§221. Examination of insurers

1. For the purpose of determining its financial condition, fulfillment of its contractual obligations and compliance with the law, the superintendent shall examine the affairs, transactions, accounts, records and assets of each authorized insurer, and of any person as to any matter relevant to the financial affairs of the insurer or to the examination, as often as the superintendent determines advisable. In determining the nature, scope and timing of an examination, the superintendent shall consider criteria, including, but not limited to, the results of financial statement analyses and ratios, changes in management or ownership, actuarial opinions, reports of independent certified public accountants and other criteria adopted by the National Association of Insurance Commissioners and published in its Financial Condition Examiners Handbook or Market Regulation Handbook, as applicable, or their successor publications. Except as otherwise expressly provided, domestic insurers must be examined at least once every 3 years, unless the superintendent defers making an examination for a longer period; but in no event may an authorized insurer be examined less frequently than once every 5 years. Examination of an alien insurer is limited to its insurance transactions, assets, trust deposits and affairs in the United States, except as otherwise required by the superintendent.
[PL 2017, c. 169, Pt. B, §1 (AMD).]

2. The superintendent shall in like manner examine each insurer applying for an initial certificate of authority to transact insurance in this State.
[PL 1973, c. 585, §12 (AMD).]

3. In lieu of the superintendent making an examination, the superintendent may accept a full report of the last recent examination of a foreign or alien insurer, certified to by the insurance supervisory official of another state.
[PL 1991, c. 828, §2 (AMD).]

3-A. On or after January 1, 1994 the superintendent may accept a full examination report by the insurance regulatory authority of the insurance company's state of domicile or port-of-entry state for any foreign or alien insurer licensed in this State in lieu of an examination by the superintendent if, at the time of the examination, that regulatory authority was accredited under the National Association of Insurance Commissioners' Financial Regulation Standards and Accreditation Program or if the examination was performed under the supervision of an accredited insurance regulatory authority or with the participation of one or more examiners who are employed by an accredited insurance regulatory authority and who, after a review of the examination workpapers and report, state under oath that the examination was performed in a manner consistent with the standards and procedures required by the regulatory authority.
[PL 1993, c. 313, §3 (NEW).]

4. As far as practical, the examination of a foreign or alien insurer must be made in cooperation with the insurance supervisory officials of other states in which the insurer transacts business. Duties may be divided among the participating states in any manner consistent with the standards established by the laws of this State that are applicable to foreign and alien insurers.
[PL 1993, c. 313, §4 (AMD).]

5. Examination of health carriers. The superintendent shall examine the market conduct of each domestic health carrier, as defined in section 4301-A, subsection 3, and each foreign health carrier with at least 1,000 covered lives in this State, offering a health plan as defined in section 4301-A, subsection 7, no less frequently than once every 5 years. An examination under this subsection may be comprehensive or may target specific issues of concern observed in the State's health insurance market or in the company under examination. In lieu of an examination conducted by the superintendent, the superintendent may participate in a multistate examination, or, in the case of a foreign company, approve an examination by the company's domiciliary regulator upon a finding that the examination and report adequately address relevant aspects of the company's market conduct within this State.

[PL 2009, c. 439, Pt. E, §1 (NEW).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1973, c. 585, §12 (AMD). PL 1991, c. 828, §§1,2 (AMD). PL 1993, c. 313, §§2-4 (AMD). PL 2009, c. 439, Pt. E, §1 (AMD). PL 2017, c. 169, Pt. B, §1 (AMD).

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