



Draft date: 11/19/25

*2025 Fall National Meeting  
Hollywood, Florida*

## **FINANCIAL REGULATION STANDARDS AND ACCREDITATION (F) COMMITTEE**

Tuesday, December 9, 2025

8:00 – 8:30 a.m.

Diplomat Convention Center—Grand Ballroom West—Level 2

### **ROLL CALL**

Sharon P. Clark, Chair	Kentucky	Eric Dunning	Nebraska
Elizabeth Kelleher Dwyer, Co-Vice Chair	Rhode Island	Mike Causey	North Carolina
Larry D. Deiter, Co-Vice Chair	South Dakota	Jon Godfread	North Dakota
Heather Carpenter	Alaska	TK Keen	Oregon
Jared Kosky	Connecticut	Michael Wise	South Carolina
Vicki Schmidt	Kansas	Scott A. White	Virginia
Robert L. Carey	Maine	Jeff Rude	Wyoming
Michael T. Caljouw	Massachusetts		

NAIC Support Staff: Bailey Henning/Sara Franson/Dan Schelp

### **AGENDA**

1. Consider Adoption of its Summer National Meeting Minutes  
—*Commissioner Sharon P. Clark (KY)* Attachment One
2. Consider Adoption of the Report of the Accreditation Scope and  
Alignment (F) Working Group Report—*Commissioner Sharon P. Clark (KY)*
3. Consider Adoption of Proposed Revisions in Response to Interested Party  
Feedback—*Commissioner Sharon P. Clark (KY)* Attachment Two
4. Consider Adoption of Proposed Revisions to the Self-Evaluation Guide  
—*Commissioner Sharon P. Clark (KY)* Attachment Three
5. Discuss Any Other Matters Brought Before the Committee  
—*Commissioner Sharon P. Clark (KY)*
6. Adjournment

## Draft Pending Adoption

Date: 8/13/25

Financial Regulation Standards and Accreditation (F) Committee  
Minneapolis, Minnesota  
August 11, 2025

The Financial Regulation Standards and Accreditation (F) Committee met in Minneapolis, MN, Aug. 11, 2025. The following Committee members participated: Sharon P. Clark, Chair (KY); Elizabeth Kelleher Dwyer, Co-Vice Chair (RI); Larry D. Deiter, Co-Vice Chair represented by Johanna Nickelson (SD); Heather Carpenter (AK); Andrew N. Mais (CT); Vicki Schmidt (KS); Robert L. Carey represented by Vanessa Sullivan (ME); Mike Causey represented by Jackie Obusek (NC); Jon Godfread represented by Matt Fischer (ND); Eric Dunning (NE); TK Keen (OR); Michael Wise (SC); Scott A. White represented by Doug Stolte (VA); and Jeff Rude (WY).

### 1. Adopted its Spring National Meeting Minutes

Commissioner Rude made a motion, seconded by Commissioner Schmidt, to adopt the Committee's March 25 minutes (*see NAIC Proceedings – Spring 2025, Financial Regulation Standards and Accreditation (F) Committee*). The motion passed unanimously.

Commissioner Clark said the Committee also met Aug. 10 in regulator-to-regulator session pursuant to paragraph 7 (consideration of individual state insurance department's compliance with NAIC financial regulation standards) of the NAIC Policy Statement on Open Meetings. During this meeting, the Committee voted to award continued accreditation to Maryland, Oregon, and Washington.

### 2. Adopted the Report of the Accreditation Scope and Alignment (F) Working Group

Commissioner Clark said the Committee voted to appoint the Accreditation Scope and Alignment (F) Working Group at the 2024 Fall National Meeting to review the scope of the accreditation program and ensure it continues to align with the insurance industry. She said the Working Group met July 1, May 9, April 23, April 3, and March 19 in regulator-to-regulator session pursuant to paragraph 7 (consideration of individual state insurance department's compliance with NAIC financial regulation standards) of the NAIC Policy Statement on Open Meetings. She reported that the Working Group has developed and distributed an all-states survey to collect information to help understand each state's domestic industry, and that the Working Group anticipates meeting in open session later in 2025.

Commissioner Mais made a motion, seconded by Director Dwyer, to adopt the report of the Accreditation Scope and Alignment (F) Working Group. The motion passed unanimously.

### 3. Adopted its 2026 Proposed Charges

Commissioner Clark discussed a memorandum that includes the Committee's 2026 proposed charges, noting the proposed charges are unchanged from the Committee's 2025 charges.

Director Dwyer made a motion, seconded by Stolte, to adopt the Committee's 2026 proposed charges (Attachment One). The motion passed unanimously.

## Draft Pending Adoption

### 4. Adopted Revisions to the Review Team Guidelines Proposed by the Risk-Focused Surveillance (E) Working Group

Commissioner Clark said the Risk-Focused Surveillance (E) Working Group has proposed revisions to review team guidelines in the *Accreditation Program Manual* in response to a referral sent by the F Committee in 2024, requesting additional guidance for the oversight of contractors in examination and analysis functions. The proposed revisions, which were exposed for a 30-day comment period ending April 25, were intended to clarify that: 1) contract resources should be included in the consideration of qualified resources used in examination and analysis functions; 2) individuals charged with overseeing the work of contract resources should review the work completed for understanding and assessment of the quality of work performed; 3) certain timeliness requirements associated with the department's review of work either completed or reviewed by contract resources; and 4) additional review expectations associated with the insurer profile summary and group profile summary when contractors are used for supervisory review within the analysis.

Tom Finnell (AHIP) addressed the comment letter submitted on behalf of interested parties. Finnell stated that although interested parties were pleased with the proposed revisions made in response to the feedback submitted, they continue to have concerns regarding the increased use of contractors for financial analysis purposes, as this type of outsourcing has the potential to reduce institutional knowledge of the departments of insurance.

Stolte made a motion, seconded by Nickelson, to adopt the proposed revisions to the review team guidelines (Attachment Two). The motion passed unanimously.

### 5. Exposed Revisions to the Review Team Guidelines and Self-Evaluation Guide in Response to Industry Feedback

Bailey Henning (NAIC) said that additional revisions have been proposed to the review team guidelines and self-evaluation guide in response to feedback submitted by interested parties during the exposure period for the items discussed during agenda item No. 4. The proposed revisions add new guidelines to Part C: Organizational and Personnel Practices related to conflicts of interest and confidentiality protections when using contract resources.

Acting Director Carpenter made a motion, seconded by Director Dunning, to expose the proposed revisions to the review team guidelines and self-evaluation guide for a 30-day comment period ending Sept. 12 (Attachment Three). The motion passed unanimously.

### 6. Exposed Revisions to the Self-Evaluation Guide

Sara Franson (NAIC) said that the Committee's volunteer drafting group has proposed revisions to the self-evaluation guide related to the oversight of contractors in the financial analysis function. These proposed revisions include additional information to be provided with the department's listing of multi-state domestic companies and additional details related to staffing changes.

Commissioner Schmidt made a motion, seconded by Commissioner Rude, to expose the proposed revisions to the self-evaluation guide for a 30-day comment period ending Sept. 12 (Attachment Four). The motion passed unanimously.

Having no further business, the Financial Regulation Standards and Accreditation (F) Committee adjourned.

SharePoint/NAIC Support Staff Hub/Member Meetings/F CMTE/2025Summer

Accreditation Program Manual  
Review Team Guidelines | Part C

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.

**Accreditation Program Manual**  
**SEG/IAR Form | Part C**

**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.

	<b>YES</b>	<b>NO</b>
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>	_____	_____
<p>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.</p> <p style="padding-left: 40px;"><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></p>		

**2026<sup>5</sup> SELF-EVALUATION GUIDE | INTERIM ANNUAL REVIEW FORM**

**FINANCIAL REGULATION STANDARDS  
AND ACCREDITATION PROGRAM**

Check One:

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**Self-Evaluation Guide**

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**Interim Annual Review**

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Jurisdiction \_\_\_\_\_

Prepared by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Commissioner's Approval \_\_\_\_\_ Date \_\_\_\_\_

**Accreditation Program Manual  
SEG/IAR Form**

**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

### SEG/IAR Form

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  
SEG/IAR Form

**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.