

Title 20—DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND
PROFESSIONAL REGISTRATION

Division 200—Insurance Solvency and Company Regulation
Chapter 1 —Financial Solvency and Accounting Standards

RECEIVED

PROPOSED RULE

AUG 27 2009

20 CSR 200-1.105 Property and Casualty Actuarial Opinions

SECRETARY OF STATE
ADMINISTRATIVE RULES

PURPOSE: The purpose of this rule is prescribe forms and procedures to be followed by insurance companies other than life obtaining the certification of an actuary and to effectuate or aid in the interpretation of the provisions of section 375.1060, RSMo, by providing guidance as to the actuarial opinion to be obtained by an insurance company other than life.

(1) Statement of Actuarial Opinion. Every property and casualty insurance company doing business in this state, unless otherwise exempted by its domiciliary commissioner, shall file with its annual statement the actuarial certification required by section 375.1060, RSMo. This certification shall consist of the opinion of an appointed actuary entitled a "Statement of Actuarial Opinion". This opinion shall be filed in accordance with the appropriate property and casualty annual statement instructions of the National Association of Insurance Commissioners (NAIC).

(2) In support of the Statement of Actuarial Opinion, each property and casualty company shall prepare or cause to be prepared, and if required, retain and file with the director, each of the following:

(A) Actuarial Opinion Summary.

1. Every property and casualty insurance company domiciled in this state that is required to submit a Statement of Actuarial Opinion shall annually submit an Actuarial Opinion Summary, written by the company's appointed actuary. This Actuarial Opinion Summary shall be filed in accordance with the appropriate NAIC property and casualty annual statement instructions and shall be considered as a document supporting the Statement of Actuarial Opinion required in section (1).

2. An insurance company licensed but not domiciled in this state shall provide the Actuarial Opinion Summary upon request.

(B) Actuarial Report and Workpapers.

1. An Actuarial Report and underlying workpapers, as required by the appropriate NAIC property and casualty annual statement instructions, shall be prepared to support each Statement of Actuarial Opinion.

2. If the insurance company fails to provide a supporting Actuarial Report and/or workpapers at the request of the director or the director determines that the supporting Actuarial Report or workpapers provided by the insurance company is otherwise unacceptable to the director, the director may engage a qualified actuary at the expense of the insurance company to review the opinion and the basis for the opinion and prepare the supporting Actuarial Report or workpapers.

(3) Confidentiality.

(A) The Statement of Actuarial Opinion shall be provided with the annual statement in accordance with the appropriate NAIC property and casualty annual statement instructions and shall be treated as a public document.

(B) While the Statement of Actuarial Opinion is a public document, all documents, materials or other information in the possession or control of the department of insurance, financial institutions and professional registration that are considered an Actuarial Report, workpapers, or Actuarial Opinion

Summary provided in support of the opinion, and any other material provided by the insurance company to the director in connection with the Actuarial Report, workpapers, or Actuarial Opinion Summary, shall be confidential by law and privileged, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action, to the same extent as the audit workpapers of an accountant under section 375.1050, RSMo.

(C) This section shall not be construed to limit the director's authority to release the documents to the Actuarial Board for Counseling and Discipline (ABCD) so long as the material is required for the purpose of professional disciplinary proceedings and that the ABCD establishes procedures satisfactory to the director for preserving the confidentiality of the documents, nor shall this section be construed to limit the director's authority to use the documents, materials, or other information in furtherance of any regulatory or legal action brought as part of the director's official duties.

Authority: Sections 374.045, 374.071, 375.1050, and 375.1060, RSMo.

Public Cost: This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.

Private Cost: This proposed rule will not cost private entities more than \$500 in the aggregate. A property and casualty actuarial opinion is required by statute, section 375.1060, RSMo 2000. The rule specifies a format already in general use by opining actuaries and, therefore, adds no cost to that already required by the statute.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: A public hearing will be held on this proposed amendment at 9:30 a.m. on November 10, 2009. The public hearing will be held at the Harry S Truman State Office Building, Room 530, 301 West High Street, Jefferson City, Missouri. Opportunities to be heard at the hearing shall be afforded to any interested person. Interested persons, whether or not heard, may submit a written statement in support of or in opposition to the proposed rule, until 5:00 p.m. on November 13, 2009. Written statements shall be sent to Tamara Kopp, Department of Insurance, Financial Institutions and Professional Registration, P.O. Box 690, Jefferson City, Missouri 65102.

SPECIAL NEEDS: If you have any special needs addressed by the Americans With Disabilities Act, please notify us at (573) 751-2619 at least five working days prior to the hearing.