

STATEMENT OF PURPOSE

RS24929

This legislation is based on the National Association of Insurance Commissioners (NAIC) Corporate Governance Annual Disclosure Model Act (#305). In part following the 2008 recession, the NAIC worked towards the goal of having insurance companies or insurance holding company groups identify their corporate governance practices. This corporate governance model act will provide guidance and instructions to domiciled insurers for filing a confidential corporate governance annual disclosure with the Department of Insurance. This legislation will outline requirements for completing a confidential corporate governance annual disclosure and permit the director to gain and maintain an understanding of domiciled insurers' corporate governance framework. This model law is expected to be required for accreditation of the Idaho Department of Insurance by the NAIC. Accreditation is important to maintain for consistent, streamlined, and fair regulation of insurers.

FISCAL NOTE

There is no fiscal impact to the General Fund or any other state fund or expenditure in as much as the provisions of this bill can be reviewed and monitored with the Department's current and requested appropriation. Implementation of this legislation will help assure financial security of domiciled insurance companies thus preventing utilization of the state guaranty funds and a commensurate reduction in premium taxes.

Contact:

Dean Cameron
Department of Insurance
(208) 334-4206

DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).