



ADMINISTRATIVE RULES OF MONTANA

6.6.8703 FILING PROCEDURES

- (1) An insurer, or the insurance group of which the insurer is a member, required to file a CGAD by Title 33, chapter 2, part 21, MCA, shall, no later than June 1 of each calendar year, submit to the commissioner a CGAD that contains the information described in ARM 6.6.8704 for the prior calendar year.
- (2) The CGAD must include a signature of the insurer's or insurance group's chief executive officer or corporate secretary attesting to the best of that individual's belief and knowledge that:
 - (a) the insurer or insurance group has implemented the corporate governance practices; and
 - (b) a copy of the CGAD has been provided to the insurer's or insurance group's board of directors or the appropriate committee of the board of directors.
- (3) The insurer or insurance group shall have discretion regarding the appropriate format for providing the information required by this subchapter and is permitted to customize the CGAD to provide the most relevant information necessary to permit the commissioner to gain an understanding of the corporate governance structure, policies, and practices utilized by the insurer or insurance group.
- (4) For purposes of completing the CGAD, the insurer or insurance group may choose to provide information on governance activities that occur at the ultimate controlling parent level, an intermediate holding company level, or the individual legal entity level, depending upon how the insurer or insurance group has structured its system of corporate governance.
 - (a) The insurer or insurance group is encouraged to make the CGAD disclosures at the level at which:
 - (i) the insurer's or insurance group's risk appetite is determined;
 - (ii) the earnings, capital, liquidity, operations, and reputation of the insurer are overseen collectively and at which the supervision of those factors are coordinated and exercised; or
 - (iii) legal liability for failure of general corporate governance duties would be placed.
 - (b) If the insurer or insurance group determines the level of reporting based on these criteria, it shall indicate which of the three criteria was used to determine the level of reporting and explain any subsequent changes in the level of reporting.
- (5) As outlined in 33-2-2104, MCA, if the CGAD is completed at the insurance group level, and if the lead state has substantially adopted the requirements contained in the Corporate Governance Disclosure Act, then it must be filed with the lead state of the group as determined by the

procedures outlined in the financial analysis handbook adopted in ARM 6.6.8705. A copy of the CGAD must also be provided to the chief regulatory official of any state in which the insurance group has a domestic insurer upon request.

- (6) An insurer or insurance group may comply with this section by referencing other existing documents, including the ORSA Summary Report, Holding Company Form B or F Filings, Securities and Exchange Commission (SEC) Proxy Statements, or foreign regulatory reporting requirements, if the documents provide information that is comparable to the information described in ARM 6.6.8704. The insurer or insurance group shall clearly reference the location of the relevant information within the CGAD and attach the referenced document if it is not already filed or available to the regulator.
- (7) Each year following the initial filing of the CGAD, the insurer or insurance group shall file an amended version of the previously filed CGAD indicating any changes made since the filing. If no changes were made, the insurer or insurance group should state that in the filing.

Authorizing statute(s): 33-2-2105, MCA

Implementing statute(s): 33-2-2101, 33-2-2102, 33-2-2103, 33-2-2104, 33-2-2105, 33-2-2106, 33-2-2107, 33-2-2108, 33-2-2109, MCA

History: NEW, 2017 MAR p. 2183, Eff. 1/1/18.