



1 approved by the National Association of Insurance Commissioners  
2 (NAIC), and as supplemented for additional information required by  
3 the Insurance Commissioner by rule. The statements shall be  
4 prepared in accordance with NAIC instructions, including any  
5 supplemental filings described in the NAIC instructions. If no  
6 forms or instructions are available from the National Association of  
7 Insurance Commissioners, the statements shall be in the form and  
8 pursuant to instructions and deadlines as provided by the Insurance  
9 Commissioner. Insurers not authorized by the Insurance Commissioner  
10 to provide the lines of insurance approved by the National  
11 Association or the Insurance Commissioner shall not be required to  
12 file market conduct annual statements. For good cause shown, the  
13 Insurance Commissioner may extend the time within which market  
14 conduct annual statements may be filed. The Insurance Commissioner  
15 may provide copies of market conduct annual statements, amendments,  
16 and addendums to such statements and market conduct data taken from  
17 such statements to the National Association of Insurance  
18 Commissioners only if, prior to sharing of the market conduct annual  
19 statements, amendments, addendums to such statements or market  
20 conduct data taken from such statements, the National Association of  
21 Insurance Commissioners enters into a written agreement with the  
22 Insurance Commissioner to maintain the confidentiality of the shared  
23 information.

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1 B. The Insurance Commissioner may adopt rules implementing this  
2 section including rules that:

3 1. Add lines of insurance to be reported in market conduct  
4 annual statements; and

5 2. Require the filing of market conduct annual statements and  
6 any amendments and addendums to such statements with the National  
7 Association of Insurance Commissioners, and the payment of  
8 applicable filing fees required by the NAIC.

9 C. Insurers shall pay a filing fee of Two Hundred Dollars  
10 (\$200.00) to the Insurance Commissioner for the filing of the market  
11 conduct annual statement due at the time of filing, in accordance  
12 with NAIC filing deadlines.

13 D. No waiver of an applicable privilege or claim of  
14 confidentiality in the documents, materials, or other information  
15 shall occur as a result of disclosure to the Insurance Commissioner  
16 or the Commissioner's designee under this section or as a result of  
17 sharing the documents, materials or other information as provided in  
18 this section.

19 E. Market conduct annual statements and any amendments and  
20 addendums to such statements, filed with the Insurance Commissioner  
21 pursuant to this section in electronic format or otherwise, shall be  
22 treated as working papers and documents as set out in subsection F  
23 of Section 309.4 of this title.

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1 F. The Insurance Commissioner may use market conduct annual  
2 statements or amendments or addendums to such statements to assist  
3 in determining whether a market conduct examination or investigation  
4 of an insurer should be conducted. For purposes of completing a  
5 market conduct examination of any company under Sections 309.1  
6 through 309.7 of this title, the Insurance Commissioner may, in the  
7 sole discretion of the Insurance Commissioner, use market conduct  
8 annual statements or amendments or addendums to such statements to  
9 assist in determining compliance with the laws of this state and  
10 rules adopted by the Insurance Commissioner.

11 G. For any violation of this section, the Insurance  
12 Commissioner may, after notice and opportunity for a hearing,  
13 subject an insurer to a civil penalty of up to One Thousand Dollars  
14 (\$1,000.00) for each occurrence. The civil penalty may be enforced  
15 in the same manner in which civil judgments may be enforced.

16 SECTION 2. This act shall become effective November 1, 2021.

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18 COMMITTEE REPORT BY: COMMITTEE ON INSURANCE, dated 04/07/2021 - DO  
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