National Meeting in regulator-only session, the Committee will hear the reports for each state that underwent a full accreditation review. When discussing these reviews, the Committee will refer to the review team's report, the state's response (if applicable), and the NAIC Legal Division Part A report(s). The team leader and the NAIC observer, as well as an NAIC legal representative, are present at the meeting and can provide the Committee with copies of the state's self-evaluation guide and supporting documentation, if requested. The team leader provides an oral report, summarizing the results of the review, and answers any questions of the Committee regarding the review. The NAIC legal representative will provide a summary of any Part A exceptions or observations, as applicable, and respond to any Committee questions. The NAIC observer is available to further support the team leader and the NAIC legal representative. Representatives of the state are also in attendance to respond to questions from the Committee or to comment upon the review team's report and recommendation.

Representatives of the state are excused once the Committee has no further questions for these individuals. Once the representatives are out of the room, the Committee may ask additional questions of the team leader, the NAIC legal representative, and/or the NAIC observer to help further their understanding of the results of the review and the work being performed at the state. Based on the recommendation of the review team and any additional responses provided as a result of the meeting, the Committee makes a decision as to whether or not the state should be accredited. In making this decision, the Committee will consider the recommendation of the review team, the facts detailed in the review team's report, information provided by the state (including any new relevant information that was not available for the review team to review), and any other relevant information provided by other Committee members or NAIC staff. The Committee is the ultimate decision maker and is not bound to accept the review team's recommendation; however, the rationale for its decision must be clearly stated and based on facts relevant to the accreditation standards. Possible Committee decisions could include but are not limited to:

- continued accreditation with no further follow-up,
- continued accreditation with NAIC staff to monitor progress addressing concern(s) identified,
- continued accreditation with the state to submit a Corrective Action Plan (CAP),
- continued accreditation with the state to report to the Committee at regular intervals on specific issues and/or concerns.
- continued accreditation with a re-review,
- continued accreditation with the state placed on probation,
- suspension, or
- revocation.

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Interim Annual Reviews

Accredited states are required to submit a self-evaluation guide, known as the interim annual review (IAR), each year between full reviews. Each National Meeting in regulator-only session, the Committee receives an update from NAIC staff on those states that submitted an IAR during the period. The update is usually provided collectively for all submitting states for that period. However, a state may be discussed individually if there are any Part A exceptions or observations, analysis and/or examination timeliness

Accreditation Program Manual

Policies and Procedures for Financial Regulations Standards and Accreditation (F) Committee

concerns, potential staffing concerns, or any other issues that may arise as a result of the review of the IAR that the Committee should be aware of.

States that are individually reported to the Committee because of their IAR submission are requested to be available to respond to any possible questions from the Committee. The Committee will take into consideration any of the identified concerns noted from the IAR review and any responses from the state representatives in order to make a determination on next steps. Next steps could include but are not limited to:

- continued accreditation with NAIC staff to monitor progress addressing the concern(s) identified,
- continued accreditation with the state to submit a CAP,
- continued accreditation with the state to report to the Committee at regular intervals on specific issues and/or concerns.
- continued accreditation with a re-review,
- continued accreditation with the state placed on probation,
- suspension, or
- revocation.

If the Committee concludes the state should provide additional follow-up, including follow-up via a CAP, or is placed on probation or suspension or its accreditation status revoked, documentation detailing any expectations, follow-up and/or stipulations will be provided to the state.

For further information on IARs, see the *Workplan for Interim Annual Reviews*.

Accreditation Program Manual**Workplan for the NAIC Legal Division's Review of the Part A Standards****WORKPLAN FOR THE NAIC LEGAL DIVISION'S REVIEW OF
THE PART A STANDARDS FOR A FULL ACCREDITATION REVIEW**

*Note: This workplan applies to the review of both traditional and risk retention group insurance companies.

For the State

When completing the Self-Evaluation Guide (SEG) for Part A, the following are some helpful tips:

- Provide all applicable citations and references for each of the significant elements per standard.
- The citations and/or references provided for each significant element within a standard should only be those that are directly applicable to that significant element.
- For the supporting documentation of each significant element, include the laws, regulations and/or references immediately following the standard and in the order they are listed in the standard.
- If the same citation and/or reference are used more than once within the same standard, only include that supporting documentation once for that specific standard.
- If the same citation and/or reference is noted in different standards, include the supporting documentation separately for each specific standard.
- Do not include web links for any citations and/or references.

Planning

- 1) NAIC staff will request the state to submit ~~an update completed self-evaluation guide SEG, as described in the Workplan for the Full On-Site Accreditation Review~~. NAIC staff will update the General Page of the ~~Self Evaluation Guide~~ to request state specific follow-up and monitoring prior to sending the request to the state.
- 2) NAIC staff will provide the following documentation to the assigned NAIC Legal Division attorney:
 - NAIC Policy Statement on Financial Regulation Standards;
 - Part A section of the ~~Self Evaluation Guide~~ completed by the state;
 - Any additional supplemental information provided by the state, including new legislation, etc.;
 - ~~Model laws and regulations referenced by the NAIC Policy Statement on Financial Regulation Standards~~
 - Sections of the state's code cited in the ~~Self Evaluation Guide~~ or supplemental information; and
 - Comments from the detailed review of the Interim Annual Reviews performed by the NAIC Legal Division since the last full accreditation review.

Review and Report Preparation

- 1) The ~~NAIC Legal Division~~assigned attorney will review the information received from the state and to the extent necessary, analyze the state's laws to determine whether the state is in compliance with the

Part A standards. The review shall also confirm whether the citations provided by the state accurately identify the extent to which the state's laws and regulations evidenced compliance with the Part A standards.

- 2) The assigned attorney should work with NAIC accreditation staff to coordinate with the state if there are any follow-up questions or for clarification purposes prior to finalizing a draft Report of the NAIC Legal Division on Part A Standards (the Part A Report).
- 3) The ~~NAIC Legal Division~~assigned attorney should prepare ~~the~~a draft Part A Report of the NAIC Legal Division on Part A standards. This report will~~that~~includes the findings and conclusions ~~of the NAIC Legal Division's review~~, including a recommendation regarding whether the state is in compliance with the Part A standards. An exceptions portion of the Part A Report may highlight concerns, if any are noted during the review, together with recommendations for the state to consider enhancements to its laws and regulations providing for sound insurance regulation. ~~The department shall provide a formal response to each of the recommendations, if any, by the date indicated by NAIC staff. For example, there may be instances that arise when a standard or individual significant element within a Part A standard is not applicable to the state. Most commonly, this is because the state does not have any domestic multi-state insurers that are subject to the standard in question. In these instances, the assigned attorney would disclose this in the exceptions portion of the Part A Report for the Committee's consideration.~~
- 4) At the conclusion of the Part A review, the ~~NAIC Legal Division~~assigned attorney should complete the Assessment Sheet for Part A: Laws and Regulations. In theory, the state must adopt each law and regulation standard and each will be~~is~~generally assessed on a pass/fail basis. For further information on compliance with Part A standards, see the "Accreditation Interlineations."
- 5) The ~~NAIC Legal Division~~assigned attorney should hold a debriefing meeting with the NAIC accreditation staff to discuss significant issues or concerns reported in the Part A Report. if any are identified.
- 6) The NAIC accreditation staff will provide a copy of the draft Part A Report to the state for review, generally prior to the commencement of the full accreditation review. Any comments or corrections the state identifies will be provided to the assigned attorney to address.
- 7) The state should prepare a formal, written response to any exceptions identified in the Part A Report, as applicable, and provide it to NAIC staff within the required timeframe.
- 8) The NAIC accreditation staff will provide copies of the draft Part A Report of the NAIC Legal Division on Part A standards to the accreditation review team for their reference during the accreditation review.
- 9) At the request of the department or if any material issues are identified, the ~~NAIC Legal Division~~assigned attorney will~~may~~ hold an exit conference call with the NAIC accreditation staff and key personnel from the state to discuss their findings.
- 10) The finalized Part A Report, including the department's formal response to any exceptions noted, as applicable, along with the Review Team's Report will be ~~made a part of the documentation for the accreditation review. It is typically delivered to the department and the review team by the commencement of the on site review, and included in the materials~~ submitted to each member of the

Committee at the conclusion of the on-site review ahead of the National Meeting the review will be discussed at.

NAIC ACCREDITATION REVIEW TEAM MEMBER QUALIFICATION AND SELECTION CRITERIA

- 1) Potential candidates for accreditation review teams must submit a resume of qualifications to the NAIC Senior Accreditation Manager and/or Accreditation Program Manager~~Central Office~~ along with any other requested materials.
- 2) NAIC accreditation support staff will assess the qualifications of the accreditation review team member candidates, including interviewing the candidates.
- 3) NAIC accreditation support staff will verify the candidates' references, verify education and conduct criminal background checks.
- 4) NAIC accreditation support staff will forward candidates' resumes and results of the procedures performed in step #3 to the appropriate NAIC Executive Leadership~~Chief Operating Officer~~, who will determine whether candidates should be approved as eligible accreditation review team members.
- 5) If approved by the appropriate NAIC Executive Leadership~~Chief Operating Officer~~, NAIC accreditation support staff will forward candidates' resumes and results of the procedures performed in steps #3 and #4 to the Chair and Vice-Chairs of the Financial Regulation Standards and Accreditation (F) Committee (the Committee). The Committee (acting through the Chair and Vice-Chairs with assistance of NAIC accreditation support staff) will also determine whether candidates should be approved as eligible accreditation review team members.
- 6) The NAIC accreditation support staff shall maintain a list of all approved candidates. Participation as a team member shall be contingent upon NAIC's receipt of required statements and confirmation that data contained therein are current. Appropriate NAIC Executive Leadership, as well as ~~T~~he Chair and Vice-Chairs will approve the selection of team members assigned to each review~~prior to each accreditation review~~.
- 7) Required statements shall be updated at least annually, but no later than~~usually in~~ January of each calendar year. Approved candidates shall be expected to submit the signed statements within 30 days of request by NAIC staff. The required statements are the following:
 - Disclosure Statement – This statement requires the approved candidate to disclose the nature of any consulting work performed by the individual, or a family member¹, or a business in which the individual or a family member holds an equity or beneficial interest, or employment by the team members' family members for any state insurance department and other information, as applicable. It will be the team member's responsibility to inform the NAIC staff within 20 days of any significant changes in information reported in the most recently submitted disclosure statement.
 - Confidentiality – This statement requires the team member to maintain the confidentiality of information obtained from the NAIC or the state being reviewed as a result of participating on an accreditation team, including but not limited to, the scheduling of accreditation reviews and information obtained during the accreditation review.

¹ Family member is defined as spouse (including domestic partner or similar relationship whether or not recognized by law) son, stepson, daughter, stepdaughter, mother, stepmother, father, stepfather, brother, stepbrother, sister, stepsister, son-in-law, daughter-in-law, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandmother, grandfather, grandson, and granddaughter.

8) Background checks of all approved candidates shall be re-performed no less frequently than once every three years. At the request of the NAIC staff, the candidate shall submit within 30 days, the applicable information and waivers necessary to complete the background checks.

The NAIC has established the following minimum qualification and independence guidelines for NAIC Accreditation review team members:

- A review team candidate must be considered an expert in insurance regulation and should have worked a minimum of seven years in the area of financial solvency. Such experience could be attained by working for an insurance department, insurance company, accounting firm or other similar entity that would expose the candidate to the financial solvency of insurers.
- The candidate must not be currently employed for an insurance department, insurance company or similar entity.
- Information provided by review team candidates will be documented in annually filed statements and conflicts of interest will be determined by NAIC Accreditation support staff on a state-by-state basis. ~~Although the following general principles apply regarding conflicts of interest, the Team Member Disclosure Statement requires additional certifications and disclosures that may constitute a conflict of interest:~~
 - A review team candidate would be considered to have a conflict of interest with an individual state to be reviewed if at any time such candidate was employed full-time by the state insurance department or in any management level position of an entity domiciled in the state and regulated by the state insurance department. A non-management level employee of a company regulated by the state would be considered to have a conflict if they were employed by the company during the accreditation period being reviewed by the team.
 - If the review team candidate has performed any work on a consulting basis for the state insurance department, such candidate shall be ineligible to participate on such state accreditation review for a period of at least two years. Such period may be extended depending on the type and amount of consulting work the candidate performed.
 - If the review team candidate has performed financial solvency work, which is to be considered in the scope of such accreditation review (to include Part B1: Financial Analysis, Part B2: Financial Examinations, Part B3: Department Procedures and Oversight, Part C: Organizational & Personnel Practices, and/or Part D: Primary Licensing, Redomestications and Change of Control), on a consulting basis, for the state insurance department such candidate shall be ineligible to participate on such state accreditation for ~~a the review period, of at least two years. Such period may be extended depending on the type and amount of consulting work the candidate performed.~~
 - If the review team candidate has performed work, on a consulting basis, for an entity domiciled in the state and regulated by the state insurance department that is directly related to financial solvency or the accreditation program, such candidate shall be ineligible to participate on such state accreditation for a period of at least two years. Such period may be extended depending on the type and amount of consulting work the candidate performed.

- The review team candidate shall agree to not become employed by or perform work on a consulting basis for an individual state for a one-year period after the final day of the on-site accreditation review.
- [The Team Member Disclosure Statement requires additional certifications and disclosures that may constitute a conflict of interest as determined by NAIC staff. Such additional certifications and disclosures may also effect team member assignments, including states and/or individual company file reviews.](#)

TEAM MEMBER DISCLOSURE STATEMENT

Each individual who has been approved as a review team member (“Team Member”) to participate on accreditation reviews conducted through the National Association of Insurance Commissioners (“NAIC”) Financial Regulation Standards and Accreditation Program shall make the following certifications and disclosures.

For purposes of this statement, the term “family member” is defined as spouse (including domestic partner or similar relationship whether or not recognized by law), son, stepson, daughter, stepdaughter, mother, stepmother, father, stepfather, brother, stepbrother, sister, stepsister, son-in-law, daughter-in-law, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandmother, grandfather, grandson, and granddaughter.

Information disclosed below shall be reviewed by the NAIC General Counsel, ~~the NAIC~~ Legal Division, and ~~the~~ Senior Accreditation Manager. The decision whether to assign or disqualify a Team Member from assignment to any particular ~~Accreditation accreditation review review~~ is within the discretion of the NAIC General Counsel, Legal Division and Senior Accreditation Manager.

I, _____, certify to the accuracy and completeness of the disclosures made in this document on behalf of myself, my family members, as well as on behalf of any corporation, partnership, or other business entity in which I have an equity or beneficial interest, as listed below:

- 1) Are you or any family member currently employed or ever been employed by a state insurance department? If yes, please provide details on Attachment A.
 Yes
 No
- 2) Are you or any family member currently employed or ever been employed in any management level position of an entity domiciled in a state and regulated by the state insurance department? If yes, please provide details on Attachment A.
 Yes
 No
- 3) Are you or any family member currently employed or been employed within the last five years in any non-management level position of an entity domiciled in a state and regulated by the state insurance department? If yes, please provide details on Attachment A.
 Yes
 No
- 4) Does any business entity in which you have equity or beneficial interest currently employ any former state insurance department employee? If yes, please provide details on Attachment A.
 Yes
 No

Accreditation Program Manual
Team Member Disclosure Statement

5) Have you or any business entity in which you have equity or beneficial interest performed work, on a consulting, contract or subcontract basis, for a state insurance department or an entity domiciled in the state and regulated by the state insurance department within the last five years? If yes, please provide details on Attachment A.

Yes
 No

6) Has a family member performed work, on a consulting, contract or subcontract basis, for a state insurance department or an entity domiciled in the state and regulated by the state insurance department within the last five years? If yes, please provide details on Attachment A.

Yes
 No

7) Have you or any business entity in which you have equity or beneficial interest given or received any gifts, favors or anything of value (other than de minimis or token value) from any state insurance department or commissioner within the last five years? If yes, please provide details on Attachment A.

Yes
 No

8) Has the company in which you are an employee performed work, on a consulting, contract or subcontract basis for a state insurance department or an entity domiciled in the state and regulated by the state insurance department within the last five years? If yes, please provide details on Attachment A.

Yes
 No

9) Do you, a family member or any business entity in which you have an equity or beneficial interest have any other business relationships with any state insurance department or an entity domiciled in the state and regulated by the state insurance department that is or could be perceived as a conflict of interest? If yes, please provide details on Attachment A.

Yes
 No

10) Have you or any family member performed work for any insurance industry advocacy group or trade association within the last five years? If yes, please provide details on Attachment A.

Yes
 No

Accreditation Program Manual

I certify that I have read the NAIC Accreditation Review Team Member Qualification and Selection Criteria (“Criteria”) and that I have disclosed, in this statement and any attachments, all facts that could be considered when determining a conflict of interest under the Criteria.

I hereby agree that I will promptly notify the NAIC Senior Accreditation Manager in writing of any material change to any certification or disclosure I have made in this document.

Signature of Accreditation Team Member

_____ Date

General Counsel NAIC Senior Accreditation Manager

_____ Date

NAIC Legal Division Review

_____ Date

NAIC General Counsel Review

_____ Date

Please list below each corporation, partnership or other business entity in which you hold or have held an equity or beneficial interest in any of the past five years (attach additional pages as necessary). This does not include inconsequential ownership in stock, mutual funds, retirement plans, etc.:

- 1)
- 2)
- 3)
- 4)
- 5)

Please list below any entities (including state insurance departments) for which you were a full-time or part-time employee during the last five years. Include highest title achieved and dates of employment.

- 1)
- 2)
- 3)
- 4)
- 5)

Please list below any trade associations or lobby groups for which you have performed consulting work during the last five years. Include approximately number of hours in the last year.

- 1)
- 2)
- 3)
- 4)
- 5)

Accreditation Program Manual

ATTACHMENT A

Team Member Name: _____

Identify each state for which you answered “Yes” to a question on the preceding Team Member Disclosure Statement and provide a brief description below. For employment, disclose the date of employment and highest title held. For consulting work, briefly describe the nature of the work performed, and approximate billable hours, and the dates on which the work was performed.

<input type="checkbox"/> Alabama	<input type="checkbox"/> Louisiana	<input type="checkbox"/> Oklahoma
<input type="checkbox"/> Alaska	<input type="checkbox"/> Maine	<input type="checkbox"/> Oregon
<input type="checkbox"/> Arizona	<input type="checkbox"/> Maryland	<input type="checkbox"/> Pennsylvania
<input type="checkbox"/> Arkansas	<input type="checkbox"/> Massachusetts	<input type="checkbox"/> Puerto Rico
<input type="checkbox"/> California	<input type="checkbox"/> Michigan	<input type="checkbox"/> Rhode Island
<input type="checkbox"/> Colorado	<input type="checkbox"/> Minnesota	<input type="checkbox"/> South Carolina
<input type="checkbox"/> Connecticut	<input type="checkbox"/> Mississippi	<input type="checkbox"/> South Dakota
<input type="checkbox"/> Delaware	<input type="checkbox"/> Missouri	<input type="checkbox"/> Tennessee
<input type="checkbox"/> District of Columbia	<input type="checkbox"/> Montana	<input type="checkbox"/> Texas
<input type="checkbox"/> Florida	<input type="checkbox"/> Nebraska	<input type="checkbox"/> Utah
<input type="checkbox"/> Georgia	<input type="checkbox"/> Nevada	<input type="checkbox"/> U.S. Virgin Islands
<input type="checkbox"/> Hawaii	<input type="checkbox"/> New Hampshire	<input type="checkbox"/> Vermont
<input type="checkbox"/> Idaho	<input type="checkbox"/> New Jersey	<input type="checkbox"/> Virginia
<input type="checkbox"/> Illinois	<input type="checkbox"/> New Mexico	<input type="checkbox"/> Washington
<input type="checkbox"/> Indiana	<input type="checkbox"/> New York	<input type="checkbox"/> West Virginia
<input type="checkbox"/> Iowa	<input type="checkbox"/> North Carolina	<input type="checkbox"/> Wisconsin
<input type="checkbox"/> Kansas	<input type="checkbox"/> North Dakota	<input type="checkbox"/> Wyoming
<input type="checkbox"/> Kentucky	<input type="checkbox"/> Ohio	

State: _____

“Yes” Question(s) _____

Description: _____
