



# PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (October 2017)**  
**(Implements RCW 34.05.310)**  
Do **NOT** use for expedited rule making

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STATE OF WASHINGTON  
FILED

DATE: May 31, 2019

TIME: 11:26 AM

WSR 19-12-060

**Agency:** Office of the Insurance Commissioner

**Subject of possible rule making:** Internal Audit Requirements for Insurance Companies.

Insurance Commissioner Matter R 2019-02-

**Statutes authorizing the agency to adopt rules on this subject:** RCW 48.02.060, RCW 48.44.050, and RCW 48.46.200.

**Reasons why rules on this subject may be needed and what they might accomplish:** To incorporate an internal audit function requirement for large insurers writing more than \$500 million, or insurance groups writing more than \$1 billion in annual premium. These insurers must maintain an internal audit function providing independent, objective, and reasonable assurance to the audit committee and insurer management regarding the insurer's governance, risk management and internal controls.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** None

**Process for developing new rule (check all that apply):**

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) Submit comments by: July 19, 2019


**Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:**

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(If necessary)

Name:  
Address:  
Phone:  
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TTY:  
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Web site:  
Other:

Additional comments: The amendments to existing rules to be proposed by this rule are required for NAIC accreditation.

<b>Date:</b> 05/31/2019	<b>Signature:</b> 
<b>Name:</b> Mike Kreidler	
<b>Title:</b> Insurance Commissioner	