Insolvency Readiness Framework

Quick-Start Checklist — a step-by-step guide to help troubled companies proactively prepare for a potential future insolvency.

100 DAY PREP WINDOW

Recommended Timeline: A 100-day prep window before a potential insolvency is ideal to help coordinate and align regulators, receivers, and guaranty funds to address common insolvency hurdles such as data transition and coordinated communication with policyholders.

1 While the Regulator Identifies Risk

- [ ] Flag outdated systems or complex corporate structures

2 Engage Key Partners (IT Vendor, Domiciliary Guaranty Fund &/or NCIGF)

- [ ] Execute confidentiality agreements (per statutes)
- [ ] Keep group small + secure

3 Test and Prepare Claims Data MOST CRITICAL STEP

- [ ] Hire IT vendor familiar with NAIC UDS
- [ ] Flag non-standard/legacy systems
- [ ] Check for comingled company data

4 Ready the Guaranty Fund

- [ ] Provide claims count by line of business
- [ ] Pre-negotiate agreements to address critical claims, i.e. pharmacy or workers' compensation

5 Guaranty Fund Operational Readiness

- [ ] Prepare exposure analysis + reserve estimates
- [ ] Build hardship claim triage plan

6 Maintain Readiness

- [ ] Continue confidentially validating data + monitoring claim exposures
- [ ] Retain key company staff + vital outside services

Key Takeaway: The greatest value lies in Step 3 — it can be done at almost any troubled-company stage by an expert UDS IT vendor.