

— Financial Examination Section —

The responsibility of the Financial Examination Section is to enforce statutes and regulations on financial matters and conduct financial examinations of insurance companies and agencies.

The Financial Examination Section conducts examinations of insurance companies and insurance agencies to determine that requirements of Alaska insurance law on financial matters are being met. These examinations are in the areas of financial condition of insurance companies and the handling of premiums by agencies. The section also conducts ongoing financial analysis of insurance companies that operate in Alaska to monitor financial condition on an interim basis. Such analysis is used internally to determine the need for action such as examination or suspension of a certificate of authority.

The section is responsible for issuing certificates of authority to domestic insurers and to insurance companies who wish to be admitted to do business in the State of Alaska. In addition, other applications reviewed by the section are risk retention group registrations, accredited reinsurer applications, and automobile service corporation applications.

The section reviews certain transactions proposed by insurance companies to determine if they should be disapproved. These include transactions resulting in change of ownership, material sale of assets, change in reinsurance agreements, transactions between subsidiaries, and extraordinary dividends.

The section assists in the regulation of the insurance industry by recommending appropriate action against violators of the Alaska insurance laws and regulations and by proposing changes to statute and regulation where necessary for protection of the public.

— Financial Reports and Audits Section —

The responsibility of the Financial Reports and Audits Section is to enforce statutes and regulations on tax and surplus lines matters, to collect premium tax revenue for the state, and publish the Annual Report.

The Financial Reports and Audits Section collects premium taxes and fees, the state's second largest source of revenue. All annual and quarterly tax reports from insurance companies, risk retention groups, and surplus lines brokers are audited. Penalties for late filing are imposed and collected.

The section reviews applications from surplus lines insurers and risk purchasing groups that wish to do business in Alaska, and conducts annual financial analysis of surplus lines insurers to monitor financial condition. The section may participate in financial or premium tax examinations of admitted insurers or licensees. The section also monitors transactions of surplus lines brokers to ensure compliance with Alaska statutes and regulations, and to ensure proper payment of premium taxes and fees.

The section gathers and prepares statistical data and publishes the Annual Report.

The section assists in the regulation of the insurance industry by recommending appropriate action against violators of the Alaska insurance laws and regulations and by proposing changes to statute and regulation where necessary to maintain a healthy marketplace and protect the public.

Exam No.	Company Name/Examinee	Type of Exam	Exam Call Issued	Public Report Issued
FE04-01	Sunderland Marine Mutual Insurance Company	Statutory Financial Exam	April 2004	July 2005
FE04-02	Umialik Insurance Company	Statutory Financial Exam	July 2004	June 2005
FE04-03	ACA Insurance Company	Statutory Financial Exam	July 2004	June 2005
FE04-04	Alaska National Insurance Company	Statutory Financial Exam	August 2004	Pending
FE05-01	Alaska Timber Insurance Exchange	Statutory Financial Exam	May 2005	Pending
FE05-02	Alaska Vision Services	Statutory Financial Exam	May 2005	Pending
FE05-02	American International Specialty Insurance Company	Statutory Financial Exam	November 2005	Pending

Applications 2005

		TOTAL 2005
Certificate of Authority	Open at beginning of period	9
	Received	29
	Approved	21
	Denied or withdrawn	3
	Open at end of period	14
Risk Retention Group	Open at beginning of period	2
	Received	3
	Approved	5
	Denied or withdrawn	0
	Open at end of period	0
Accredited Reinsurer	Open at beginning of period	1
	Received	1
	Approved	2
	Denied or withdrawn	0
	Open at end of period	0
Multiple Employer Welfare Arrangement (MEWA)	Open at beginning of period	4
	Received	0
	Approved	2
	Denied or withdrawn	0
	Open at end of period	2
Automobile Service Corporations	Open at beginning of period	0
	Received	0
	Approved	0
	Denied or withdrawn	0
	Open at end of period	0
Joint Title Plants	Open at beginning of period	0
	Received	0
	Approved	0
	Denied or withdrawn	0
	Open at end of period	0
Purchasing Group	Open at beginning of period	12
	Received	13
	Approved	13
	Denied or withdrawn	1
	Open at end of period	11
Surplus Lines Insurers	Open at beginning of period	13
	Received	37
	Approved	34
	Denied or withdrawn	4
	Open at end of period	12