

From: [Henning, Bailey](#)
To: [Krylova, Anna, OSI](#); [DeFrain, Kris](#)
Cc: [Bernard, Susan](#); [Litweiler, John](#)
Subject: [EXTERNAL] RE: Question about Qualification Documentation review
Date: Tuesday, November 9, 2021 2:02:50 PM
Attachments: [image001.png](#)

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Good afternoon Ms. Krylova

Thank you for your patience. I've had a couple very busy weeks with the virtual exam peer review program followed by the new financial regulator training.

The Financial Condition Examiners Handbook requires that examiners utilize professional judgment when determining the scope of work to be performed as part of a financial condition exam, including the nature, timing and extent of procedures for a given area of concern. While there are specific areas (or procedures) that are required to be reviewed (or performed) throughout the examination to assist in gaining an understanding of the company and to ensure that significant solvency risks have been investigated and addressed through examination procedures, the exam team has flexibility in how this is executed.

This approach would also apply to the question raised by the Actuarial Opinion (C) Working Group regarding the level at which the appointed actuary's qualification documentation (QD) be reviewed. This may be done at the ultimate controlling parent level, an intermediate holding company level and/or the individual legal entity level, depending upon how the insurer or insurance group is structured. We would generally expect that the review and approval of actuarial qualifications take place at the level within a holding company structure that is responsible for overseeing insurance operations, but this would ultimately be at the exam team's discretion.

Bailey Henning
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From: Krylova, Anna, OSI <Anna.Krylova@state.nm.us>
Sent: Tuesday, October 19, 2021 8:37 AM
To: Bernard, Susan <susan.bernard@insurance.ca.gov>
Cc: DeFrain, Kris <kdefrain@naic.org>; Henning, Bailey <BHenning@naic.org>
Subject: Question about Qualification Documentation review

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Dear Ms. Bernard,