

# 2010 PROPOSED CHARGES

Attachment Three

Draft: 9/17/09

## SURPLUS LINES (C) TASK FORCE

The mission of the Surplus Lines (C) Task Force is to monitor the surplus lines market and its operation and regulation, including the activity and financial condition of U.S. and non-U.S. surplus lines insurers by providing a forum for discussion of issues and to develop or amend model regulation.

### Ongoing Maintenance of NAIC Programs, Products or Services:

1. Maintain the IID Plan of Operation and its requirements relating to standards for inclusion on the NAIC Quarterly Listing of Alien Insurers (“Quarterly Listing”) concerning capital and/or surplus funds, U.S. trust accounts and fitness of management, among other criteria. This charge is ongoing and will be assumed by the IID Plan of Operation Review Group.—*Essential*
2. Provide NAIC/IID financial staff guidance and expertise relative to regulatory policy and practices with respect to individual companies and Lloyd's syndicates that are either listed on or seeking admission to the Quarterly Listing. This charge is ongoing and will be assumed by the Surplus Lines Financial Analysis Working Group. The authority of the Working Group is limited to that of an advisory body, with a goal of formulating recommendations to the chairs of the Task Force and Property/Casualty Insurance Committee for the appropriate regulatory response. Issues upon which the Surplus Lines Financial Analysis Working Group may formulate a recommendation might include, but are not limited to, approval or disapproval of applicants to the Quarterly Listing, delisting of listed insurers, changes to trust fund requirements, or placement of limitations or restrictions on a listed insurer’s business activity in the United States. —*Essential*
3. Perform financial analysis of the surplus lines market utilizing the NAIC Financial Data Repository and other sources in order to prepare a regulator report.—*Important*
4. Consider a uniform method of allocating and/or reporting surplus lines and independently procured insurance premium tax on multi-state risks and any other surplus lines issues. This charge is assumed by the Multi-State Surplus Lines Premium Tax Working Group.—*Important*