

**Virginia's Comments on the
Draft Market Regulation Accreditation Proposal
Dated August 5, 2009**

- Virginia agrees that any accreditation standards proposal should promote uniformity, allow states flexibility to address issues in their marketplaces, and encourage professionalism and high standards for market regulation staff.
- Virginia believes that market regulation accreditation standards should encourage a minimum uniformity in market regulation activities while permitting enough flexibility so that states can address their specific market regulation issues. The requirement that a plan be written and approved may reduce the flexibility that states need in responding to marketplace issues.
- This proposal allows each state to write its own accreditation plan, which does not encourage uniformity. The purpose of uniformity is to allow states to be able to rely on each other's market regulation activities, which may reduce duplicate work.
- Requiring an approved plan with a great deal of detail could cause problems for states. For example, could the department be sued if someone thought that it was not following the plan? Would a published detailed plan make it more difficult to settle market regulation actions?
- The states have already developed the Market Regulation Handbook, including the standards in the Core Competencies, which sets forth the minimum standards that each state should be using in its market regulation efforts. Any accreditation plan should measure how each state is meeting those standards.
- Given that the market regulation standards have been in place for some time in the Market Regulation Handbook, Virginia believes that states should certify adherence to the standards set forth in the Handbook rather than each state creating an accreditation plan for approval by the NAIC.
- By requiring a published and approved accreditation plan, Virginia believes that states will no longer have the flexibility to address unexpected issues that arise in the marketplace. In contrast, by establishing a process whereby states certify their compliance with the Market Regulation Handbook, states would continue to have the flexibility to address unexpected issues that may arise.