

**31A-34-106 Jurisdiction of the commissioner.**

- (1) The commissioner shall facilitate the creation and operation of alliances to ensure a fair allocation of risk among contracted insurers and proper state oversight and to provide consumer protection to members, enrollees, and the public through the active supervision and regulation of alliances with regard to:
  - (a) marketing through:
    - (i) standards for the development and approval of coordinated actuarial models and coordinated underwriting and marketing methodologies that promote efficiencies of scale while preserving market competition;
    - (ii) limitations on the cooperation permitted among contracted insurers, the circumstances under which such cooperation may occur, and the nature of the information that may be shared for purposes of developing coordinated actuarial models as well as coordinated underwriting and marketing methodologies;
    - (iii) reporting requirements; and
    - (iv) limitations on unfair marketing methods and practices;
  - (b) the financial stability of alliances and their contracted insurers regarding:
    - (i) financial solvency;
    - (ii) maintenance of trust accounts;
    - (iii) risk sharing methods; and
    - (iv) other matters relating to financial reporting and solvency; and
  - (c) the articles of incorporation and bylaws of alliances.
- (2) An alliance shall submit proposed actuarial models and underwriting and marketing methodologies to the commissioner for review, modification, if necessary, and approval prior to use.
- (3) Financial and performance examinations of an alliance shall be conducted in accordance with the provisions of Sections 31A-2-203, 31A-2-203.5, and 31A-2-204. The alliance shall reimburse the Insurance Department for the reasonable costs of such audits or examinations under Section 31A-2-205.

Enacted by Chapter 143, 1996 General Session