

## — 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 Financial Reports and Audits Section enforces statutes and regulations on tax and surplus lines, collects premium tax revenue for the state, and publishes the Annual Report.

The section not only reviews applications from insurers of surplus lines and risk purchasing groups that wish to do business in Alaska, but it also conducts annual financial analysis to determine the financial condition of these entities. 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 proper payment of premium taxes and fees.

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

The section monitors the insurance industry and recommends appropriate action against violators of Alaska insurance laws and regulations. Proposing necessary changes to statutes and regulations for the cultivation of a healthy marketplace and protection of the public is a primary focus.