

IDAPA 18 – IDAHO DEPARTMENT OF INSURANCE

18.01.62 – ANNUAL FINANCIAL REPORTING

DOCKET NO. 18-0162-1801

NOTICE OF RULEMAKING – ADOPTION OF PENDING RULE

EFFECTIVE DATE: This rule has been adopted by the agency and is now pending review by the 2019 Idaho State Legislature for final approval. The pending rule becomes final and effective at the conclusion of the legislative session, unless the rule is approved or rejected in part by concurrent resolution in accordance with Sections 67-5224 and 67-5291, Idaho Code. If the pending rule is approved or rejected in part by concurrent resolution, the rule becomes final and effective upon adoption of the concurrent resolution or upon the date specified in the concurrent resolution.

AUTHORITY: In compliance with Section 67-5224, Idaho Code, notice is hereby given that this agency has adopted a pending rule. The action is authorized pursuant to Section 41-211, Idaho Code.

DESCRIPTIVE SUMMARY: The following is a concise explanatory statement of the reasons for adopting the pending rule and a statement of any change between the text of the proposed rule and the text of the pending rule with an explanation of the reasons for the change:

This pending rule updates IDAPA 18.01.62 to include NAIC Annual Financial Reporting Model Regulation #205 provisions supporting the requirement of an independent internal audit function for large insurance companies or insurance holding company groups. The requirement applies to insurance companies with over \$500 million in annual premiums written (or \$1 billion if a member of a group). This rulemaking requires a standard best corporate governance practice to assist company management and the board of large insurers by implementing sound business practices to maintain solvency and honor all policyholder obligations.

There are no changes to the pending rule and it is being adopted as originally proposed. The complete text of the proposed rule was published in the September 5, 2018, Idaho Administrative Bulletin, [Vol. 18-9, pages 277-278](#).

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: N/A

ASSISTANCE ON TECHNICAL QUESTIONS: For assistance on technical questions concerning this pending rule, contact Nathan Faragher at nathan.faragher@doi.idaho.gov, or (208) 334-4314.

Dated this 4th day of October, 2018.

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