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To: Financial Regulation Standards and Accreditation (F) Committee  
From: Financial Analysis (E) Working Group (FAWG)  
Date: April 5, 2019  
Re: Recommendation for Updated Part B.3 Procedures for Troubled Companies

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On February 27, 2019, the Financial Analysis (E) Working Group (FAWG) adopted revisions to the *Troubled Insurance Company Handbook*, a regulator only publication. Specifically, the revisions included updated guidance for timely and effective communication between the domiciliary and non-domiciliary state departments of insurance of necessary information on troubled or potentially troubled insurance companies that may impact other jurisdictions. A cooperative communication system between states' insurance departments promotes coordinated efforts in identifying troubled company situations and coordinating regulatory actions.

Part B.3 Procedures for Troubled Companies states that departments should generally follow and observe procedures set forth in the *Troubled Insurance Company Handbook*. To align the Part B.3 guidelines with the recently adopted revisions to the Handbook, the FAWG recommends the attached revisions which define more specifically which states should be included in the communication of troubled or potentially troubled insurance companies.

If you have any questions regarding his referral, please contact NAIC staff (Jane Koenigsman, [jkoenigsman@naic.org](mailto:jkoenigsman@naic.org)).

