

Notice of Public Hearing
LSA Document #19-84**Notice of Public Hearing**

Under [IC 4-22-2-24](#), notice is hereby given that on May 30, 2019, at 10:30 a.m., at the Department of Insurance, 311 West Washington Street, Suite 103, Indianapolis, Indiana, the Department of Insurance will hold a public hearing on a proposed rule to repeal [760 IAC 1-15.1-3.1](#) regarding exemptions for insurers subject to registration under [IC 27-1-23-3](#). The proposed rule removes exemptions for filing Form F concerning enterprise risk reports and is intended to make [760 IAC 1-15.1](#) substantially similar to a model regulation developed by the National Association of Insurance Commissioners (NAIC). This model regulation must be adopted by each state in a substantially similar manner in order for that state to maintain its accreditation with the NAIC.

The proposed rule will impact insurers which are members of insurance holding company systems which members write total direct and assumed annual premiums of less than five hundred million dollars (\$500,000,000), on a combined basis. There may be compliance costs and administrative expenses for those insurers which are not already filing Form F concerning enterprise risk reports in Indiana or other states, including legal and consulting fees. These expenses are estimated to be ten thousand dollars (\$10,000) annually to file Form F concerning enterprise risk reports.

The NAIC Enterprise Risk Report (Form F) Implementation Guide states that due to the importance of assessing enterprise risk for all insurers that are part of insurance holding company systems, the NAIC Insurance Holding Company System Regulatory Act contains no blanket exemptions or waivers for company size or structure. The Implementation Guide indicates that insurance holding company systems are expected to provide Form F concerning enterprise risk report filings to the appropriate regulator on an annual basis, unless granted an individual exemption from the reporting provisions in accordance with applicable state law.

Likewise, the NAIC Insurance Holding Company System Model Regulation With Reporting Forms and Instructions does not contain blanket exemptions or waivers for company size or structure. [760 IAC 1-15.1](#) must be adopted and maintained in a substantially similar manner to this model regulation. Indiana risks losing NAIC accreditation if [760 IAC 1-15.1-3.1](#) is not repealed. If Indiana is not accredited by the NAIC, Indiana domestic insurance companies writing in other states could face extreme financial burden. Insurance departments in other states are permitted to rely on financial examinations conducted by the insurance company's domiciliary state rather than perform an independent examination, if the company's domiciliary state is accredited by the NAIC. If Indiana fails to maintain NAIC accreditation, Indiana domestic insurers will be subjected to costly financial examinations from each of the other NAIC accredited states in which the company is authorized to write business.

Copies of these rules are available on the Department of Insurance's website at:

www.in.gov/doi/2591.htm

Copies of these rules and the NAIC Enterprise Risk Report (Form F) Implementation Guide are now on file at the Department of Insurance, 311 West Washington Street, Suite 103, Indianapolis, Indiana and are open for public inspection and copying.

Stephen W. Robertson
Commissioner
Department of Insurance

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