

## STATEMENT OF PURPOSE

### RS26426

This legislation is based on 2014 amendments to the National Association of Insurance Commissioners (NAIC) Insurance Holding Company System Regulatory Act (#440). These model law amendments will be required for accreditation of the Idaho Department of Insurance by the NAIC. Accreditation is important to maintain consistent and fair regulation of insurers. Accreditation is also necessary to retain carriers domiciled in Idaho thereby benefitting consumers. The goal of this legislation is to provide authority to the director of the Department of Insurance to act as a group-wide supervisor for an internationally active insurance group. It is helpful to both insurance companies and their regulator to have one jurisdiction assess the enterprise-wide risks and coordinate group-wide supervision activities for insurance companies or insurance holding company groups. Acquisitions or other changes in a state's domestic insurance industry can occur quickly and change the state's role in overseeing a domestic insurer or their role within the holding company group.

### 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 act can be reviewed and monitored with the Department's current and requested appropriation. Implementation of this legislation will help assure financial security of any domiciled insurance companies that are members of an internationally active insurance group 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).**