

**40-4308. Examination of companies; companies liable for expenses thereof.** At least once in three years, and whenever the commissioner determines it to be prudent, the commissioner shall personally, or by some competent person appointed by the commissioner, visit each captive insurance company and thoroughly inspect and examine its affairs to ascertain its financial condition, its ability to fulfill its obligations and whether it has complied with the provisions of this act. The commissioner upon application, in the exercise of discretion, may enlarge the aforesaid three-year period to five years, if such captive insurance company is subject to a comprehensive annual audit during such period of a scope satisfactory to the commissioner by independent auditors approved by such commissioner. The expenses and charges of the examination shall be paid to the state by the company or companies examined.

**History:** L. 1988, ch. 156, § 8; July 1.