§ 1604. Registration. (a) An authorized domestic insurer shall register with the superintendent within thirty days of becoming subject to registration and shall amend the registration within thirty days following any material change to the information provided in the registration. The registration shall be in such form and shall contain such matters as the superintendent prescribes. The superintendent may grant reasonable extensions of the time to register.

(b)(1) An authorized domestic insurer, other than a domestic insurer required to register as a controlled insurer pursuant to section one thousand five hundred three of this chapter, shall adopt a formal enterprise risk management function and shall file an enterprise risk report with the superintendent by April thirtieth of each year. The report shall, to the best of the insurer's knowledge and belief, identify the material risks within any subsidiary that could pose enterprise risk to the insurer.

(2) For the purposes of this article, "enterprise risk" means any activity, circumstance, event, or series of events involving one or more subsidiaries of an insurer that, if not remedied promptly, is likely to have a material adverse effect upon the financial condition or liquidity of the insurer, including anything that would cause the insurer's risk-based capital to fall into company action level as set forth in section one thousand three hundred twenty-four of this chapter, or that would cause further transaction of business to be hazardous to the insurer's policyholders or creditors or the public.

(c) (1) An authorized domestic insurer, other than a domestic insurer required to register as a controlled insurer pursuant to section one thousand five hundred three of this chapter, shall file with the superintendent an annual group capital calculation by June thirtieth of each year when this state is the lead state as determined in accordance with the procedures within the financial analysis handbook adopted by the NAIC, as amended from time to time.

(2) When the lead state is not this state, an authorized domestic insurer shall file with the superintendent the annual group capital calculation as adopted by its lead state if the authorized domestic insurer has filed the annual group capital calculation with the lead state but the lead state is not willing or able to share the annual group capital calculation with the superintendent.

(3) When this state is the lead state, the authorized domestic insurer shall complete the annual group capital calculation in accordance with the group capital calculation instructions, which may permit the superintendent to allow a subsidiary to file the annual group capital calculation.

(4) When this state is the lead state, an authorized domestic insurer shall be exempt from filing an annual group capital calculation if it:

(A) has only one insurer subsidiary that only writes business and is only licensed in its domestic state and assumes no business from any other insurer;

(B) is required to perform a group capital calculation specified by the United States Federal Reserve Board, except that the authorized domestic insurer shall not be exempt if the superintendent requests the group capital calculation from the United States Federal Reserve Board under the terms of information sharing agreements in effect and the Federal Reserve Board cannot share the calculation with the superintendent;

(C) has a non-United States group-wide supervisor that is located within a reciprocal jurisdiction, as described in part one hundred twenty-five of title eleven of the official compilation of codes, rules and regulations of this state, that recognizes the United States state regulatory approach to group supervision and group capital; or

(D)(i) provides information to the superintendent, either directly or indirectly through the group-wide supervisor, who has determined such information is satisfactory to allow the superintendent to comply with the NAIC group supervision approach, as detailed in the NAIC financial analysis handbook; and

(ii) has a non-United States group-wide supervisor that is not in a reciprocal jurisdiction and that recognizes and accepts, as specified by the superintendent in a regulation, the group capital calculation as the world-wide group capital assessment for United States systems that operate in that jurisdiction.

(5) Notwithstanding subparagraphs (C) and (D) of paragraph four of this subsection, when this state is the lead state, the superintendent shall require the group capital calculation for United States operations of any non-United States-based system where, after any necessary consultation with other supervisors or officials, it is deemed

appropriate by the superintendent for prudential oversight and solvency monitoring purposes or for ensuring the competitiveness of the insurance marketplace.

(6) Notwithstanding the exemptions from filing the group capital calculation set forth in paragraph four of this subsection, when this state is the lead state, the superintendent has the discretion to exempt an authorized domestic insurer from filing an annual group capital calculation or accept a limited annual group capital calculation filing or report in accordance with criteria as specified by the superintendent in a regulation.

(7) When this state is the lead state, if the superintendent determines that an authorized domestic insurer no longer meets one or more of the requirements for an exemption from filing the group capital calculation under this subsection, the authorized domestic insurer shall file the group capital calculation at the next annual filing date unless given an extension by the superintendent based on reasonable grounds shown.

(d)(1) An authorized domestic insurer, other than a domestic insurer required to register as a controlled insurer pursuant to section one thousand five hundred three of this chapter, that has a subsidiary that is scoped into the NAIC liquidity stress test framework shall file the results of a specific year's annual liquidity stress test with the superintendent when this state is the lead state as determined by the procedures within the financial analysis handbook adopted by the NAIC and as amended from time to time.

(2) When the lead state is not this state, an authorized domestic insurer shall file with the superintendent the results of a specific year's liquidity stress test as adopted by its lead state if the authorized domestic insurer has filed the results with the lead state but the lead state is not willing or able to share the results with the superintendent.

(3) When this state is the lead state, the performance of, and filing of the results from, a specific year's liquidity stress test shall comply with the NAIC liquidity stress test framework.

(4) When this state is the lead state, any change to the NAIC liquidity stress test framework or to the data year for which the scope criteria are to be measured shall be effective on January first of the

year following the calendar year when such changes are adopted.

(5) When this state is the lead state, an insurer meeting at least one threshold of the scope criteria shall be considered scoped into the NAIC liquidity stress test framework for the specified data year unless the superintendent, in consultation with the NAIC financial stability task force, or its successor, determines the insurer shall not be scoped into the NAIC liquidity stress test framework for that data year.

(6) When this state is the lead state, an insurer that does not trigger at least one threshold of the scope criteria shall be considered scoped out of the NAIC liquidity stress test framework for the specified data year, unless the superintendent, in consultation with the NAIC financial stability task force, or its successor, determines the insurer shall be scoped into the NAIC liquidity stress test framework for that data year.

(7) The superintendent, in consultation with the NAIC financial stability task force, or its successor, shall assess the concern of wishing to avoid having insurers scoped in and out of the NAIC liquidity stress test framework on a frequent basis as part of the determination for an insurer.

(e) No insurer, insurance producer, or other person shall make, publish, disseminate, circulate, issue, or place before the public, or cause directly or indirectly to be made, published, disseminated, circulated, issued, or placed before the public, in this state, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio or television station or any electronic means of communication available to the public, or in any other way as an advertisement, announcement, or statement containing a representation or statement with regard to the group capital calculation, group capital ratio, liquidity stress test results, or supporting disclosures for such test, or any component derived in the calculation thereof, of any authorized domestic insurer or subsidiary thereof, provided, however, that an insurer may publish, with the superintendent's prior approval, announcements in a written publication to rebut any materially false statement with respect to the foregoing if the insurer is able to demonstrate to the superintendent with substantial proof the falsity of such statement or the inappropriateness, as the case may be, and if the sole purpose of the

announcement is to rebut the materially false statement.

(f) For the purpose of this section:

(1) "Group capital calculation instructions" means the group capital calculation instructions as adopted by the NAIC and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC, except where such instructions conflict with the laws of this state and subject to exceptions the superintendent may take in a regulation upon a written finding that the exceptions would not be unduly burdensome on the domestic insurer or subsidiary.

(2) "NAIC" means the National Association of Insurance Commissioners.

(3) "NAIC liquidity stress test framework" means an NAIC publication that includes a history of the NAIC's development of regulatory liquidity stress testing, the scope criteria applicable for a specific data year, and the liquidity stress test instructions and reporting templates for a specific data year, such scope criteria, instructions and reporting template being as adopted by the NAIC and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC, except where such publication conflicts with the laws of this state and subject to exceptions the superintendent may take in a regulation upon a written finding that the exceptions would not be unduly burdensome on the domestic insurer or subsidiary.

(4) "Scope criteria" means the designated exposure bases along with minimum magnitudes thereof for the specified data year, used to establish a preliminary list of insurers considered scoped into the NAIC liquidity stress test framework for that data year.