

## Wyoming Department of Insurance Earns NAIC Accreditation

**CHEYENNE, WY** —The Wyoming Department of Insurance has again earned accreditation by the National Association of Insurance Commissioners (NAIC). Accreditation demonstrates a state's excellence in monitoring the financial solvency of Wyoming-domiciled insurance companies. Wyoming was first accredited in 1993 and has been continuously accredited since that time.

"I am very proud of this accomplishment and the exceptional work of the Wyoming Department of Insurance. Accreditation reflects the important and hard work of our entire staff, but the Chief Financial Examiner Linda Johnson and her staff in particular," said Insurance Commissioner Tom Glause. "Accreditation is the ultimate consumer protection by requiring uniform standards among the states in order to monitor insurers' financial solvency," stated Ms. Johnson.

Accreditation assures states are regulating their domestic multistate insurers according to national standards agreed to by the NAIC. For the insurance industry, accreditation means insurers will not require additional independent exams from the other states in which the insurers do business.

The [National Association of Insurance Commissioners](#) has articulated the following:

The NAIC Accreditation Program was established to develop and maintain standards to promote effective insurance company financial solvency regulation. The purpose of the accreditation program is for state insurance departments to meet baseline standards of solvency regulation, particularly with respect to regulation of multi-state insurers. NAIC accreditation allows non-domestic states to rely on the accredited domestic regulator to fulfill a baseline level of effective financial regulatory oversight. This creates substantial efficiencies for insurance regulators, who are then able to coordinate and rely on each other's work. It also creates far greater efficiencies for insurance companies licensed in accredited states, which are then not subject to financial examinations or other financial oversight by multiple jurisdictions. All fifty states, the District of Columbia and Puerto Rico are currently accredited. Accreditation is a certification given to a state insurance department once it has demonstrated it has met and continues to meet an assortment of legal, financial, and organizational standards as determined by a committee of its NAIC peers.

The concept of accrediting state insurance departments began in the mid- to late 1980s when several large insurance companies became insolvent. In September 1988, the NAIC began discussing and shaping the Financial Regulation Standards and Accreditation Program and began the formal certification program in June 1990.

The accreditation program relies on state certification by other regulators via peer review, requires risk-focused financial surveillance including on-site examinations, and requires solvency-related model laws, rules and guidelines that have been produced through consensus and collaboration.

Accredited insurance departments are required to undergo a comprehensive review by an independent review team every five years to ensure the departments continue to meet financial solvency oversight standards. These departments are also required to undergo a desk audit annually. The accreditation standards require state insurance departments to have adequate statutory and administrative authority to regulate an insurer's corporate and financial affairs and that they have the necessary resources to carry out that authority.

To become accredited, the state must submit to a full on-site accreditation review. A team of independent consultants review the department's compliance with the standards to develop a recommendation regarding the state's accredited status. To remain accredited, an accreditation review must be performed at least once every five years with interim annual reviews.

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