

TITLE 4: ECONOMIC RESOURCES
DIVISION 7: INSURANCE

§ 7632. Insurer Examinations.

(a) The Commissioner shall examine every authorized insurer, including an audit of the financial affairs of such insurer, as often as the Commissioner determines an examination to be necessary but at least once each five years. An examination shall be conducted for the purpose of determining the financial condition of the insurer, its ability to fulfill its obligations and its manner of fulfillment, the nature of its operations and its compliance with the Insurance Code.

(b) Instead of conducting an examination of an authorized foreign or alien insurer, the Commissioner may accept an examination report on the insurer that is prepared by the insurance department for the state of domicile or state of entry of the insurer if:

(1) At the time of the examination the insurance department of the state was accredited under the Financial Regulation Standards and Accreditation Program or successor program of the National Association of Insurance Commissioners; or

(2) The examination was performed under the supervision of an accredited insurance department or with the participation of one or more examiners who are employed by such an accredited insurance department and who, after a review of the examination work papers and report, state under oath that the examination was performed in a manner consistent with the standards and procedures required by their insurance department.

(c) Examination of an alien insurer shall be limited to its insurance transactions, assets, trust deposits and affairs in the United States except as otherwise required by the Commissioner.

(d) Any person examined under this section shall pay to the Commissioner the just and legitimate costs of the examination as determined by the Commissioner, including actual necessary transportation, traveling expenses, and assessments. The Commissioner shall maintain the right and duty to issue an RFP for an examiner, whose fees and cost will be paid for by the carrier being examined; upon procuring the services of an examiner, each carrier to be examined, notwithstanding Public Law 17-28 [4 CMC § 5611(d)] and 4 CMC § 7508, shall first make deposit of a \$5,000 examiner fee (nonrefundable, payable to the Treasurer, and is to be deposited in Examiner Service Fee Fund to be expended to cover the fees and costs related to the carrier being examined) - separate from the normal fees and cost to be assessed by the examiner for cost of examiner's service.

Source: PL 18-34 § 5(7632) (Feb. 14, 2014), modified.

Commission Comment: The Commission corrected the designation of subsections pursuant to 1 CMC § 3806(a). The Commission inserted comma after the words "deposits" in subsection (c) and "expenses" in subsection (d) pursuant to 1 CMC § 3806(g). The Commission corrected the capitalization of the

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words “The,” “examiner,” and “fee” in subsection (d) pursuant to 1 CMC § 3806(f).