

RISK MANAGEMENT AND OWN RISK AND SOLVENCY ASSESSMENT MODEL ACT

Table of Contents

| | |
|-------------|---------------------------------|
| Section 1 | Purpose and Scope |
| Section 2 | Definitions |
| Section 3 | Risk Management Framework |
| Section 4. | ORSA Requirement |
| Section 5. | ORSA Summary Report |
| Section 6. | Exemption |
| Section 7. | Contents of ORSA Summary Report |
| Section 8. | Confidentiality |
| Section 9. | Sanctions |
| Section 10. | Severability Clause |
| Section 11. | Effective Date |

Section 1 Purpose and Scope.

The purpose of this Act is to provide the requirements for maintaining a risk management framework and completing an Own Risk and Solvency Assessment (ORSA) and provide guidance and instructions for filing an ORSA Summary Report with the insurance commissioner of this state.

The requirements of this Act shall apply to all insurers domiciled in this state, except pursuant to Section 6.

The Legislature finds and declares that the ORSA Summary Report will contain confidential and sensitive information related to an insurer or insurance group's identification of risks material and relevant to the insurer or insurance group filing the report. This information will include proprietary and trade secret information that has the potential for harm and competitive disadvantage to the insurer or insurance group if the information is made public. It is the intent of this Legislature that the ORSA Summary Report shall be a confidential document filed with the commissioner, that the ORSA Summary Report will be shared only as stated herein and to assist the commissioner in the performance of his or her duties, and that in no event shall the ORSA Summary Report be subject to public disclosure.

Section 2 Definitions.

- A. "Insurance group." For the purpose of conducting an ORSA, the term "insurance group" shall mean those insurers and affiliates included within an insurance holding company system as defined in [insert state law equivalent of the model Insurance Holding Company System Regulatory Act].
- B. "Insurer." The term "insurer" shall have the same meaning as set forth in Section [insert applicable section] of this Chapter, except that it shall not include agencies, authorities or instrumentalities of the United States, its possessions and territories, Puerto Rico, the District of Columbia, or a state or political subdivision of a state.

- (2) The commissioner may require that an insurer maintain a risk management framework, conduct an ORSA and file an ORSA Summary Report if the insurer has Risk Based Capital for company action level event as set forth in [insert cross-reference to appropriate section of Risk Based Capital (RBC) Model Act], meets one or more of the standards of

- (v) Require the NAIC or a third-party consultant to consent to intervention by an insurer in any jurisdiction