

State Financial Examiner:

Updated 11/28/22

Duties:

Perform Risk-Focused Examinations:

- Review and gain an understanding of insurer operations, including its corporate governance structure and its enterprise risk management framework through a review of regulatory filings, discussions with Department staff, discussions with company personnel, review of public information, review of industry trends and other sources of information as applicable.
 - Exercise judgment in scaling extent of review based on size, risk, and complexity of the insurer.
- Exercise judgment to identify and assess solvency risks facing the company, from both a current and prospective risk perspective.
 - Exercise judgment to ensure that risk is properly tailored to the insurer under examination.
- Review and assess the effectiveness of the insurer's audit function (internal and external) as well as the enterprise risk management function to leverage existing work and gain efficiency in conducting examinations, where appropriate.
- Identify relevant controls and/or risk mitigation strategies to address risks identified and perform tests of controls to evaluate their effectiveness, as appropriate.
 - Apply professional skepticism when assessing the strength of controls and/or risk mitigation strategies
 - Develop findings and recommendations for improving risk mitigation strategies that can be communicated to the insurer and monitored on an ongoing basis
- Based on the residual risk determinations, develop, and perform independent detail test procedures to address risks as appropriate.
 - Verify insurer records as needed to determine accuracy of financial reporting and to evaluate the propriety of insurer operations.
- Utilize the work performed to reach conclusions and assess an insurer's current financial condition and prospective solvency for assigned areas.
- Examine insurer records, practices, and activities to appropriately determine insurer compliance with state laws, rules, regulations and NAIC standards and guidelines.
- Research complex issues relating to state law, state regulations, statutory accounting principles, etc.
- Coordinate work performed with other regulatory functions, other states, and/or specialists to avoid duplication of efforts and/or requests.

Prepare Supporting Documentation, Report on Findings and Communicate Results of Work Performed:

- Prepare examination work papers to provide accurate and complete documentation of observations, work performed and examination findings in accordance with Department and NAIC standards and guidelines.
- Effectively communicate to the insurer, both verbally and in writing, regarding the details of exam findings through exam reports, management letters, and exit conferences.
- Effectively communicate to the department analyst, both verbally and in writing, the details of exam findings, risk ratings and ongoing monitoring recommendations through completion and discussion of a Summary Review Memorandum and supporting documentation.

Develop Industry Knowledge and Skills:

- Obtain relevant designations that enhance examiner's ability to perform and lead examinations (e.g., CFE, PIR, CPCU, etc.).
- Participate in training courses that enhance examiner's ability to perform and lead examinations (e.g., NAIC, SOFE, etc.).
- Stay apprised of industry trends through review of business journals, industry publications, etc. to identify implications for examinations.
- Develop understanding of insurance operations, risks, risk management techniques, and transactions flows to enhance an examiner's ability to perform and lead examinations

Knowledge, Skill, and Ability:

- Strong communications skills (both written and oral)
- Basic knowledge of audit skills (understanding of financial assertions, documentation standards, etc.)
- Objective, fair, reasonable, and courteous with the ability to apply professional judgment and draw sound conclusions
- Ability to research and consistently apply state laws, insurance departments' regulations, and NAIC statutory accounting practices
- Ability to understand and evaluate the enterprise risk management functions of insurers, as well as corresponding Own Risk and Solvency Assessment reports
- Ability to think critically and make decisions based on reasonable and timely analysis
- Ability to understand and evaluate risks, as well as risk mitigation strategies and controls
- Ability to identify solutions to complex problems
- Ability to adapt to changing expectations and environments
- Ability to evaluate and challenge information provided by company
- Ability to see big picture of organization
- Ability to participate in presentations discussing examination findings
- Ability to communicate and interact with C-level executives
- Ability to work in and contribute to a team environment
- Ability to receive and effectively respond to coaching and feedback
- Ability to multi-task and manage time effectively

- Ability to follow ad hoc instructions on occasional and unfamiliar projects
- Proficient with MS Word, Excel, and other related tools.
- Ability to use electronic workpaper documentation tools

Education and/or Experience:

Minimum:

- Bachelor's Degree in suitable field of study from an accredited college or university.
 - Suitable fields of study, including the minimum number of expected accounting credits, should be determined separately by each state in accordance with the nature and complexity of its industry as well as its identified staffing needs. In addition to accounting, other suitable fields of study may include but are not limited to business; finance; actuarial science; insurance; and risk management.

Preferred:

- 1-3 years of financial examination, public accounting, or similar experience with specialization in the insurance industry or,
- 3 years of industry experience with an emphasis in internal auditing, statutory accounting, financial reporting, U.S. GAAP accounting or technical research.

Licenses, Certificates, Registrations:

Candidates with an educational background that permits applying for SOFE designations (i.e., AFE/CFE) preferred.

Other designations may also enhance a candidate's profile (i.e., CPA, CPCU, APIR/PIR, etc.).