

Superseded 5/12/2015

31A-37-502 Examination.

- (1)
 - (a) As provided in this section, the commissioner or a person appointed by the commissioner, shall examine each captive insurance company in each three-year period.
 - (b) The three-year period described in Subsection (1)(a) shall be determined on the basis of three full annual accounting periods of operation.
 - (c) The examination is to be made as of:
 - (i) December 31 of the full three-year period; or
 - (ii) the last day of the month of an annual accounting period authorized for a captive insurance company under this section.
 - (d) In addition to an examination required under this Subsection (1), the commissioner, or a person appointed by the commissioner may examine a captive insurance company whenever the commissioner determines it to be prudent.
- (2) During an examination under this section the commissioner, or a person appointed by the commissioner, shall thoroughly inspect and examine the affairs of the captive insurance company to ascertain:
 - (a) the financial condition of the captive insurance company;
 - (b) the ability of the captive insurance company to fulfill the obligations of the captive insurance company; and
 - (c) whether the captive insurance company has complied with this chapter.
- (3) The commissioner upon application may enlarge the three-year period described in Subsection (1) to five years, if a captive insurance company is subject to a comprehensive annual audit during that period:
 - (a) of a scope satisfactory to the commissioner; and
 - (b) performed by independent auditors approved by the commissioner.
- (4) The commissioner may accept a comprehensive annual independent audit in lieu of an examination:
 - (a) of a scope satisfactory to the commissioner; and
 - (b) performed by an independent auditor approved by the commissioner.
- (5) A captive insurance company that is inspected and examined under this section shall pay, as provided in Subsection 31A-37-202(6)(b), the expenses and charges of an inspection and examination.