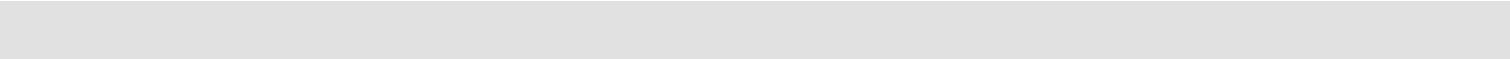


The following chart is a tool that may be used to assist examiners in identifying which elements within the Financial Condition Examiners Handbook are required to be completed as part of every examination. The requirements listed encompass exam administration and planning, execution and review of examination work (including required exam procedures and exhibits) and examination wrap-up and deliverables. There may be additional procedures that the examination team deems necessary to be conducted during an examination that go beyond the requirements listed below. It is also possible that some elements will not be applicable to every examination. Professional judgment should be utilized in making such determinations. This tool should not be viewed as authoritative guidance. The Financial Condition Examiners Handbook should be consulted for further clarification as necessary.

Section	Topic	Comments
<i>Section 1 - General Examination Guidance</i>		
1.I.B	Scheduling an Exam	Exams should be scheduled in accordance with state statutes. Regulatory financial examinations should occur no less than once every five years.
1.I.B	Financial Exam Electronic Tracking System (FEETS)	Exams of multi-state insurers must be called in FEETS. Exams of single-state insurers that are part of a holding company group should be called in FEETS.
1.I.B.b(3)	EIC Requirements	The Examiner-in-Charge (EIC) of multi-state examinations must be a Certified Financial Examiner (CFE) or be directly supervised by a CFE.
1.I.C	Coordinating Exams of Multi- State Insurers	Exams of multi-state companies are required to be called in FEETS at least 90 days in advance of fieldwork.
1.I.D	Coordination of Holding Company Group Exams	Coordination is encouraged, but not required. Examiners are required to document attempts to coordinate if the company under examination is part of a holding company group. Role as a Lead State/Fully Participating State/Other State will be determined based on criteria set forth in this section.
1.I.E / Exhibit Z	Review and Reliance on Another State's Workpapers; Exhibit Z	Exhibit Z, Part Two should be used to document the coordination plan for the holding company group and how the requirements outlined in Section 1.I.D - Coordination of Holding Company Group Exams have been met.
1.I.H	Limited-Scope Exams	An exam report is required to be shared with the other impacted states when a limited- scope examination is completed.
1.I.I	Interim Work	Notification of each round of interim work should be provided to all states in which the insurer is licensed or writing business. Exhibit AA - Summary Review Memorandum (or similar document) should be utilized to summarize the results of each round of interim work.
1.II.B	Authority and Responsibility of EIC	The Examiner-in-Charge (EIC) of multi-state examinations must be a Certified Financial Examiner (CFE) or be directly supervised by a CFE.
1.III.A	General IT Review	The 6-step process for conducting an IT Review is required for all exams, except for specific scenarios described in this section in which the IT Work Program may be bypassed. Exhibit C - Evaluation of Controls in Information Technology (IT) should be used to assist in this review.
1.III.B	Materiality	Planning materiality must be calculated and documented.
1.III.E / Exhibit I	Use of Specialist; Exhibit I	The department is required to document decisions on use of specialists in the Exhibit I - Examination Planning Memorandum. For certain examinations, a credentialed actuary is required to be involved. Work performed by a specialist must be performed in accordance with
		1.II Use of Specialist; Exhibit I
		1.IV.B Examination Documentation
		1.IV.B Preparer and Reviewer Signatures
		1.IV.C Review of General Ledger and Entries

1.IV.D	Review of Affiliated Transactions - Workpaper Documentation	Much of this section contains informational guidance. However, the examiner is required to gain an understanding of the insurer's relationships and transactions during the planning process. Significant agreements, transactions and/or findings should be documented in Exhibit I - Examination Planning Memo. Additional procedures may be required in later phases of the exam, based on the examiner's assessment of risk in this area.
1.IV.E a-b / Exhibit G	Consideration of Fraud; Exhibit G	A consideration of fraud is required on each examination. Exhibit G - Consideration of Fraud (or a similar document) should be used to document this assessment.
1.IV.E c	Anti-Money Laundering (AML)	The examination procedures outlined in this section are required for companies offering covered products.
1.IV.F / Exhibit Q	Examination Review Responsibilities; Exhibit Q	Much of this section contains informational guidance. However, a few specific requirements are listed, including sign-offs at certain points in the examination, timeliness of sign-offs, and the type of review to be



2.Phase 1.B / Exhibit M	Understanding Corporate Governance; Exhibit M	A review of the Corporate Governance Structure is a required element of the examination. Exhibit M - Understanding the Corporate Governance Structure is a tool that may be used to document this review and assessment. Any concerns on the suitability of key individuals should be noted.
2.Phase 1.B	Interviews	Interviews with the Board of Directors and/or Management are required to be performed. The extent of which is to be determined by the examination team. Any concerns on the suitability of key individuals should be noted.
2.Phase 1.C / Exhibit E	Assessing the Adequacy of the Audit Function; Exhibit E	Guidance in this section provides various elements that should be considered when assessing the adequacy of the audit function, which is a required element of the examination. Exhibit E - Audit Review Procedures should be utilized to document this review and a clear conclusion regarding planned reliance. A memo may be used to supplement the information documented within Exhibit E.
2.Phase 1.D	Identifying Key Functional Activities	Key activity selection is required.  The exam is required to consider the company's prospective solvency position. Prospective risks that relate to just one key activity should be included on the respective key activity matrix. Risks related to multiple or no key activities should be addressed on Exhibit V - Prospective Risk Assessment.
2.Phase 1.E / Exhibit V	Overarching Prospective Risks; Exhibit V	A preliminary listing of overarching prospective risks should be identified by the end of Phase 1. Further identification and assessment of prospective risk may extend beyond Phase 1. The assessment of overarching prospective risks should be completed by the end of Phase 5.

Section	Topic	Comments
2.Phase 2.A	Identifying the Risk	Examiners are required to identify risks and write risk statements for those identified risks.
2.Phase 2.B	Identifying the Type of Risk	A branded risk classification must be assigned to each risk. Examiners should consider assigning exam assertions to FR risks.
2.Phase 2.C	Assessing the Inherent Risk	Likelihood of Occurrence and Magnitude of Impact should be assessed for each identified risk. Examiners should apply judgment in these assessments in order to reach overall IR assessment and document the final conclusion on matrix.
2.Phase 2.D / Exhibit DD	Critical Risk Categories; Exhibit DD	At the conclusion of Phase 2, the examiner should utilize Exhibit DD - Critical Risk Categories to demonstrate that all critical risks facing the insurer have been selected for review. If the insurer is not exposed to a particular critical risk category, the examiner is required to document support for that assessment in the planning memo.
2.Phase 2.D / Exhibit I	Planning Memo; Exhibit I	At the conclusion of Ph. 2, the examiner should document the results of planning in a planning memo. Exhibit I - Examination Planning Memorandum should be utilized to ensure all necessary elements are documented.
2.Phase 2.D	Supervisor Sign-Off on Planning	Planning documentation, including the planning memo, should be reviewed and approved by both the chief examiner (or designee \$ M Likebevidocumentor eac M

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4.Exhibit CC	Exhibit CC - Issue/Risk Tracking Template	This exhibit (or similar document) is required to be used in accumulating unique risks and/or those of heightened concern throughout planning.
4.Exhibit DD	Exhibit DD - Critical Risk Categories	This exhibit i