

2025

## Property/Casualty Loss Reserve Law Manual

# Law Manual

**A COMPILATION OF REQUIREMENTS** Concerning  
Property/Casualty Loss and Loss Expense Reserves for Use in  
Preparing Statements of Actuarial Opinion



AMERICAN ACADEMY  
*of* ACTUARIES

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## **Introduction**

The National Association of Insurance Commissioners (NAIC) Statement of Actuarial Opinion (SAO) for property/casualty (P/C) loss and loss adjustment expense (LAE) reserves requires that an actuary drafting such opinions opine on, among other things, whether the insurer's reserves "meet the requirements of the insurance laws of [state of domicile]."

To assist members of the actuarial profession who must meet this requirement and others, the American Academy of Actuaries' Committee on Property and Liability Financial Reporting (COPLFR) sponsors this compilation of insurance laws (including statutes, regulations, and insurance department bulletins) relating to property/casualty loss and loss expense reserves. This Law Manual includes 52 jurisdictions: the 50 states, the District of Columbia, and Puerto Rico. Also included in this Manual is a summary of the NAIC SAO Instructions, as well as excerpts from other Annual Statement Instructions and NAIC Actuarial Opinion Summary Instructions. Where available, information is also included for certain entities that may not be required to file Annual Statements, such as workers' compensation self-insurance pools, captives, and municipal liability pools.

This Manual provides the following:

- The text of the 2025 NAIC Annual Statement SAO Instructions (separately for property/casualty and title insurers);
- A summary of these Instructions (separately for property/casualty and title insurers);
- Other pertinent Annual Statement Instructions (separately for property/casualty and title insurers);
- Text of the 2025 NAIC Actuarial Opinion Summary (AOS) Instructions;
- A list of abbreviations used in this Manual;
- A list of NAIC resources and links; and
- An alphabetical summary of requirements for each jurisdiction concerning loss and loss adjustment expense reserves and the citation of relevant statutes, regulations, and bulletins.

The Law Manual has been formatted to allow the user direct access to each jurisdiction's laws. However, the user is advised to check when the jurisdiction's website was updated last, as it remains the sole and exclusive responsibility of the preparer to be aware of and satisfy the legal requirements of each jurisdiction.

In preparing this annual update, all 52 jurisdictions were asked to review their materials and to identify appropriate changes and corrections. Law changes that occurred following receipt of a jurisdiction's response have not been monitored in every state. As of August 25, 2025, 46 jurisdictions had responded; if they indicated that there were changes to the content of their materials, those changes were incorporated. If a jurisdiction's response to the survey indicated "no change," then no additional review of that jurisdiction's materials was performed. The following jurisdictions have not responded as of August 25, 2025: District of Columbia, Iowa, Maryland,

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Michigan, Puerto Rico, and South Dakota. For these jurisdictions, the Manual reflects information obtained from insurance department websites and other available sources of insurance law as of August 25, 2025.

The 2025 Property/Casualty Loss Reserve Law Manual is intended to provide reference information for use in the preparation of the 2025 Statement of Actuarial Opinion (to be filed in 2026). This Manual contains materials received through August 25, 2025, only. Please note that changes are continuously being made to statutes, regulations, and insurance department bulletins, and it is the user's responsibility to follow up on any such changes as applicable.

**DISCLAIMER:** This Manual does not provide legal advice of any sort and no representations are made as to its completeness or accuracy. It remains the sole and exclusive responsibility of the preparer to be aware of and satisfy the legal requirements of each jurisdiction. If legal advice or other expert assistance is required, the services of a competent professional should be sought. If users have questions regarding certain requirements, they may choose to contact the insurance department personnel listed on the applicable state summary or their successor(s), or consult with their legal counsel. The user should also review the statutory or regulatory text for a more comprehensive understanding of the requirements. This Manual is not a substitute for individual legal advice or legal interpretations of statutory or regulatory requirements, nor should it be relied upon as an authoritative statement of the law.

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If users have suggested changes or corrections to this compilation, please contact:

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The committee would like to thank all those who have assisted in this significant compilation effort, including many individuals from state insurance departments who verified the correctness and completeness of the Manual for their jurisdictions, and the National Association of Insurance Commissioners for granting permission to reproduce materials from its copyrighted publications. Special thanks to Mary Jo Kannon and Rebecca Armon who led this project.

## **How to Use the Law Manual**

Substantive material that is new to this year's Manual is indicated by a single line in the margin. Where only numbering, capitalization, or minor word changes have been made, no margin lines are shown. Please note that material that is new to the Manual is not necessarily a new requirement. Substantive material that has been deleted from the Manual is struck out with a single line.

The jurisdictions are listed alphabetically, and within each jurisdiction is an information page, a table of contents, and summary tables. The information page contains contact information and links to websites. The table of contents has hyperlinks to each of the separate summary tables for that jurisdiction.

The linked sites are not under the control of the Academy and the Academy is not responsible for the contents of any linked site or any link contained in a linked site, or any changes or updates to such sites. The Academy is providing these links only as a convenience, and the inclusion of any link does not imply endorsement by the Academy of the site.

### **Material Included**

The summary for each jurisdiction is generally divided into three parts, which are described below.

An introductory section for each jurisdiction includes the name of the commissioner of insurance or other insurance department official, the address of the state insurance regulatory agency, and the contact person for property/casualty and title SAOs, as well as the contact person for captive insurers, where applicable. Also shown are the name and relevant part of each jurisdiction's statutes and regulations. For example, in Alabama, statutes are codified in the "Insurance Code," Title 27. Regulations are codified as "Regulations of the Alabama Department of Insurance." Finally, links for the jurisdictions' Annual Statement checklists are provided, if available.

Following the introductory section for the jurisdiction is a Table of Contents. There are three major sections in the table of contents: Admitted P/C Insurers, Title Insurers, and SAO Exemptions. Special cases are listed under Admitted P/C Insurers. To jump to a particular section of the jurisdiction, the user may click on the listed section in the table of contents.

The Admitted P/C Insurers section lists SAO information that is applicable to all P/C insurers in general. The sections that are listed as "Special Cases" show information that differs from the Admitted P/C Insurers.

The information is split into two parts: a brief summary and the citation that the summary is based on. The citation is hyperlinked to the jurisdiction's website, so the user may open the law in a browser and read the entire law. Some users may be unable to access some of the states' laws or regulations through the hyperlinks due to company firewalls or other restrictions. Every effort was made to provide hyperlinks wherever possible, however, there may be some citations that are not hyperlinks, and in those instances, the text is provided immediately following the summary tables.

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#### **Title Insurers**

Note that there are separate Annual Statement Instructions for title insurers. Most of the SAO requirements are similar to Admitted P/C Insurers' requirements, but there are a few differences. The entire text of the SAO Instructions and relevant extracts from other Annual Statement Instructions are reproduced in Part B. Many jurisdictions require title insurers to hold a "statutory premium reserve," which is often referred to as an "unearned premium reserve." [Note: Because all title insurance premiums are fully earned upon policy inception, these reserves are more akin to property/casualty insurance incurred but not reported reserves than unearned premium reserves.] Most statutes provide that the reserve is accrued [on some basis of new policies written] and then released at some rate over a given number of subsequent years. In effect, a title insurer must book a "supplemental reserve" if its actuarially determined loss and loss expense reserve requirements exceed its known claim plus statutory premium reserves.

#### **Captive Insurers**

The Manual includes information concerning captive insurance companies. A table identifying the states that do and do not allow captive insurance companies appears at the end of this section (page A-10). Within each state that permits captives, contact information for the captives' specialist in the relevant insurance department is on the first page of that state's section. Please note that the table in this section and the other information on captives provided throughout the Manual may not comprise the entirety of potentially applicable statutes and regulations governing captives. For further information about statutes and regulations applicable to captives, please contact the relevant insurance department.

#### **Material Not Covered**

It is important to understand what this Manual does and does not cover. This Manual does *not* cover requirements of jurisdictions outside the 50 states, the District of Columbia, and Puerto Rico. This Manual does *not* cover SAOs on items other than loss and loss expense reserves (with the exceptions of title insurer "unearned premium reserves," unearned premiums for long-duration contracts, and claims-made extended loss and expense reserves reported as unearned premium reserves). For example, some jurisdictions require actuarial opinions on rates, solvency, loss ratios (profitability), and other matters. This Manual also does *not* cover non-loss reserves, such as unearned premium reserves (other than for title insurance, long-duration contracts, and claims-made extended loss and expense reserves reported as unearned premium reserves), contingent commissions, retrospective premium reserves, or contingency reserves. Finally, this Manual does *not* cover insurers that are not predominantly either property/casualty or title insurance companies (e.g., health maintenance organizations, fraternal benefit societies).

Where appropriate, the NAIC requirements include disclosure of claims-made extended loss and expense reserves. No specific statutes pertaining to this item have been identified. The requirements for this disclosure are detailed in the NAIC *Accounting Practices and Procedures Manual*.

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#### **Circumstances Required to File SAOs on Loss Reserves**

This information includes the various circumstances for which an SAO must be filed, as well as the filing deadlines and whether an original (handwritten on paper) signature is required. The basic provisions apply to Admitted Property/Casualty Insurers. There may be different requirements for “Special Cases,” (such as Reinsurance Intermediaries or Workers’ Compensation Self-Insurance Pools).

#### **Actuary Qualifications**

This information identifies the qualifications required by each jurisdiction to sign SAOs. The qualification standards may be different for different types of entities. Qualifications may include credentials (e.g., MAAA or FCAS), as well as company affiliation.

The NAIC's Actuarial Opinion Working Group anticipates changes to the definition of “Accepted Actuarial Designation” in the 2026 Instructions. The changes were prompted by changes to the FSA educational pathway effective in fall 2025 and a routine assessment of the SOA and CAS's educational materials in 2024-25. The changes include specifying the four courses that an FSA must complete under the new educational pathway, editing the exam substitution table to account for situations in which an FSA completed courses under the prior pathway, and updating the title of the CAS's Exam 7.

The only change to the 2025 Instructions is the inclusion of an editorial note clarifying that the FSA designation is considered an “Accepted Actuarial Designation” only if it was earned under the requirements through May 2025.

The NAIC Instructions were modified in 2019 to require the Appointed Actuary to document qualifications in what is called “qualification documentation.” The documentation should provide enough detail to demonstrate that the Appointed Actuary satisfies each component of the “Qualified Actuary” definition. The components are:

- 1) Meets basic education, experience, and continuing education:
  - a. Education—relevant examinations or alternative basic education
  - b. Experience—specific experiences, may include education
  - c. Continuing education—combination of conferences, seminars, online courses, committee work, or self-study
    - i. Annually attest to having met the continuing education requirements for issuing Actuarial Opinions
    - ii. If a continuing education log is requested by the Casualty Actuarial Society (CAS) or Society of Actuaries (SOA), the log shall include categorization of continuing education approved for use by the Casualty Actuarial and Statistical Task Force
- 2) Maintains an Accepted Actuarial Designation:
  - a. FCAS (Fellow of the Casualty Actuarial Society)
  - b. ACAS (Associate of the Casualty Actuarial Society)
  - c. FSA GI (Fellow of the Society of Actuaries / General Insurance track)
  - d. Evaluated by Academy's Casualty Practice Council and determined to be qualified
- 3) Is a member of a professional actuarial association that:

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- a. Requires adherence to Code of Professional Conduct promulgated by the Academy
- b. Requires adherence to U.S. Qualification Standards promulgated by the Academy
- c. Participates in the Actuarial Board for Counseling and Discipline established within the Academy when its members are practicing in the U.S.

The qualification documentation needs to be provided to the board of directors at initial appointment, and shall be considered workpapers, available for inspection upon regulator request.

Per the U.S. Qualification Standards, the Appointed Actuary shall:

- 1) Annually attest to having met the continuing education requirements for issuing Actuarial Opinions
- 2) Submit a log of their continuing education, including categorization of continuing education approved for use by the Casualty Actuarial and Statistical Task Force, if a log is requested by the CAS or SOA

**Other NAIC SAO Instructions With Any Exceptions**

This information includes NAIC SAO requirements other than those dealing with entities and actuaries. Because most jurisdictions substantially follow the NAIC SAO Instructions, a summary of the NAIC provisions is included with the text of the NAIC Instructions in Section B. Most jurisdictions have a statute or regulation requiring insurers to follow the NAIC SAO Instructions. These statutes and regulations are cited, as are any requirements that are different from or in addition to the NAIC SAO Instructions.

**Additional Annual Statement and Jurisdictional Requirements**

This information includes other pertinent requirements. For example, this section may include the scope of SAOs or particular accounting conventions (e.g., whether discounting of loss reserves is applicable, whether there are minimum or formula reserve requirements, how salvage and subrogation are to be treated, etc.).

The NAIC Annual Statement Instructions and the NAIC *Accounting Practices and Procedures Manual* allow the following treatment of reserves:

- Salvage and subrogation *may* be anticipated (i.e., reserves may be stated net of anticipated recoveries); and
- Tabular reserves for workers' compensation may be discounted for anticipated investment income. "Tabular reserves" apply to indemnity benefits but *not* to medical losses or loss adjustment expenses.

If a jurisdiction has different requirements, those requirements are shown in the summaries.

**Property and Casualty Actuarial Opinion Summary**

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All jurisdictions require domestic companies to file the AOS. AOS requirements for foreign companies vary by jurisdiction. To require the AOS, a jurisdiction must demonstrate how it will keep the document confidential. However, there may be situations in which a jurisdiction may be compelled to provide the AOS to an outside party. Not all jurisdictions have laws that are designed to protect the confidentiality of the AOS.

COPLFR recommends that all questions regarding the confidentiality of the AOS under specific state statutes and regulations be directed to each jurisdiction's insurance department.

Following the summaries for each jurisdiction is the text of any laws that are not hyperlinked to each state's website. The text of the cited laws is shown in the following order: statutes, regulations, and bulletins. Within each category, the excerpts are shown in numerical order. Note that "bulletins" may have different names in different jurisdictions.

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**JURISDICTION SUMMARIES**

*1. Changes to Material Since Last Year*

| Jurisdiction         | No Changes | Non-Law Change(s) Only | Law Changes |
|----------------------|------------|------------------------|-------------|
| Alabama              |            | X                      |             |
| Alaska               |            | X                      |             |
| Arizona              |            | X                      |             |
| Arkansas             |            |                        | X           |
| California           |            | X                      |             |
| Colorado             |            | X                      |             |
| Connecticut          |            |                        | X           |
| Delaware             |            | X                      |             |
| District of Columbia |            | X                      |             |
| Florida              |            | X                      |             |
| Georgia              |            | X                      |             |
| Hawaii               |            | X                      |             |
| Idaho                |            | X                      |             |
| Illinois             |            | X                      |             |
| Indiana              |            |                        | X           |
| Iowa                 |            | X                      |             |
| Kansas               |            |                        | X           |
| Kentucky             |            | X                      |             |
| Louisiana            |            | X                      |             |
| Maine                |            | X                      |             |
| Maryland             |            | X                      |             |
| Massachusetts        |            | X                      |             |
| Michigan             |            | X                      |             |
| Minnesota            |            | X                      |             |
| Mississippi          |            | X                      |             |
| Missouri             |            | X                      |             |
| Montana              |            | X                      |             |
| Nebraska             |            | X                      |             |
| Nevada               |            | X                      |             |
| New Hampshire        |            | X                      |             |
| New Jersey           |            | X                      |             |
| New Mexico           |            |                        | X           |
| New York             |            | X                      |             |
| North Carolina       |            | X                      |             |
| North Dakota         |            | X                      |             |
| Ohio                 |            |                        | X           |
| Oklahoma             |            | X                      |             |
| Oregon               |            | X                      |             |
| Pennsylvania         |            | X                      |             |
| Puerto Rico          |            | X                      |             |
| Rhode Island         |            | X                      |             |
| South Carolina       |            | X                      |             |
| South Dakota         |            | X                      |             |
| Tennessee            |            | X                      |             |
| Texas                |            | X                      |             |
| Utah                 |            | X                      |             |
| Vermont              |            |                        | X           |
| Virginia             | X          |                        |             |
| Washington           |            | X                      |             |
| West Virginia        |            | X                      |             |
| Wisconsin            |            | X                      |             |
| Wyoming              |            | X                      |             |

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**2. *Jurisdictions Requiring Original Signature (Handwritten on Paper Copy as Opposed to Digital or Electronic Signature) for Statements of Actuarial Opinion***

| <b>Original (Handwritten on Paper) Signature Required</b> |                   |                   |
|-----------------------------------------------------------|-------------------|-------------------|
| <b>Jurisdiction</b>                                       | <b>Domestic</b>   | <b>Foreign</b>    |
| <b>Alabama</b>                                            | No                | No                |
| <b>Alaska</b>                                             | No                | No                |
| <b>Arizona</b>                                            | No                | No                |
| <b>Arkansas</b>                                           | No                | No                |
| <b>California</b>                                         | No, but preferred | No, but preferred |
| <b>Colorado</b>                                           | No                | No                |
| <b>Connecticut</b>                                        | No                | No                |
| <b>Delaware</b>                                           | No                | No                |
| <b>District of Columbia</b>                               | Yes               | Yes               |
| <b>Florida</b>                                            | No                | No                |
| <b>Georgia</b>                                            | No                | No                |
| <b>Hawaii</b>                                             | No                | No                |
| <b>Idaho</b>                                              | No                | No                |
| <b>Illinois</b>                                           | No                | No                |
| <b>Indiana</b>                                            | No                | No                |
| <b>Iowa</b>                                               | No                | No                |
| <b>Kansas</b>                                             | No                | No                |
| <b>Kentucky</b>                                           | No                | No                |
| <b>Louisiana</b>                                          | No                | No                |
| <b>Maine</b>                                              | No                | No                |
| <b>Maryland</b>                                           | No                | No                |
| <b>Massachusetts</b>                                      | No                | No                |
| <b>Michigan</b>                                           | No                | N/A               |
| <b>Minnesota</b>                                          | Yes               | Yes               |
| <b>Mississippi</b>                                        | No                | No                |
| <b>Missouri</b>                                           | No                | No                |
| <b>Montana</b>                                            | No                | No                |
| <b>Nebraska</b>                                           | Yes               | No                |
| <b>Nevada</b>                                             | No                | No                |
| <b>New Hampshire</b>                                      | Yes               | No                |
| <b>New Jersey</b>                                         | Yes               | No                |
| <b>New Mexico</b>                                         | No                | No                |
| <b>New York</b>                                           | No                | No                |
| <b>North Carolina</b>                                     | Yes               | No                |
| <b>North Dakota</b>                                       | No                | No                |
| <b>Ohio</b>                                               | No                | No                |
| <b>Oklahoma</b>                                           | No                | No                |
| <b>Oregon</b>                                             | No                | No                |
| <b>Pennsylvania</b>                                       | No                | No                |
| <b>Puerto Rico</b>                                        | Yes               | Yes               |
| <b>Rhode Island</b>                                       | No                | No                |
| <b>South Carolina</b>                                     | Yes               | No                |
| <b>South Dakota</b>                                       | No                | No                |
| <b>Tennessee</b>                                          | Yes               | No                |
| <b>Texas</b>                                              | No                | No                |
| <b>Utah</b>                                               | No                | No                |
| <b>Vermont</b>                                            | No                | No                |
| <b>Virginia</b>                                           | No                | No                |
| <b>Washington</b>                                         | No                | No                |
| <b>West Virginia</b>                                      | No                | No                |
| <b>Wisconsin</b>                                          | No                | No                |
| <b>Wyoming</b>                                            | No                | No                |

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**3. *Jurisdictions with Regulations for Captive Insurers***

| <b>Jurisdiction</b>             | <b>Have Captive<br/>Insurer<br/>Regulations</b> | <b>Jurisdiction</b>   | <b>Have Captive<br/>Insurer<br/>Regulations</b> |
|---------------------------------|-------------------------------------------------|-----------------------|-------------------------------------------------|
| <b>Alabama</b>                  | Yes                                             | <b>Montana</b>        | Yes                                             |
| <b>Alaska</b>                   | No                                              | <b>Nebraska</b>       | Yes                                             |
| <b>Arizona</b>                  | Yes                                             | <b>Nevada</b>         | Yes                                             |
| <b>Arkansas</b>                 | Yes                                             | <b>New Hampshire</b>  | No                                              |
| <b>California</b>               | No                                              | <b>New Jersey</b>     | Yes                                             |
| <b>Colorado</b>                 | Yes                                             | <b>New Mexico</b>     | No                                              |
| <b>Connecticut</b>              | Yes                                             | <b>New York</b>       | Yes                                             |
| <b>Delaware</b>                 | Yes                                             | <b>North Carolina</b> | Yes                                             |
| <b>District of<br/>Columbia</b> | Yes                                             | <b>North Dakota</b>   | No                                              |
| <b>Florida</b>                  | Yes                                             | <b>Ohio</b>           | Yes                                             |
| <b>Georgia</b>                  | Yes                                             | <b>Oklahoma</b>       | Yes                                             |
| <b>Hawaii</b>                   | Yes                                             | <b>Oregon</b>         | Yes                                             |
| <b>Idaho</b>                    | No                                              | <b>Pennsylvania</b>   | No                                              |
| <b>Illinois</b>                 | Yes                                             | <b>Puerto Rico</b>    | No                                              |
| <b>Indiana</b>                  | No                                              | <b>Rhode Island</b>   | Yes                                             |
| <b>Iowa</b>                     | Yes                                             | <b>South Carolina</b> | Yes                                             |
| <b>Kansas</b>                   | Yes                                             | <b>South Dakota</b>   | Yes                                             |
| <b>Kentucky</b>                 | Yes                                             | <b>Tennessee</b>      | Yes                                             |
| <b>Louisiana</b>                | Yes                                             | <b>Texas</b>          | Yes                                             |
| <b>Maine</b>                    | Yes                                             | <b>Utah</b>           | Yes                                             |
| <b>Maryland</b>                 | Yes                                             | <b>Vermont</b>        | Yes                                             |
| <b>Massachusetts</b>            | No                                              | <b>Virginia</b>       | Yes                                             |
| <b>Michigan</b>                 | Yes                                             | <b>Washington</b>     | No                                              |
| <b>Minnesota</b>                | No                                              | <b>West Virginia</b>  | Yes                                             |
| <b>Mississippi</b>              | No                                              | <b>Wisconsin</b>      | No                                              |
| <b>Missouri</b>                 | Yes                                             | <b>Wyoming</b>        | No                                              |

For further information about statutes and regulations applicable to captives, please contact the relevant insurance department.

## **B. NAIC SAO Instructions**

### **Text of Instructions: Property/Casualty**

Reproduced on the following pages are the instructions for the actuarial opinion as they appear in the *Official NAIC Annual Statement Instructions, Property/Casualty, for the 2025 reporting year* published by the National Association of Insurance Commissioners, pages 9-21.

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#### **ACTUARIAL OPINION**

1. There is to be included with or attached to Page 1 of the Annual Statement the statement of the Appointed Actuary, entitled “Statement of Actuarial Opinion” (Actuarial Opinion), setting forth his or her opinion relating to reserves specified in the SCOPE paragraph. The Actuarial Opinion, both the narrative and required Exhibits, shall be in the format of and contain the information required by this section of the *Annual Statement Instructions - Property and Casualty*.

Upon initial engagement, the Appointed Actuary must be appointed by the Board of Directors by December 31 of the calendar year for which the opinion is rendered. The Company shall notify the domiciliary commissioner within five business days of the initial appointment with the following information:

- a. Name and title (and, in the case of a consulting actuary, the name of the firm).
- b. Manner of appointment of the Appointed Actuary (e.g., who made the appointment and when).
- c. A statement that the person meets the requirements of a Qualified Actuary (or was approved by the domiciliary commissioner) and that documentation was provided to the Board of Directors.

Once this notification is furnished, no further notice is required with respect to this person unless the Board of Directors takes action to no longer appoint or retain the actuary or the actuary no longer meets the requirements of a Qualified Actuary.

If subject to the *U.S. Qualification Standards*, the Appointed Actuary shall annually attest to having met the continuing education requirements under Section 3 of the *U.S. Qualification Standards* for issuing Actuarial Opinions. As agreed with the actuarial organizations, the Casualty Actuarial Society (CAS) and Society of Actuaries (SOA) will determine the process for receiving the attestations for their respective members and make available the attestations to the public. An Appointed Actuary subject to the *U.S. Qualification Standards* and not a member of the CAS or SOA shall select one of the above organizations to submit their attestation.

The Appointed Actuary shall provide to the Board of Directors qualification documentation on occasion of their appointment directly or through company management. The documentation should include brief biographical information and a description of how the definition of “Qualified Actuary” is met or expected to be met (in the case of continuing education) for that year. The documentation should describe the Appointed Actuary’s responsible experience relevant to the subject of the

Actuarial Opinion. The Board of Directors shall document their review of those materials and any other information they may deem relevant, including information that may be requested directly from the Appointed Actuary. It is generally expected that the review of the Appointed Actuary's qualification documentation should take place at the level within a holding company structure that is responsible for overseeing insurance operations. If a statutory entity is a subsidiary or a non-lead pool member with an Appointed Actuary whose qualifications were reviewed by the pool lead or principal's Board, the statutory entity's Board can satisfy the review requirement by acknowledging the parent Board's review. This can be done by noting in the meeting minutes the name of the principal or lead entity and the date the parent Board reviewed the qualification documentation, or by attaching a copy of the parent Board's meeting minutes reflecting their review of the qualification documentation. The qualification documentation shall be considered workpapers and be available for inspection upon regulator request or during a financial examination.

If an actuary who was the Appointed Actuary for the immediately preceding filed Actuarial Opinion is replaced by an action of the Board of Directors, the Insurer shall within five (5) business days notify the Insurance Department of the state of domicile of this event. The Insurer shall also furnish the domiciliary commissioner with a separate letter within ten (10) business days of the above notification stating whether in the twenty-four (24) months preceding such event there were any disagreements with the former Appointed Actuary regarding the content of the opinion on matters of the risk of material adverse deviation, required disclosures, scope, procedures, type of opinion issued, substantive wording of the opinion or data quality. The disagreements required to be reported in response to this paragraph include both those resolved to the former Appointed Actuary's satisfaction and those not resolved to the former Appointed Actuary's satisfaction. The letter should include a description of each disagreement and the nature of its resolution (or that it was not resolved). Within this same ten (10) business days, the Insurer shall in writing also request such former Appointed Actuary to furnish a letter addressed to the Insurer stating whether the Appointed Actuary agrees with the statements contained in the Insurer's letter and, if not, stating the reasons for which he or she does not agree. The former Appointed Actuary shall provide a written response to the insurer within ten (10) business days of such request, and the Insurer shall furnish such responsive letter from the former Appointed Actuary to the domiciliary commissioner together with its own responses.

The Appointed Actuary must report to the Board of Directors each year on the items within the scope of the Actuarial Opinion. The Actuarial Opinion and the Actuarial Report must be made available to the Board of Directors. The minutes of the Board of Directors should indicate that the Appointed Actuary has presented such information to the Board of Directors and identify the manner of presentation (e.g., webinar, in-person presentation, written).

A separate Actuarial Opinion is required for each company filing an Annual Statement. When there is an affiliated company pooling arrangement, one Actuarial Report for the aggregate pool is sufficient, but there must be addendums to the Actuarial Report to cover non-pooled reserves for individual companies.

The Actuarial Opinion and the supporting Actuarial Report and workpapers should be consistent with the appropriate Actuarial Standards of Practice (ASOPs), including, but not limited to, ASOP No. 23, ASOP No. 36, ASOP No. 41 and ASOP No. 43, as promulgated by the Actuarial Standards Board.

## 1.A. Definitions

“Appointed Actuary” is a Qualified Actuary (or individual otherwise approved by the domiciliary commissioner) appointed by the Board of Directors in accordance with Section 1 of these instructions.

“Board of Directors” can include the designated Board of Directors, its equivalent or an appropriate committee directly reporting to the Board of Directors.

“Qualified Actuary” is a person who:

- (i) Meets the basic education, experience and continuing education requirements of the Specific Qualification Standard for Statements of Actuarial Opinion, NAIC Property and Casualty Annual Statement, as set forth in the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States (U.S. Qualifications Standards)*, promulgated by the American Academy of Actuaries (Academy);
- (ii) Has obtained and maintains an Accepted Actuarial Designation; and
- (iii) Is a member of a professional actuarial association that requires adherence to the same *Code of Professional Conduct* promulgated by the Academy, requires adherence to the *U.S. Qualification Standards*, and participates in the Actuarial Board for Counseling and Discipline when its members are practicing in the U.S.

An exception to parts (i) and (ii) of this definition would be an actuary evaluated by the Academy’s Casualty Practice Council and determined to be a Qualified Actuary for particular lines of business and business activities.

“Accepted Actuarial Designation” in item (ii) of the definition of a Qualified Actuary, is an actuarial designation accepted as meeting or exceeding the NAIC’s Minimum Property/Casualty (P/C) Actuarial Educational Standards for a P/C Appointed Actuary (published on the NAIC website). The following actuarial designations, with any noted conditions, are accepted as meeting or exceeding basic education minimum standards:

- (i) Fellow of the CAS (FCAS) – Condition: basic education must include Exam 6 – Regulation and Financial Reporting (United States);
- (ii) Associate of the CAS (ACAS) – Conditions: basic education must include Exam 6 – Regulation and Financial Reporting (United States) and Exam 7 – Estimation of Policy Liabilities, Insurance Company Valuation, and Enterprise Risk Management;
- (iii) Fellow of the SOA (FSA) – Conditions: basic education must include completion of the general insurance track, including the following optional exams: the United States’ version of the Financial and Regulatory Environment Exam and the Advanced Topics in General Insurance Exam.

The table below provides some allowable exam substitutions for (i), (ii) and (iii) in the definition of “Accepted Actuarial Designation.” Noting that CAS exams have changed over time, exceptions for (i) and (ii) provide for FCAS/ACAS designations achieved before an exam was created (e.g. CAS Exam 6-US) or with an earlier version of an exam or exam topic (e.g., 2010 CAS Exam 6 instead of the current CAS Exam 7 Section A). FCAS/ACAS qualified under the 2018 and prior

Statement of Actuarial Opinion instructions can use the noted substitution rules to achieve qualification under the new instructions by demonstrating basic and/or continuing education of the required topics including material in CAS Exam 6 (US) and section A of CAS Exam 7 (in the May 2019 CAS syllabus). Exceptions for (iii) for an FSA are also included in the table. The SOA exams completed in the general insurance track in 2019 and prior should be supplemented with continuing education and experience to meet basic education requirements in the *U.S. Qualification Standards*. For purpose of these instructions only, the table also includes specific exams from other organizations that are accepted as substitutes.

| Exception for (i), (ii), or (iii)                                                                                            | Exam:                    | Exam Substitution Allowed*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) and (ii)                                                                                                                 | CAS Exam 6 (US)          | <ol style="list-style-type: none"> <li>1. Any CAS version of a U.S. P/C statutory accounting and regulation exam administered prior to creation of the CAS Exam 6 (US) in 2011.</li> <li>2. An FCAS or ACAS earned prior to 2021 who did not pass CAS Exam 6 (US) or an allowable exam substitution, may substitute experience and/or continuing education for CAS Exam 6 (US) provided the Appointed Actuary explains in his/her qualification documentation how knowledge of U.S. financial reporting and regulation was obtained.</li> <li>3. SOA FREU (US) Exam</li> </ol>                                                                                                                                                                        |
| (ii)                                                                                                                         | CAS Exam 7               | <ol style="list-style-type: none"> <li>1. Any CAS version of an exam including advanced P/C reserving administered prior to creation of Exam 7 in 2011.</li> <li>2. An ACAS earned prior to 2021 who did not pass CAS Exam 7 or an allowable exam substitution, may substitute experience and/or continuing education for CAS Exam 7 provided the Appointed Actuary explains in his/her qualification documentation how knowledge of the additional reserving topics in CAS Exam 7 (Section A) in the May 2019 syllabus was obtained.</li> <li>3. SOA Advanced Topics Exam (Note: The ERM portion of Exam 7 is not needed to meet NAIC educational standards, therefore SOA ERM Exam is not needed for the substitution for this purpose.)</li> </ol> |
| (iii)                                                                                                                        | SOA FREU (US) Exam       | <ol style="list-style-type: none"> <li>1. CAS Exam 6 (US)</li> <li>2. Any CAS version of a U.S. statutory accounting and regulation exam administered prior to creation of the CAS Exam 6 in 2011.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| (iii)                                                                                                                        | SOA Advanced Topics Exam | <ol style="list-style-type: none"> <li>1. CAS Exam 7</li> <li>2. Any CAS version of an exam containing the advanced techniques to estimate policy liabilities (i.e., advanced reserving).</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p>* Note: These exam substitutions only apply to these instructions and are not applicable for CAS or SOA exam waivers.</p> |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

“Insurer” or “Company” means an insurer or reinsurer authorized to write property and/or casualty insurance under the laws of any state and who files on the Property and Casualty Blank.

“Actuarial Report” means a document or other presentation prepared as a formal means of conveying to the state regulatory authority and the Board of Directors the Appointed Actuary’s professional conclusions and recommendations of recording and communicating the methods and procedures, of assuring that the parties addressed are aware of the significance of the Appointed Actuary’s opinion or findings and of documenting the analysis underlying the opinion. The required content of the Actuarial Report is further described in paragraph 7. (Note that the inclusion of the Board of Directors as part of the intended audience for the Actuarial Report does not change the content of the Actuarial Report as described in paragraph 7. The Appointed Actuary should present findings to the Board of Directors in a manner deemed suitable for such audience.)

“Property and Casualty (P&C) Long Duration Contracts” refers to contracts (excluding financial guaranty contracts, mortgage guaranty contracts and surety contracts) that fulfill both of the following conditions: (1) the contract term is greater than or equal to 13 months; and (2) the insurer can neither cancel the contract nor increase the premium during the contract term. These contracts are subject to the three tests of *SSAP No. 65—Property and Casualty Contracts* of the *NAIC Accounting Practices and Procedures Manual*.

“Accident and Health (A&H) Long Duration Contracts” refers to A&H contracts in which the contract term is greater than or equal to 13 months and contract reserves are required. See Schedule H instructions for a description of categories of contract reserves, as well as policy features that give rise to contract reserves. Two specific examples of contracts that typically require contract reserves are long-term care and disability income insurance.

## 1.B. Exemptions

An insurer who intends to file for one of the exemptions under this Section must submit a letter of intent to its domiciliary commissioner no later than December 1 of the calendar year for which the exemption is to be claimed. The commissioner may deny the exemption prior to December 31 of the same year if he or she deems the exemption inappropriate.

A copy of the approved exemption must be filed with the Annual Statement in all jurisdictions in which the company is authorized.

### Exemption for Small Companies

An insurer that has less than \$1,000,000 total direct plus assumed written premiums during a calendar year, and less than \$1,000,000 total direct plus assumed loss and loss adjustment expense reserves at year-end, in lieu of the Actuarial Opinion required for the calendar year, may submit an affidavit under oath of an officer of the insurer that specifies the amounts of direct plus assumed written premiums and direct plus assumed loss and loss adjustment reserves.

### Exemption for Insurers under Supervision or Conservatorship

Unless ordered by the domiciliary commissioner, an insurer that is under supervision or conservatorship pursuant to statutory provision is exempt from the filing requirements contained herein.

### Exemption for Nature of Business

An insurer otherwise subject to the requirement and not eligible for an exemption as enumerated above may apply to its domiciliary commissioner for an exemption based on the nature of business written.

### Financial Hardship Exemption

An insurer otherwise subject to this requirement and not eligible for an exemption as enumerated above may apply to the commissioner for a financial hardship exemption. Financial hardship is presumed to exist if the projected reasonable cost of the Actuarial Opinion would exceed the lesser of:

- (i) One percent (1%) of the insurer's capital and surplus reflected in the insurer's latest quarterly statement for the calendar year for which the exemption is sought; or
- (ii) Three percent (3%) of the insurer's direct plus assumed premiums written during the calendar year for which the exemption is sought as projected from the insurer's latest quarterly statements filed with its domiciliary commissioner.

### 1.C. Reporting Requirements for Pooled Companies

For each company in the pool, the Appointed Actuary shall include a description of the pool, identification of the lead company, and a listing of all companies in the pool, their state of domicile and their respective pooling percentages.

Exhibits A and B for each company in the pool should represent the company's share of the pool and should reconcile to the financial statement for that company.

The following paragraph applies to companies that have a 0% share of the pool (no reported Schedule P data). The company shall submit an Actuarial Opinion that reads similar to that provided for the lead company. For example, the IRIS ratio and risk of material adverse deviation discussions, and other relevant comments shall relate to the risks of the lead company in the pool. The Exhibit B responses to question 5 should be \$0 and to question 6 should be "not applicable." Exhibits A and B of the lead company should be attached as an addendum to the PDF file and/or hard copy being filed (but would not be reported by the 0% companies in their data capture).

2. The Actuarial Opinion must consist of an IDENTIFICATION paragraph identifying the Appointed Actuary; a SCOPE paragraph identifying the subjects on which an opinion is to be expressed and describing the scope of the Appointed Actuary's work; an OPINION paragraph expressing his or her opinion with respect to such subjects; and one or more additional RELEVANT COMMENTS paragraphs. These four sections must be clearly designated.
3. The IDENTIFICATION paragraph should indicate the Appointed Actuary's relationship to the Company, qualifications for acting as Appointed Actuary and date of appointment and specify that the appointment was made by the Board of Directors.

If the Appointed Actuary was approved by the Academy to be a "Qualified Actuary," with or without limitation, or if the Appointed Actuary is not a Qualified Actuary but was approved by the domiciliary commissioner, the company must attach, each year, the approval letter and reference such in the identification paragraph.

4. The SCOPE paragraph should contain a sentence such as the following:

“I have examined the actuarial assumptions and methods used in determining reserves listed in Exhibit A, as shown in the Annual Statement of the Company as prepared for filing with state regulatory officials, as of December 31, 20\_\_, and reviewed information provided to me through XXX date.”

Exhibit A should list those items and amounts with respect to which the Appointed Actuary is expressing an opinion.

The Appointed Actuary should state that the items in the SCOPE, on which he or she is expressing an opinion, reflect the Disclosure items 8 through 13.2 in Exhibit B.

The SCOPE paragraph should include a paragraph such as the following regarding the data used by the Appointed Actuary in forming the opinion:

“In forming my opinion on the loss and loss adjustment expense reserves, I relied upon data prepared by \_\_\_\_\_ (officer name and title at the Company). I evaluated that data for reasonableness and consistency. I also reconciled that data to Schedule P, Part 1 of the Company’s current Annual Statement. In other respects, my examination included such review of the actuarial assumptions and methods used and such tests of the calculations as I considered necessary.”

5. The OPINION paragraph should include a sentence that at least covers the points listed in the following illustration:

“In my opinion, the amounts carried in Exhibit A on account of the items identified:

- A. Meet the requirements of the insurance laws of (state of domicile).
- B. Are computed in accordance with accepted actuarial standards.
- C. Make a reasonable provision for all unpaid loss and loss adjustment expense obligations of the Company under the terms of its contracts and agreements.”

If the Scope includes material Unearned Premium Reserves for P&C Long Duration Contracts or Other Loss Reserve items on which the Appointed Actuary is expressing an opinion, the Actuarial Opinion should contain language such as the following:

- D. Make a reasonable provision for the unearned premium reserves for P&C Long Duration Contracts and/or <insert Other Loss Reserve item on which the Appointed Actuary is expressing an Opinion> of the Company under the terms of its contracts and agreements.

If there is any aggregation or combination of items in Exhibit A, the opinion language should clearly identify the combined items.

Insurance laws and regulations shall at all times take precedence over the actuarial standards.

If the Appointed Actuary has made use of the analysis of another actuary not within the Appointed Actuary's control (such as for pools and associations, for a subsidiary, or for special lines of business) for a material portion of the reserves, the other actuary must be identified by name, credential and affiliation within the OPINION paragraph. If the Appointed Actuary has made use of the work of a non-actuary (such as for modeling) for a material portion of the reserves, that individual must be identified by name and affiliation and a description of the type of analysis performed must be provided.

A Statement of Actuarial Opinion should be made in accordance with one of the following sections (1 through 5). The Appointed Actuary must explicitly identify in Exhibit B which type applies.

1. **Determination of Reasonable Provision**. When the carried reserve amount is within the Appointed Actuary's range of reasonable reserve estimates, the Appointed Actuary should issue a Statement of Actuarial Opinion that the carried reserve amount makes a reasonable provision for the liabilities associated with the specified reserves.
2. **Determination of Deficient or Inadequate Provision**. When the carried reserve amount is less than the minimum amount that the Appointed Actuary believes is reasonable, the Appointed Actuary should issue a Statement of Actuarial Opinion that the carried reserve amount does not make a reasonable provision for the liabilities associated with the specified reserves. In addition, the Appointed Actuary should disclose the minimum amount that the Appointed Actuary believes is reasonable.
3. **Determination of Redundant or Excessive Provision**. When the carried reserve amount is greater than the maximum amount that the Appointed Actuary believes is reasonable, the Appointed Actuary should issue a Statement of Actuarial Opinion that the carried reserve amount does not make a reasonable provision for the liabilities associated with the specified reserves. In addition, the Appointed Actuary should disclose the maximum amount that the Appointed Actuary believes is reasonable.
4. **Qualified Opinion**. When, in the Appointed Actuary's opinion, the reserves for a certain item or items are in question because they cannot be reasonably estimated or the Appointed Actuary is unable to render an opinion on those items, the Appointed Actuary should issue a qualified Statement of Actuarial Opinion. The Appointed Actuary should disclose the item (or items) to which the qualification relates, the reason(s) for the qualification and the amounts for such item(s), if disclosed by the Company. Such a qualified opinion should state whether the carried reserve amount makes a reasonable provision for the liabilities associated with the specified reserves, *except for* the item (or items) to which the qualification relates. The Appointed Actuary is not required to issue a qualified opinion if the Appointed Actuary reasonably believes that the item (or items) in question are not likely to be material.
5. **No Opinion**. The Appointed Actuary's ability to give an opinion is dependent upon data, analyses, assumptions, and related information that are sufficient to support a conclusion. If the Appointed Actuary cannot reach a conclusion due to deficiencies or limitations in the data, analyses, assumptions, or related information, then the Appointed Actuary may issue a statement of no opinion. A statement of no opinion should include a description of the reasons why no opinion could be given.

6. The Appointed Actuary must provide RELEVANT COMMENT paragraphs to address the following topics of regulatory importance.

A. Company-Specific Risk Factors

The Appointed Actuary should include an explanatory paragraph to describe the major factors, combination of factors or particular conditions underlying the risks and uncertainties the Appointed Actuary considers relevant. The explanatory paragraph should not include general, broad statements about risks and uncertainties due to economic changes, judicial decisions, regulatory actions, political or social forces, etc., nor is the Appointed Actuary required to include an exhaustive list of all potential sources of risks and uncertainties.

B. Risk of Material Adverse Deviation

The Appointed Actuary must provide specific RELEVANT COMMENT paragraphs to address the risk of material adverse deviation. The Appointed Actuary must identify the materiality standard and the basis for establishing this standard. The materiality standard must also be disclosed in U.S. dollars in Exhibit B: Disclosures. The Appointed Actuary should explicitly state whether or not he or she reasonably believes that there are significant risks and uncertainties that could result in material adverse deviation. This determination is also to be disclosed in Exhibit B.

C. Other Disclosures in Exhibit B

RELEVANT COMMENT paragraphs should describe the significance of each of the remaining Disclosure items (8 through 14) in Exhibit B. The Appointed Actuary should address the items individually and in combination when commenting on a material impact.

D. Reinsurance

RELEVANT COMMENT paragraphs should address reinsurance collectability, retroactive reinsurance and financial reinsurance. The Appointed Actuary's comments on reinsurance collectability should address any uncertainty associated with including potentially uncollectable amounts in the estimate of ceded reserves. Before commenting on reinsurance collectability, the Appointed Actuary should solicit information from management on any actual collectability problems, review ratings given to reinsurers by a recognized rating service, and examine Schedule F for the current year for indications of regulatory action or reinsurance recoverable on paid losses over ninety (90) days past due. The comment should also reflect any other information the Appointed Actuary has received from management or that is publicly available about the capability or willingness of reinsurers to pay claims. The Appointed Actuary's comments do not imply an opinion on the financial condition of any reinsurer.

|      Retroactive reinsurance refers to agreements referenced in SSAP No. 62R-*Property and Casualty Reinsurance* of the NAIC *Accounting Practices and Procedures Manual*.

|      Financial reinsurance refers to contracts referenced in SSAP No. 62R in which credit is not allowed for the ceding insurer because the arrangements do not include a transfer of both timing and underwriting risk that the reinsurer undertakes in fact to indemnify the ceding insurer against loss or liability by reason of the original insurance.

## E. IRIS Ratios

If the Company's reserves will create exceptional values using the NAIC IRIS Tests for One-Year Reserve Development to Policyholders' Surplus, Two-Year Reserve Development to Policyholders' Surplus or Estimated Current Reserve Deficiency to Policyholders' Surplus, the Appointed Actuary must include RELEVANT COMMENT on the factors that led to the unusual value(s).

## F. Methods and Assumptions

If there has been any significant change in the actuarial assumptions and/or methods from those previously employed, that change should be described in a RELEVANT COMMENT paragraph. If the Appointed Actuary is newly appointed and does not review the work of the prior Appointed Actuary, then the Appointed Actuary should disclose this.

7. The Actuarial Opinion must include assurance that an Actuarial Report and underlying actuarial workpapers supporting the Actuarial Opinion will be maintained at the Company and available for regulatory examination for seven (7) years. The Actuarial Report contains significant proprietary information. It is expected that the Actuarial Report be held confidential and not be intended for public inspection. The Actuarial Report must be available by May 1 of the year following the year-end for which the Actuarial Opinion was rendered or within two (2) weeks after a request from an individual state commissioner.

The Actuarial Report should be consistent with the documentation and disclosure requirements of ASOP No. 41, Actuarial Communications. The Actuarial Report must contain both narrative and technical components. The narrative component should provide sufficient detail to clearly explain to Company management, the Board of Directors, the regulator or other authority the findings, recommendations and conclusions, as well as their significance. The technical component should provide sufficient documentation and disclosure for another actuary practicing in the same field to evaluate the work. This technical component must show the analysis from the basic data (e.g., loss triangles) to the conclusions.

*Actuarial Guideline LI—The Application of Asset Adequacy Testing to Long-Term Care Insurance Reserves (AG 51)* in the NAIC Accounting Practices and Procedures Manual requires a company with over 10,000 in force lives covered by long-term care (LTC) insurance contracts as of the valuation date to perform a stand-alone asset adequacy analysis for its in force long-term care (LTC) contracts. The Actuarial Report and workpapers summarizing the results, assumptions and testing procedures for the asset adequacy testing of LTC business must be in compliance with AG 51 requirements. When referring to AG 51, the term "Actuarial Memorandum" is synonymous with Actuarial Report and workpapers.

The Actuarial Report should contain disclosure of all reserve amounts associated with A&H Long Duration Contracts reported by the Company; the reserve amounts in the Actuarial Report should tie to the Annual Statement.

The Actuarial Report must also include:

- A. A description of the Appointed Actuary's relationship to the Company, with clear presentation of the Appointed Actuary's role in advising the Board of Directors and/or management regarding the carried reserves. The Actuarial Report should identify how and when the Appointed Actuary presents the analysis to the Board of Directors and, where applicable, to the officer(s) of the Company responsible for determining the carried reserves.
- B. An exhibit that ties to the Annual Statement and compares the Appointed Actuary's conclusions to the carried amounts consistent with the segmentation of exposure or liability groupings used in the analysis. The Appointed Actuary's conclusions include the Appointed Actuary's point estimate(s), range(s) of reasonable estimates or both.
- C. An exhibit that reconciles and maps the data used by the Appointed Actuary, consistent with the segmentation of exposure or liability groupings used in the Appointed Actuary's analysis, to the Annual Statement Schedule P line of business reporting. An explanation should be provided for any material differences.
- D. An exhibit or appendix showing the change in the Appointed Actuary's estimates from the prior Actuarial Report, including extended discussion of factors underlying any material changes. The exhibit or appendix should illustrate the changes on a net basis but should also include the changes on a gross basis, if relevant. If the Appointed Actuary is newly appointed and does not review the work of the prior Appointed Actuary, then the Appointed Actuary should disclose this.
- E. Extended comments on trends that indicate the presence or absence of risks and uncertainties that could result in material adverse deviation.
- F. Extended comments on factors that led to unusual IRIS ratios for One-Year Reserve Development to Policyholders' Surplus, Two-Year Reserve Development to Policyholders' Surplus or Estimated Current Reserve Deficiency to Policyholders' Surplus, and how these factors were addressed in prior and current analyses.

8. The Actuarial Opinion should conclude with the signature of the Appointed Actuary responsible for providing the Actuarial Opinion and the date when the Actuarial Opinion was rendered. The signature and date should appear in the following format:

---

Signature of Appointed Actuary  
Printed name of Appointed Actuary  
Employer's name  
Address of Appointed Actuary  
Telephone number of Appointed Actuary  
Email address of Appointed Actuary  
Date opinion was rendered

The same information should be reproduced within the Actuarial Report, along with the date the Actuarial Report was finalized.

9. The Insurer required to furnish an Actuarial Opinion shall require its Appointed Actuary to notify its Board of Directors or its audit committee in writing within five (5) business days after any determination by the Appointed Actuary that the Actuarial Opinion submitted to the domiciliary commissioner was in error as a result of reliance on data or other information (other than assumptions) that, as of the balance sheet date, was factually incorrect. The Actuarial Opinion shall be considered to be in error if the Actuarial Opinion would have not been issued or would have been materially altered had the correct data or other information been used. The Actuarial Opinion shall not be considered to be in error if it would have been materially altered or not issued solely because of data or information concerning events subsequent to the balance sheet date or because actual results differ from those projected. Notification is required when discovery is made between the issuance of the Actuarial Opinion and Dec. 31 of that year. Notification should include a summary of such findings.

If the Appointed Actuary learns that the data or other information relied upon was factually incorrect, but cannot immediately determine what, if any, changes are needed in the Actuarial Opinion, the Appointed Actuary and the Company should quickly undertake procedures necessary for the Appointed Actuary to make such determination. If the Insurer does not provide the necessary data corrections and other support (including financial support) within ten (10) business days, the Appointed Actuary should proceed with the notification to the Board of Directors and the domiciliary commissioner.

An Insurer who is notified pursuant to the preceding paragraphs shall forward a copy of the amended Actuarial Opinion to the domiciliary commissioner within five (5) business days of receipt of such and shall provide the Appointed Actuary making the notification with a copy of the letter and amended Actuarial Opinion submitted to the domiciliary commissioner. If the Appointed Actuary fails to receive such copy within the five (5) business day period referred to in the previous sentence, the Appointed Actuary shall notify the domiciliary commissioner within the next five (5) business days that an amended Actuarial Opinion has been finalized.

No Appointed Actuary shall be liable in any manner to any person for any statement made in connection with the above paragraphs if such statement is made in a good faith effort to comply with the above paragraphs.

10. Data in Exhibits A and B are to be filed in both print and data capture format.

**Exhibit A: SCOPE**

DATA TO BE FILED IN BOTH PRINT AND DATA CAPTURE FORMATS

| <b>Loss and Loss Adjustment Expense Reserves</b>                                                                                                    | <b>Amount</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1. Unpaid Losses (Liabilities, Surplus and Other Funds page, Col. 1, Line 1)                                                                        | \$ _____      |
| 2. Unpaid Loss Adjustment Expenses<br>(Liabilities, Surplus and Other Funds page, Col. 1, Line 3)                                                   | \$ _____      |
| 3. Unpaid Losses — Direct and Assumed (Should equal Schedule P, Part 1, Summary, Totals from Cols. 13 and 15, Line 12 * 1000)                       | \$ _____      |
| 4. Unpaid Loss Adjustment Expenses — Direct and Assumed (Should equal Schedule P, Part 1, Summary, Totals from Cols. 17, 19 and 21, Line 12 * 1000) | \$ _____      |
| 5. The Page 3 write-in item reserve, "Retroactive Reinsurance Reserve Assumed"                                                                      | \$ _____      |
| 6. Other Loss Reserve items on which the Appointed Actuary is expressing an Opinion (list separately, adding additional lines as needed)            | \$ _____      |
| <b>Premium Reserves</b>                                                                                                                             | <b>Amount</b> |
| 7. Reserve for Direct and Assumed Unearned Premiums for P&C Long Duration Contracts                                                                 | \$ _____      |
| 8. Reserve for Net Unearned Premiums for P&C Long Duration Contracts                                                                                | \$ _____      |
| 9. Other Premium Reserve items on which the Appointed Actuary is expressing an Opinion (list separately, adding additional lines as needed)         | \$ _____      |

## Exhibit B: DISCLOSURES

### DATA TO BE FILED IN BOTH PRINT AND DATA CAPTURE FORMATS

Note: Exhibit B should be completed for Net dollar amounts included in the SCOPE. If an answer would be different for Direct and Assumed amounts, identify and discuss the difference within RELEVANT COMMENTS.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |         |        |         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|---------|
| 1. Name of the Appointed Actuary                                                                                                                                                                                                                                                                                                                                                                                                                                              | <Last   | First  | Middle> |
| 2. The Appointed Actuary's relationship to the Company.<br>Enter E or C based upon the following:<br>E - if an Employee of the Company or Group<br>C - if a Consultant                                                                                                                                                                                                                                                                                                        |         |        |         |
| 3. The Appointed Actuary's Accepted Actuarial Designation<br>(indicated by the letter code):<br>F - if a Fellow of the Casualty Actuarial Society (FCAS)<br>A - if an Associate of the Casualty Actuarial Society (ACAS)<br>S - if a Fellow of the Society of Actuaries (FSA) through the<br>General Insurance Track<br>M - if the actuary does not have an Accepted Actuarial<br>Designation but is approved by the Academy's Casualty<br>Practice Council.<br>O - for other |         |        |         |
| 4. Type of Opinion, as identified in the OPINION paragraph.<br>Enter R, I, E, Q, or N based upon the following:<br>R - if Reasonable<br>I - if Inadequate or Deficient Provision<br>E - if Excessive or Redundant Provision<br>Q - if Qualified. Use Q when part of the OPINION is Qualified<br>N - if No Opinion                                                                                                                                                             |         |        |         |
| 5. Materiality Standard expressed in U.S. dollars<br>(used to answer Question #6)                                                                                                                                                                                                                                                                                                                                                                                             | \$      |        |         |
| 6. Are there significant risks that could result in Material Adverse<br>Deviation?                                                                                                                                                                                                                                                                                                                                                                                            | Yes [ ] | No [ ] | N/A [ ] |
| 7. Statutory Surplus<br>(Liabilities, Surplus and Other Funds page, Col. 1, Line 37)                                                                                                                                                                                                                                                                                                                                                                                          | \$      |        |         |
| 8. Anticipated net salvage and subrogation included as a<br>reduction to loss reserves as reported in Schedule P (should<br>equal Part 1 Summary, Col. 23, Line 12 * 1000)                                                                                                                                                                                                                                                                                                    | \$      |        |         |
| 9. Discount included as a reduction to loss reserves and loss<br>adjustment expense reserves as reported in Schedule P<br>9.1 Nontabular Discount [Notes, Line 32B23, (Amounts 1, 2,<br>3, & 4)], Electronic Filing Cols. 1, 2, 3, & 4<br>9.2 Tabular Discount [Notes, Line 32A23, (Amounts 1 & 2)],<br>Electronic Filing Cols. 1 & 2                                                                                                                                         | \$      |        |         |
| 10. The net reserves for losses and loss adjustment expenses for<br>the Company's share of voluntary and involuntary<br>underwriting pools' and associations' unpaid losses and loss<br>adjustment expenses that are included in reserves shown on<br>the Liabilities, Surplus and Other Funds page, Losses and<br>Loss Adjustment Expenses lines.                                                                                                                            | \$      |        |         |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                  |  |  |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--|--|--|
| 11. The net reserves for losses and loss adjustment expenses that the Company carries for the following liabilities included on the Liabilities, Surplus and Other Funds page, Losses and Loss Adjustment Expenses lines.*<br><br>11.1 Asbestos, as disclosed in the Notes to Financial Statements (Notes, Line 33A03D, ending net asbestos reserves for current year) Electronic Filing Col. 5<br><br>11.2 Environmental, as disclosed in the Notes to Financial Statements (Notes, Line 33D03D, ending net environmental reserves for current year) Electronic Filing Col. 5 | \$<br><br>\$                     |  |  |  |
| 12. The total claims made extended loss and loss adjustment expense, and unearned premium reserves (Greater than or equal to Schedule P Interrogatories).<br><br>12.1 Amount reported as loss and loss adjustment expense reserves<br><br>12.2 Amount reported as unearned premium reserves                                                                                                                                                                                                                                                                                    | \$<br><br>\$                     |  |  |  |
| 13. The net reserves for the A&H Long Duration Contracts that the Company carries on the following lines on the Liabilities, Surplus and Other Funds page:<br><br>13.1 Losses<br>13.2 Loss Adjustment Expenses<br>13.3 Unearned Premium<br>13.4 Write-In (list separately, adding additional lines as needed, and identify (e.g., "Premium Deficiency Reserves", "Contract Reserves other than Premium Deficiency Reserves" or "AG 51 Reserves"))                                                                                                                              | \$<br><br>\$<br><br>\$<br><br>\$ |  |  |  |
| 14. Other items on which the Appointed Actuary is providing relevant comment (list separately, adding additional lines as needed)                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$                               |  |  |  |

- \* The reserves disclosed in item 11 above, should exclude amounts relating to contracts specifically written to cover asbestos and environmental exposures. Contracts specifically written to cover these exposures include Environmental Impairment Liability (post 1986), Asbestos Abatement, Pollution Legal Liability, Contractor's Pollution Liability, Consultant's Environmental Liability, and Pollution and Remediation Legal Liability.

**Tabular Summary of Requirements: Property/Casualty**

| <b>Topic</b>             | <b>Provision</b>                                                                                                                                                                                                                                                                                              | <b>Citation</b>                          |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| State law                | Must meet requirements of insurance laws of state of domicile; insurance laws take precedence over actuarial standards                                                                                                                                                                                        | NAIC SAO Instr (5)                       |
| Actuarial standards      | Reserves computed in accordance with accepted actuarial standards                                                                                                                                                                                                                                             | NAIC SAO Instr (5)                       |
| Amount                   | Makes reasonable provision for Company's obligations under its contracts and agreements                                                                                                                                                                                                                       | NAIC SAO Instr (5)                       |
| Change in opinion        | If factually incorrect data causes material change in opinion, actuary must notify Company within five days                                                                                                                                                                                                   | NAIC SAO Instr (9)                       |
| Opinion                  | Must be characterized as one of the following or as "no opinion": <ul style="list-style-type: none"><li>• Reasonable</li><li>• Deficient or Inadequate</li><li>• Redundant or Excessive</li><li>• Qualified</li></ul>                                                                                         | NAIC SAO Instr (5)                       |
| No opinion               | If actuary is unable to form an opinion, he or she should issue a statement of no opinion, including a description of the reasons why no opinion could be given                                                                                                                                               | NAIC SAO Instr (5)                       |
| Scope — loss reserves    | Unpaid losses — net<br>Unpaid LAE — net<br>Unpaid losses — direct & assumed<br>Unpaid LAE — direct & assumed<br><br>Retroactive reinsurance reserve, ceded or assumed<br><br>Other loss reserve items                                                                                                         | NAIC SAO Instr (Exhibit A)               |
| Scope — premium reserves | For amounts associated with these policies only: <ul style="list-style-type: none"><li>• Reserve for direct and assumed unearned premiums for P&amp;C long-duration contracts</li><li>• Reserve for net unearned premiums for P&amp;C long-duration contracts</li><li>• Other premium reserve items</li></ul> | NAIC SAO Instr (Exhibit A)               |
| Data evaluation          | For reasonableness and consistency                                                                                                                                                                                                                                                                            | NAIC SAO Instr (4)                       |
| Reconciliation           | Data to Schedule P, Part 1 should be included in the actuarial report                                                                                                                                                                                                                                         | NAIC SAO Instr (4)<br>NAIC SAO Instr (7) |

| <b>Topic</b>                                        | <b>Provision</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Citation</b>                                                  |
|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| Material change in actuarial assumptions or methods | Describe change from prior year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | NAIC SAO Instr (6F)                                              |
| Retroactive reinsurance                             | Must state amount assumed<br>Relevant Comment section                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | NAIC SAO Instr (6D)<br>NAIC SAO Instr (Exhibit A)                |
| Financial reinsurance                               | Relevant Comment section                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | NAIC SAO Instr (6D)                                              |
| IRIS ratios                                         | Explain exceptional values in ratios: 1-yr reserve development to surplus, 2-yr reserve development to surplus, and estimated current reserve deficiency to surplus                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | NAIC SAO Instr (6E)                                              |
| Reinsurance                                         | Comment on collectability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | NAIC SAO Instr (6D)                                              |
| Disclosures                                         | State amounts included in Scope: <ul style="list-style-type: none"> <li>• Name of appointed actuary</li> <li>• Relationship to Company</li> <li>• Basis of qualification</li> <li>• Type of opinion</li> <li>• Materiality standard</li> <li>• Risk of material adverse deviation</li> <li>• Statutory surplus</li> <li>• Salvage and subrogation</li> <li>• Discount (nontabular and tabular)</li> <li>• Pools and associations</li> <li>• Asbestos</li> <li>• Environmental</li> <li>• Extended loss reserves</li> <li>• Extended unearned premium reserves</li> <li>• A&amp;H Long Duration Contracts</li> <li>• Other items</li> </ul> | NAIC SAO Instr (Exhibit B)                                       |
| P&C Long Duration Contracts                         | Provision for unearned premium reserves included in Scope                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | NAIC SAO Instr (1A)<br>NAIC SAO Instr (5D)                       |
| Risks of material adverse deviation                 | Relevant Comments section should explicitly state whether there are significant risks that could result in material adverse deviation<br><br>Also comment on these risks in Report                                                                                                                                                                                                                                                                                                                                                                                                                                                         | NAIC SAO Instr (6A)<br>NAIC SAO Instr (6B)<br>NAIC SAO Instr (7) |

| <b>Topic</b>              | <b>Provision</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Citation</b>                                                  |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| Report and work papers    | <p>Must be consistent with ASOP No. 41<br/>       To be kept by Company for 7 years<br/>       Must be available by May 1 or within 2 weeks of a request by a Commissioner</p> <p>Include:</p> <ul style="list-style-type: none"> <li>• Description of Appointed Actuary's relationship to Company and role in advising Company regarding the carried reserves</li> <li>• Technical analysis from basic data to conclusions</li> <li>• Exhibit that ties to AnnStat and compares conclusions to carried amounts</li> <li>• Best estimate and/or range</li> <li>• Change in estimates from prior Actuarial Report</li> <li>• Reconciliation to Schedule P</li> <li>• Risks of material adverse deviation</li> <li>• Unusual IRIS ratios</li> </ul> | NAIC SAO Instr (7)                                               |
| Actuarial Opinion Summary | <p>Due March 15<br/>       Presumed confidential</p> <p>Signed by opining actuary<br/>       Should include:</p> <ul style="list-style-type: none"> <li>• Range and/or point estimate net and gross of reinsurance</li> <li>• Recorded reserve net and gross of reinsurance</li> <li>• Difference between carried reserve and actuary's estimate net and gross of reinsurance</li> </ul> <p>If adverse development &gt;five percent of surplus in at least three of last five years, include description of major contributors</p>                                                                                                                                                                                                                | Ann Stat Instructions<br>Annual Supplements<br>AOS (1), (4), (5) |
| Pooled companies          | <p>Include:</p> <ul style="list-style-type: none"> <li>• Description of pool</li> <li>• Identification of lead Company</li> <li>• List of companies in pool</li> <li>• Exhibits A and B representing Company's share in pool</li> </ul> <p>Attach lead Company Exhibits A and B as addendum to non-lead Company</p> <p>IRIS ratios, risk of material adverse deviation, other relevant comments should relate to lead Company</p>                                                                                                                                                                                                                                                                                                                 | NAIC SAO Instr (1C)                                              |

### **Text of Instructions: Title Insurance**

Reproduced on the following pages are the instructions for the actuarial opinion as they appear in the *Official NAIC Annual Statement Instructions – Title* for the 2025 reporting year published by the National Association of Insurance Commissioners, pages 7-15.

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#### **ACTUARIAL OPINION**

1. There is to be included with or attached to Page 1 of the Annual Statement, the statement of a Qualified Actuary, entitled “Statement of Actuarial Opinion” (Actuarial Opinion) setting forth his or her opinion relating to reserves specified in the SCOPE paragraph. The Actuarial Opinion, both the narrative and **required** exhibits, shall be in the format of and contain the information required by this section of the *Annual Statement Instructions - Title*.

Upon initial engagement, the Appointed Actuary must be appointed by the Board of Directors by December 31 of the calendar year for which the opinion is rendered. The Company shall notify the domiciliary commissioner within five business days of the appointment with the following information:

- a. Name and title (and, in the case of a consulting actuary, the name of the firm).
- b. Manner of appointment of the Appointed Actuary (e.g., who made the appointment and when).
- c. A statement that the person meets the requirements of a Qualified Actuary (or was approved by the domiciliary commissioner).

Once this notification is furnished, no further notice is required with respect to this person unless the Board of Directors takes action to no longer appoint or retain the actuary or the actuary no longer meets the requirements of a Qualified Actuary.

If an actuary who was the Appointed Actuary for the immediately preceding filed Actuarial Opinion is replaced by an action of the Board of Directors, the Insurer shall within five (5) business days notify the Insurance Department of the state of domicile of this event. The Insurer shall also furnish the domiciliary commissioner with a separate letter within ten (10) business days of the above notification stating whether in the twenty-four (24) months preceding such event there were any disagreements with the former Appointed Actuary regarding the content of the opinion on matters of the risk of material adverse deviation, required disclosures, scope, procedures, type of opinion issued, substantive wording of the opinion or data quality. The disagreements required to be reported in response to this paragraph include both those resolved to the former Appointed Actuary's satisfaction and those not resolved to the former Appointed Actuary's satisfaction. The letter should include a description of each disagreement and the nature of its resolution (or that it was not resolved). Within this same ten (10) business days, the Insurer shall in writing also request such former Appointed Actuary to furnish a letter addressed to the Insurer stating whether the Appointed Actuary agrees with the statements contained in Insurer's letter and, if not, stating the reasons for which he or she does not agree. The former Appointed Actuary shall provide a written response to the insurer within ten

(10) business days of such request, and the Insurer shall furnish such responsive letter from the former Appointed Actuary to the domiciliary commissioner together with its own responses.

The Appointed Actuary must report to the Board of Directors each year on the items within the scope of the Actuarial Opinion. The Actuarial Opinion and the Actuarial Report must be made available to the Board of Directors. The minutes of the Board of Directors should indicate that the Appointed Actuary has presented such information to the Board of Directors and identify the manner of presentation (e.g., webinar, in-person presentation, written). A separate Actuarial Opinion is required for each company filing an Annual Statement. When there is an affiliated company pooling arrangement, one Actuarial Report for the aggregate pool is sufficient, but there must be addendums to the Actuarial Report to cover non-pooled reserves for individual companies.

The Actuarial Opinion and the supporting Actuarial Report and workpapers, should be consistent with the appropriate Actuarial Standards of Practice (ASOPs), including but not limited to ASOP No.23, ASOP No.36, ASOP No.41 and ASOP No.43, as promulgated by the Actuarial Standards Board.

#### 1.A. Definitions

“Appointed Actuary” is a Qualified Actuary (or individual otherwise approved by the domiciliary commissioner) appointed by the Board of Directors in accordance with Section 1 of these instructions.

“Board of Directors” can include the designated Board of Directors, its equivalent or an appropriate committee directly reporting to the Board of Directors.

“Qualified Actuary” is a person who is either:

- (i) A member in good standing of the Casualty Actuarial Society; or
- (ii) An actuary evaluated by the Casualty Practice Council of the American Academy of Actuaries and determined to be a Qualified Actuary for title insurance.

“Insurer” or “Company” means a reporting entity authorized to write title insurance under the laws of any state and who files on the Title Blank.

“Actuarial Report” means a document or other presentation, prepared as a formal means of conveying to the state regulatory authority and the Board of Directors the Appointed Actuary’s professional conclusions and recommendations, of recording and communicating the methods and procedures, of assuring that the parties addressed are aware of the significance of the Appointed Actuary’s opinion or findings and of documenting the analysis underlying the opinion. The required content of the Actuarial Report is further described in paragraph 7. (Note that the inclusion of the Board of Directors as part of the intended audience for the Actuarial Report does not change the content of the Actuarial Report as described in paragraph 7. The Appointed Actuary should present findings to the Board of Directors in a manner deemed suitable for such audience.)

## 1.B. Exemptions

An insurer who intends to file for one of the exemptions under this section must submit a letter of intent to its domiciliary commissioner no later than December 1 of the calendar year for which the exemption is to be claimed. The commissioner may deny the exemption prior to December 31 of the same year if the exemption is deemed inappropriate.

A copy of the approved exemption must be filed with the Annual Statement in all jurisdictions in which the company is authorized.

### Exemption for Small Companies

An insurer that has less than \$1,000,000 total direct plus assumed written premiums during a calendar year, and less than \$1,000,000 total direct plus assumed loss and loss adjustment expense reserves at year-end, in lieu of the Actuarial Opinion required for the calendar year, may submit an affidavit under oath of an officer of the insurer that specifies the amounts of direct plus assumed written premiums and direct plus assumed loss and loss adjustment reserves.

### Exemption for Insurers under Supervision or Conservatorship

Unless ordered by the domiciliary commissioner, an insurer that is under supervision or conservatorship pursuant to statutory provision is exempt from the filing requirements contained herein.

### Exemption for Nature of Business

An insurer otherwise subject to the requirement and not eligible for an exemption as enumerated above may apply to its domiciliary commissioner for an exemption based on the nature of business written.

### Financial Hardship Exemption

An insurer otherwise subject to this requirement and not eligible for an exemption as enumerated above may apply to the commissioner for a financial hardship exemption.

Financial hardship is presumed to exist if the projected reasonable cost of the opinion would exceed the lesser of:

- (i) One percent (1%) of the insurer's capital and surplus reflected in the insurer's latest quarterly statement for the calendar year for which the exemption is sought; or
- (ii) Three percent (3%) of the insurer's direct plus assumed premiums written during the calendar year for which the exemption is sought as projected from the insurer's latest quarterly statements filed with its domiciliary commissioner.

2. The Actuarial Opinion must consist of an IDENTIFICATION paragraph identifying the Appointed Actuary; a SCOPE paragraph identifying the subjects on which an opinion is to be expressed and describing the scope of the Appointed Actuary's work; an OPINION paragraph expressing his or her opinion with respect to such subjects and one or more additional RELEVANT COMMENTS paragraphs. These four sections must be clearly designated.

3. The IDENTIFICATION paragraph should indicate the Appointed Actuary's relationship to the Company, qualifications for acting as Appointed Actuary, and date of appointment, and specify that the appointment was made by the Board of Directors.

If the Appointed Actuary was approved by the Academy to be a "Qualified Actuary", with or without limitation, or if the Appointed Actuary is not a Qualified Actuary but was approved by the domiciliary commissioner, the company must attach, each year, the approval letter and reference such in the identification paragraph.

4. The SCOPE paragraph should contain a sentence such as the following:

"I have examined the actuarial assumptions and methods used in determining reserves listed in Exhibit A, as shown in the Annual Statement of the Company as prepared for filing with state regulatory officials, as of December 31, 20\_\_, and reviewed information provided to me through XXX date."

Exhibit A should list those items and amounts with respect to which the Appointed Actuary is expressing an opinion.

The Appointed Actuary should state that the items in the SCOPE paragraph, on which he or she is expressing an opinion, reflect the Disclosure items (8 through 13) in Exhibit B.

The SCOPE paragraph should include a paragraph such as the following regarding the data used by the Appointed Actuary in forming the opinion:

"In forming my opinion on the loss and loss adjustment expense reserves, I relied upon data prepared by \_\_\_\_\_ (officer name and title at the Company). I evaluated that data for reasonableness and consistency. I also reconciled that data to Schedule P, Parts 1 and 2 of the Company's current Annual Statement. In other respects, my examination included such review of the actuarial assumptions and methods used and such tests of the calculations as I considered necessary."

5. The OPINION paragraph should include a sentence that at least covers the points listed in the following illustration:

"In my opinion, the amounts carried in Exhibit A on account of the items identified:

- A. Meet the requirements of the insurance laws of (state of domicile).
- B. Are computed in accordance with accepted actuarial standards.
- C. Make a reasonable provision for all unpaid loss and loss adjustment expense obligations of the Company under the terms of its contracts and agreements."

If there is any aggregation or combination of items in Exhibit A, the opinion language should clearly identify the combined items.

Insurance laws and regulations shall at all times take precedence over the actuarial standards.

If the Appointed Actuary has made use of the work of another actuary not within the Appointed Actuary's control (such as for pools and associations, for a subsidiary, or for special lines of business) for a material portion of the reserves, the other actuary must be identified by name, credential and affiliation within the OPINION paragraph. If the Appointed Actuary has made use of the work of a non-actuary (such as for modeling) for a material portion of the reserves, that individual must be identified by name and affiliation and a description of the type of analysis performed must be provided.

A Statement of Actuarial Opinion should be made in accordance with one of the following sections (a through e). The Appointed Actuary must explicitly identify in Exhibit B which type applies.

- a. Determination of Reasonable Provision. When the carried reserve amount is within the Appointed Actuary's range of reasonable reserve estimates, the Appointed Actuary should issue a Statement of Actuarial Opinion that the carried reserve amount makes a reasonable provision for the liabilities associated with the specified reserves.
- b. Determination of Deficient or Inadequate Provision. When the carried reserve amount is less than the minimum amount that the Appointed Actuary believes is reasonable, the Appointed Actuary should issue a Statement of Actuarial Opinion that the carried reserve amount does not make a reasonable provision for the liabilities associated with the specified reserves. In addition, the Appointed Actuary should disclose the minimum amount that the Appointed Actuary believes is reasonable.
- c. Determination of Redundant or Excessive Provision. When the carried reserve amount is greater than the maximum amount that the Appointed Actuary believes is reasonable, the Appointed Actuary should issue a Statement of Actuarial Opinion that the carried reserve amount does not make a reasonable provision for the liabilities associated with the specified reserves. In addition, the Appointed Actuary should disclose the maximum amount that the ~~actuary~~Appointed Actuary believes is reasonable.
- d. Qualified Opinion. When, in the Appointed Actuary's opinion, the reserves for a certain item or items are in question because they cannot be reasonably estimated or the Appointed Actuary is unable to render an opinion on those items, the Appointed Actuary should issue a qualified Statement of Actuarial Opinion. The Appointed Actuary should disclose the item (or items) to which the qualification relates, the reason(s) for the qualification, and the amounts for such item(s), if disclosed by the Company. Such a qualified opinion should state whether the carried reserve amount makes a reasonable provision for the liabilities associated with the specified reserves, *except for* the item (or items), to which the qualification relates. The Appointed Actuary is not required to issue a qualified opinion if the Appointed Actuary reasonably believes that the item (or items) in question are not likely to be material.
- e. No Opinion. The Appointed Actuary's ability to give an opinion is dependent upon data, analyses, assumptions, and related information that are sufficient to support a conclusion. If the Appointed Actuary cannot reach a conclusion due to deficiencies or limitations in the data, analyses, assumptions, or related information, then the Appointed Actuary may issue a statement of no opinion. A statement of no opinion should include a description of the reasons why no opinion could be given.

6. The Appointed Actuary must provide RELEVANT COMMENT paragraphs to address the following topics of regulatory importance.

a. Company-Specific Risk Factors

The Appointed Actuary should include an explanatory paragraph to describe the major factors, combination of factors or particular conditions underlying the risks and uncertainties the actuary considers relevant. The explanatory paragraph should not include general, broad statements about risks and uncertainties due to economic changes, judicial decisions, regulatory actions, political or social forces, etc., nor is the Appointed Actuary required to include an exhaustive list of all potential sources of risks and uncertainties.

b. Risk of Material Adverse Deviation.

The Appointed Actuary must provide specific RELEVANT COMMENT paragraphs to address the risk of material adverse deviation. The Appointed Actuary must identify the materiality standard and the basis for establishing this standard. The materiality standard must be also disclosed in U.S. dollars in Exhibit B: Disclosures. The Appointed Actuary should explicitly state whether or not he or she reasonably believes that there are significant risks and uncertainties that could result in material adverse deviation. This determination is also to be disclosed in Exhibit B.

c. Other Disclosures in Exhibit B

RELEVANT COMMENT paragraphs should describe the significance of each of the remaining Disclosure items (8 through 14) in Exhibit B. The Appointed Actuary should address the items individually and in combination when commenting on a material impact.

d. Reinsurance

RELEVANT COMMENT paragraphs should address reinsurance collectability, retroactive reinsurance and financial reinsurance. The Appointed Actuary's comments on reinsurance collectability should address any uncertainty associated with including potentially-uncollectable amounts in the estimate of ceded reserves. Before commenting on reinsurance collectability, the Appointed Actuary should solicit information from management on any actual collectability problems, review ratings given to reinsurers by a recognized rating service, and examine Schedule F for the current year for indications of regulatory action or reinsurance recoverable on paid losses over ninety (90) days past due. The comment should also reflect any other information the actuary has received from management or that is publicly available about the capability or willingness of reinsurers to pay claims. The Appointed Actuary's comments do not imply an opinion on the financial condition of any reinsurer.

| Retroactive reinsurance refers to agreements referenced in SSAP No. 62R-*Property and Casualty Reinsurance*, of the *Accounting Practices and Procedures Manual*.

| Financial reinsurance refers to contracts referenced in SSAP No. 62R-*Property and Casualty Reinsurance* of the *Accounting Practices and Procedures Manual* in which credit is not allowed for the ceding insurer because the arrangements do not include a transfer of both timing and underwriting risk that the reinsurer undertakes in fact to indemnify the ceding insurer against loss or liability by reason of the original insurance.

e. Reserve Development

If the Company's reserves will cause the ratio of One-Year or Two-Year Known Claims Reserve Development (shown in Schedule P, Part 3) or One-Year or Two-Year Reserve Development (shown in Schedule P, Part 2) to the respective prior year's Policyholders' Surplus to be greater than 20%, the Appointed Actuary must include RELEVANT COMMENT on the factors that led to the exceptional reserve development.

f. Methods and Assumptions

If there has been any significant change in the actuarial assumptions and/or methods from those previously employed, that change should be described in a RELEVANT COMMENT paragraph. If the Appointed Actuary is newly-appointed and does not review the work of the prior Appointed Actuary, then the Appointed Actuary should disclose this.

7. The Actuarial Opinion must include assurance that an Actuarial Report and underlying actuarial workpapers supporting the Actuarial Opinion will be maintained at the Company and available for examination for seven (7) years. The Actuarial Report contains significant proprietary information. It is expected that the Actuarial Report be held confidential and not be intended for public inspection. The Actuarial Report must be available by May 1 of the year following the year-end for which the Opinion was rendered or within two (2) weeks after a request from an individual state commissioner.

The Actuarial Report should be consistent with the documentation and disclosure requirements of ASOP No.41, Actuarial Communications. The Actuarial Report must contain both narrative and technical components. The narrative component should provide sufficient detail to clearly explain to Company management, the Board of Directors, the regulator, or other authority the findings, recommendations and conclusions, as well as their significance. The technical component should provide sufficient documentation and disclosure for another actuary practicing in the same field to evaluate the work. This technical component must show the analysis from the basic data (e.g., loss triangles) to the conclusions.

The Actuarial Report must also include:

- A description of the Appointed Actuary's relationship to the Company, with clear presentation of the Appointed Actuary's role in advising the Board of Directors and/or management regarding the carried reserves. The Actuarial Report should identify how and when the Appointed Actuary presents the analysis to the Board and, where applicable, to the officer(s) of the Company responsible for determining the carried reserves.
- An exhibit that ties to the Annual Statement and compares the Appointed Actuary's conclusions to the carried amounts consistent with the segmentation of exposure or liability groupings used in the analysis. The Appointed Actuary's conclusions include the Appointed Actuary's point estimate(s), range(s) of reasonable estimates or both.
- An exhibit that reconciles and maps the data used by the Appointed Actuary, consistent with the segmentation of exposure or liability groupings used in the Appointed Actuary's analysis, to the Annual Statement Schedule P.

- An exhibit or appendix showing the change in the Appointed Actuary's estimates from the prior Actuarial Report, including extended discussion of factors underlying any material changes. The exhibit or appendix should illustrate the changes on a net basis but should also include the changes on a gross basis, if relevant. If the Appointed Actuary is newly-appointed and does not review the work of the prior Appointed Actuary, then the Appointed Actuary should disclose this.
- Extended comments on trends that indicate the presence or absence of risks and uncertainties that could result in material adverse deviation.
- Extended comments on factors that led to exceptional reserve development, as defined in 6E, and how these factors were addressed in prior and current analyses.

8. The Actuarial Opinion should conclude with the signature of the Appointed Actuary responsible for providing the Actuarial Opinion and the date when the Opinion was rendered. The signature and date should appear in the following format:

---

Signature of Appointed Actuary  
 Printed name of Appointed Actuary  
 Employer's name  
 Address of Appointed Actuary  
 Telephone number of Appointed Actuary  
 Email address of Appointed Actuary  
 Date opinion was rendered

The same information should be reproduced within the Actuarial Report, along with the date the Actuarial Report was finalized.

9. The Insurer required to furnish an Actuarial Opinion shall require its Appointed Actuary to notify its Board of Directors or its audit committee in writing within five (5) business days after any determination by the Appointed Actuary that the Actuarial Opinion submitted to the domiciliary commissioner was in error as a result of reliance on data or other information (other than assumptions) that, as of the balance sheet date, was factually incorrect. The Opinion shall be considered to be in error if the Actuarial Opinion would have not been issued or would have been materially altered had the correct data or other information been used. The Actuarial Opinion shall not be considered to be in error if it would have been materially altered or not issued solely because of data or information concerning events subsequent to the balance sheet date or because actual results differ from those projected.

Notification is required when discovery is made between the issuance of the Actuarial Opinion and Dec. 31 of that year. Notification should include a summary of such findings.

If the Appointed Actuary learns that the data or other information relied upon was factually incorrect, but cannot immediately determine what, if any, changes are needed in the Actuarial Opinion, the Appointed Actuary and the Company should quickly undertake procedures necessary for the Appointed Actuary to make such determination. If the Insurer does not provide the necessary data corrections and other support (including financial support) within ten (10) business days, the Appointed Actuary should proceed with the notification to the Board of Directors and the domiciliary commissioner.

An Insurer who is notified pursuant to the preceding paragraphs shall forward a copy of the amended Actuarial Opinion to the domiciliary commissioner within five (5) business days of receipt of such and shall provide the Appointed Actuary making the notification with a copy of the letter and amended Actuarial Opinion being furnished to the domiciliary commissioner. If the Appointed Actuary fails to receive such copy within the five (5) business day period referred to in the previous sentence, the Appointed Actuary shall notify the domiciliary commissioner within the next five (5) business days that an amended Actuarial Opinion has been finalized.

No Appointed Actuary shall be liable in any manner to any person for any statement made in connection with the above paragraphs if such statement is made in a good faith effort to comply with the above paragraphs.

10. Data in Exhibit A and Exhibit B are to be filed in both print and data capture format.

**Exhibit A: SCOPE**

DATA TO BE FILED IN BOTH PRINT AND DATA CAPTURE FORMAT

| <b>Loss and Loss Adjustment Expense Reserves</b>                                                                                                                             | <b>Amount</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1. Unpaid Losses and Loss Adjustment Expenses<br>(Schedule P, Part 1, Total Column 24 * 1000 or Total Column 34 * 1000 if discounting is allowable under state law)          | \$ _____      |
| 2. Unpaid Losses and Loss Adjustment Expenses - Direct and Assumed<br>(Should equal Schedule P, Part 1, Summary, Totals from Columns 17, 18, 20, 21, and 23, Line 12 * 1000) | \$ _____      |
| 3. Other items on which the Appointed Actuary is expressing an Opinion<br>(List separately, adding additional lines as needed)                                               | \$ _____      |

**Exhibit B: DISCLOSURES**  
 DATA TO BE FILED IN BOTH PRINT AND DATA CAPTURE FORMAT

Note: Exhibit B should be completed for Net dollar amounts included in the SCOPE. If an answer would be different for Direct and Assumed amounts, identify and discuss the difference within RELEVANT COMMENTS.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                              |                             |                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|------------------------------|
| 1. Name of Appointed Actuary                                                                                                                                                                                                                                                                                                                                                                                                                       | <Last                        | First                       | Middle>                      |
| 2. The Appointed Actuary's relationship to the Company.<br>Enter E or C based upon the following:<br>E - If an Employee of the Company or Group<br>C - If a Consultant                                                                                                                                                                                                                                                                             |                              |                             |                              |
| 3. The Appointed Actuary has the following designation (indicated by the letter code):<br>F - If a Fellow of the Casualty Actuarial Society (FCAS)<br>A - If an Associate of the Casualty Actuarial Society (ACAS)<br>M - If not a member of the Casualty Actuarial Society, but a Member of the American Academy of Actuaries (MAAA) approved by the Casualty Practice Council, as documented with the attached approval letter.<br>O - For Other |                              |                             |                              |
| 4. Type of Opinion, as identified in the OPINION paragraph.<br>Enter R, I, E, Q, or N based upon the following:<br>R - If Reasonable<br>I - If Inadequate or Deficient Provision<br>E - If Excessive or Redundant Provision<br>Q - If Qualified (use Q when part of the OPINION is Qualified)<br>N - If No Opinion                                                                                                                                 |                              |                             |                              |
| 5. Materiality Standard expressed in U.S. dollars<br>(Used to answer Question #6)                                                                                                                                                                                                                                                                                                                                                                  | \$                           |                             |                              |
| 6. Are there significant risks that could result in Material Adverse Deviation?                                                                                                                                                                                                                                                                                                                                                                    | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 7. Statutory Surplus<br>(Liabilities, Surplus and Other Funds Page, Line 32)                                                                                                                                                                                                                                                                                                                                                                       | \$                           |                             |                              |
| 8. Known Claims Reserve<br>(Liabilities, Surplus, and Other Funds Page, Line 1)                                                                                                                                                                                                                                                                                                                                                                    | \$                           |                             |                              |
| 9. Statutory Premium Reserve<br>(Liabilities, Surplus, and Other Funds Page, Line 2)                                                                                                                                                                                                                                                                                                                                                               | \$                           |                             |                              |
| 10. Aggregate of other reserves required by law<br>(Liabilities, Surplus, and Other Funds Page, Line 3)                                                                                                                                                                                                                                                                                                                                            | \$                           |                             |                              |
| 11. Supplemental reserve<br>(Liabilities, Surplus, and Other Funds Page, Line 4)                                                                                                                                                                                                                                                                                                                                                                   | \$                           |                             |                              |
| 12. Anticipated net salvage and subrogation included as a reduction to loss reserves as reported in Schedule P                                                                                                                                                                                                                                                                                                                                     | \$                           |                             |                              |
| 13. Discount included as a reduction to loss reserves and loss adjustment expense reserves as reported in Schedule P                                                                                                                                                                                                                                                                                                                               | \$                           |                             |                              |
| 14. Other items on which the Appointed Actuary is providing Relevant Comment<br>(List separately, adding additional lines as needed)                                                                                                                                                                                                                                                                                                               | \$                           |                             |                              |

**Tabular Summary of Requirements: Title Insurance**

| <b>Topic</b>                                        | <b>Provision</b>                                                                                                                                                                                                              | <b>Citation</b>                                            |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| State law                                           | Must meet requirements of insurance laws of state of domicile; insurance laws take precedence over actuarial standards                                                                                                        | NAIC SAO<br>Instr (5) Title                                |
| Actuarial standards                                 | Reserves computed in accordance with accepted actuarial standards                                                                                                                                                             | NAIC SAO<br>Instr (5) Title                                |
| Amount                                              | Makes reasonable provision for Company's obligations under its contracts and agreements                                                                                                                                       | NAIC SAO<br>Instr (5) Title                                |
| Change in opinion                                   | If factually incorrect data causes material change in opinion, actuary must notify Company within 5 days                                                                                                                      | NAIC SAO<br>Instr (9) Title                                |
| Opinion                                             | Must be characterized as one of the following or as "no opinion":<br><ul style="list-style-type: none"> <li>• Reasonable</li> <li>• Deficient or inadequate</li> <li>• Redundant or excessive</li> <li>• Qualified</li> </ul> | NAIC SAO<br>Instr (5) Title                                |
| No opinion                                          | If actuary is unable to form an opinion, he or she should issue a statement of no opinion, including a description of the reasons why no opinion could be given                                                               | NAIC SAO<br>Instr (5) Title                                |
| Scope – Schedule P                                  | <ul style="list-style-type: none"> <li>• Unpaid losses and LAE – net</li> <li>• Other items</li> </ul>                                                                                                                        | NAIC SAO<br>Instr<br>(Exhibit A)<br>Title                  |
| Data evaluation                                     | For reasonableness and consistency                                                                                                                                                                                            | NAIC SAO<br>Instr (4) Title                                |
| Reconciliation                                      | Data to Schedule P, Parts 1& 2 should be included in the actuarial report                                                                                                                                                     | NAIC SAO<br>Instr (4) Title<br>NAIC SAO<br>Instr (7) Title |
| Material change in actuarial assumptions or methods | Describe change from prior year and impact                                                                                                                                                                                    | NAIC SAO<br>Instr (6f) Title                               |
| Discounting                                         | Must state amount                                                                                                                                                                                                             | NAIC SAO<br>Instr<br>(Exhibit B)<br>Title                  |
| Retroactive reinsurance                             | Comment on collectability                                                                                                                                                                                                     | NAIC SAO<br>Instr (6d) Title                               |
| Financial reinsurance                               | Comment in scope section                                                                                                                                                                                                      | NAIC SAO<br>Instr (6d) Title                               |
| Reinsurance                                         | Comment on collectability                                                                                                                                                                                                     | NAIC SAO<br>Instr (6d) Title                               |

| Topic                               | Provision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Citation                                                    |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Disclosures                         | <p>State net amounts included in Scope:</p> <ul style="list-style-type: none"> <li>• Name of appointed actuary</li> <li>• Relationship to Company</li> <li>• Basis of qualification</li> <li>• Type of opinion</li> <li>• Materiality standard</li> <li>• Risk of material adverse deviation</li> <li>• Statutory surplus</li> <li>• Known claims reserve</li> <li>• Statutory premium reserve</li> <li>• Aggregate of other reserves required by law</li> <li>• Supplemental reserve</li> <li>• Salvage and subrogation</li> <li>• Discount</li> <li>• Other items</li> </ul>                                                                                                                                                                                     | NAIC SAO<br>Instr<br>(Exhibit B)<br>Title                   |
| Risks of material adverse deviation | <p>Relevant Comments section should explicitly state whether there are significant risks that could result in material adverse deviation</p> <p>Also comment on these risks in Report</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | NAIC SAO<br>Instr (6b) Title<br>NAIC SAO<br>Instr (7) Title |
| Report and work papers              | <p>Must be consistent with ASOP No. 41</p> <p>To be kept by Company for 7 years</p> <p>Must be available by May 1 or within 2 weeks of a request by a Commissioner</p> <p>Include:</p> <ul style="list-style-type: none"> <li>• Description of the Appointed Actuary's relationship to Company and role in advising Company regarding the carried reserves</li> <li>• Technical analysis from basic data to conclusions</li> <li>• Exhibit which ties to AnnStat and compares conclusions to carried amounts</li> <li>• Best estimate and/or range</li> <li>• Change in estimates from prior Actuarial Report</li> <li>• Reconciliation to Schedule P</li> <li>• Risks of material adverse deviation</li> <li>• Comments concerning unusual IRIS ratios</li> </ul> | NAIC SAO<br>Instr (7) Title                                 |

## ***C. Other Resources***

### **Other Annual Statement Instructions: Property/Casualty**

The instruction for the Actuarial Opinion is reproduced in total in Part B of this manual. Below are excerpts from other parts of the *Official NAIC Annual Statement Instructions, Property/Casualty, for the 2025 reporting year*, and from the Annual Statement blank.

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#### **Instruction: General**

##### **2. Date of Filing**

The Statement is required to be filed on or before March 1, unless otherwise provided.

##### **3. Companies are required to file the quarterly statement 45 days after the end of the quarter and the annual statement on or before March 1 for the preceding calendar year, unless otherwise required**

#### **Instruction: Annual Audited Financial Reports**

...

The reporting entity shall also require the independent certified public accountant to subject the data used by the Appointed Actuary to testing procedures. The auditor is required to determine what historical data and methods have been used by management in developing the loss reserve estimate and whether the auditor will rely on the same data or other statistical data in evaluating the reasonableness of the loss reserve estimate. After identifying the relevant data, the auditor should obtain an understanding of the controls related to the completeness, accuracy, and classification of loss data and perform testing as the auditor deems appropriate. Through inquiry of the Appointed Actuary, the auditor should obtain an understanding of the data identified by the Appointed Actuary as significant. It is recognized that there will be instances when data identified by the Appointed Actuary as significant to his or her reserve projections would not otherwise have been tested as part of the audit, and separate testing would be required. Unless otherwise agreed among the Appointed Actuary, management and the auditor, the scope of the work performed by the auditor in testing the claims data in the course of the audit would be sufficient to determine whether the data tested is fairly stated in all material respects in relation to the statutory financial statement taken as a whole. The auditing procedures should be applied to the claim loss and defense and cost containment expense data used by the Appointed Actuary and would be applied to activity that occurred in the current calendar year (e.g., tests of payments on claims paid during the current calendar year).

#### **Instruction: Financial Statement — Liabilities, Surplus and Other Funds**

Line 1 - Losses

Include: Gross reserves including IBNR, for retrospectively rated policies.

Exclude: Reserves relating to uninsured accident and health plans and the uninsured portions of partially insured accident and health plans.

Refer to *SSAP No. 55-Unpaid Claims, Losses and Loss Adjustment Expenses* for accounting guidance.

**Line 3 - Loss Adjustment Expenses**

The unfunded postretirement obligation shall be included on the Liabilities, Surplus and Other Funds page in the Loss Adjustment Expense line and on the Liabilities, Surplus and Other Funds page in the Other Expenses line, in accordance with the reporting entity's allocation of such expense.

Refer to *SSAP No. 55-Unpaid Claims, Losses and Loss Adjustment Expenses* for accounting guidance.

**Instruction: Underwriting and Investment Exhibit Part 2A — Unpaid Losses and Loss Adjustment Expenses**

**Salvage**

Any amount for salvage and subrogation (including amounts recoverable from second-injury funds, other governmental agencies, or quasi-governmental agencies, where applicable) must be disclosed in Schedule P, Part 1. Refer to *SSAP No. 55-Unpaid Claims, Losses and Loss Adjustment Expenses*, and *SSAP No. 59-Credit Life and Accident and Health Insurance Contracts* for accounting guidance.

**Instruction: Notes to Financial Statements**

**25. Changes in Incurred Losses and Loss Adjustment Expenses**

**Instruction:**

- A. Describe the reasons for changes in the provision for incurred loss and loss adjustment expenses attributable to insured events of prior years. The disclosure should indicate whether additional premiums or return premiums have been accrued as a result of the prior-year effects (if applicable).
- B. Information about significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses, including reasons for the change and the effects on the financial statements for the most recent reporting period presented.

**Illustration:**

- A. Reserves as of December 31, 2\_\_ were \$\_\_ million. As of \_\_\_, 2\_\_, \$\_\_ million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$\_\_ million as a result of re-estimation of unpaid claims and claim adjustment expenses principally on yyy and zzz lines of insurance. Therefore, there has been a \$\_\_ million unfavorable (favorable) prior-year development since December 31, 2\_\_ to \_\_\_, 2\_\_. The increase/(decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or (decreased), as additional information becomes known regarding individual claims. Included in this increase/(decrease), the Company experienced \$\_\_ million of unfavorable (favorable)

prior year loss development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

### 32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

#### Instruction:

State whether or not any of the liabilities for unpaid losses or unpaid loss adjustment expenses are discounted, including liabilities for Workers' Compensation. ...

If the answer is in the affirmative, furnish the following information for each line of business affected:

A. If a tabular basis is used:

- (1) Identify table used.
- (2) Rate(s) used to discount.
- (3) The amount of discounted liability reported in the financial statements.
- (4) The amount of tabular discount, disclosed by line of business and reserve category (i.e., case and IBNR).
- (5) The amount of interest accretion recognized in the Statement of Income.
- (6) The line item(s) in the Statement of Income in which the interest accretion is classified.

Definition of Tabular Reserves:

Tabular reserves by accident year are indemnity reserves that are calculated using discounts determined with reference to actuarial tables that incorporate interest and contingencies such as mortality, remarriage, inflation, or recovery from disability applied to a reasonably determinable payment stream. This definition shall not include medical loss reserves or any loss adjustment expense reserves.

B. If a non-tabular basis is used:

- (1) Rate(s) used to discount and the basis for the rate(s) used.
- (2) Amount of non-tabular discount disclosed by line of business and reserve category (i.e., case, IBNR, Defense & Cost Containment Expense and Adjusting & Other Expense).
- (3) The amount of non-tabular discounted liability reported in the annual statement.

C. If the rate(s) used to discount prior accident years' liabilities have changed from the prior annual statement or if there have been changes in other key discount assumptions such as payout patterns:

- (1) Amount of discounted current liabilities at current rate(s) assumption(s). (Exclude the current accident year.)
- (2) Amount of discounted current liabilities at previous rate(s) assumption(s). (Exclude the current accident year.)
- (3) Change in discounted liability due to change in interest rate(s) assumption(s). (1-2)
- (4) Amount of non-tabular discount, disclosed by line of business and reserve category (i.e., case, IBNR, Defense & Cost Containment expense and Adjusting & Other expense).

### 33. Asbestos/Environmental Reserves

#### Instruction:

If the company is potentially exposed to asbestos and/or environmental claims, full disclosure of the reserving methodology for both case and IBNR reserves is required. Disclosure of the amount paid and reserved for losses and LAE for asbestos and/or environmental claims, on a direct, assumed, and net of reinsurance basis, is also required. The reserves disclosed in this note should exclude amounts relating to policies specifically written to cover asbestos and environmental exposures. Policies specifically written to cover these exposures include: Environmental Impairment Liability (post 1986), Asbestos Abatement, Pollution Legal Liability, Contractor's Pollution Liability, Consultant's Environmental Liability, and Pollution and Remediation Legal Liability.

#### Definition of Environmental Loss

Any loss or potential loss (including third-party claims) related directly or indirectly to the remediation of a site arising from past operations or waste disposal.

#### Examples of Environmental Exposure

- Chemical Waste
- Hazardous Waste TSD Facilities (Treatment, Storage and/or Disposal)
- Industrial Waste Disposal Facilities
- Landfills
- Superfund
- Toxic Waste Pits
- Underground Storage Tanks

#### Instruction: Schedule P

...  
2. Earned premium is on a calendar-year basis. Losses incurred should be assigned to the year in which the event occurred that triggered coverage under the contract. This may be a date of accident (occurrence policies), a date of report (claims-made policies), a policy issue date (tail policies), or a date of discovery (fidelity and surety). Hereafter, this is called the "incurred year."

...

8. Retroactive reinsurance should not be reflected in Schedule P. ...

9. A discount implicit in tabular reserves may be included in Schedule P, Part 1. Schedule P, Part 2 is to be reported gross of ALL discounts. Otherwise, Schedule P is to be presented on a non-discounted basis. ...

The tabular reserve discount does not need to be shown separately. Discounting is governed by *SSAP 65-Property and Casualty Contracts*.

...

Instruction: Schedule P — Part 1

...

8. The loss adjustment expenses from the Underwriting and Investment Exhibit, Part 3, are separated into one of two categories: DCC or A&O. DCC expenses are those that are correlated with the loss amounts, and the A&O are as those expenses that are correlated with claim counts or are general loss adjusting expenses. In projecting the necessary reserves for these expenses, actuaries use a different approach for each of the two types of expenses. It is the character of the expenses that is most important, not whether the expenses were internal or external to the reporting entity.
9. DCC expenses include defense, litigation and cost containment expenses, whether internal or external. “Defense” means defense by the reporting entity in a contentious situation, whether a first party or a third-party claim. The fees charged for reporting entity employees should include overhead, just as an outside firm’s charges would include. The expenses exclude expenses incurred in the determination of coverage. These expenses include the following items:
  - a. Surveillance expenses;
  - b. Fixed amounts for cost containment expenses;
  - c. Litigation management expenses;
  - d. Loss adjustment expenses for participation in voluntary and involuntary market pools if reported by accident year;
  - e. Fees or salaries for appraisers, private investigators, hearing representatives, reinspectors and fraud investigators, if working in defense of a claim, and fees or salaries for rehabilitation nurses, if such cost is not included in losses;
  - f. Attorney fees incurred owing to a duty to defend, even when other coverage does not exist; and
  - g. The cost of engaging experts.
10. A&O expenses are the remaining loss adjustment expenses. These expenses include the following items:
  - a. Fees of adjusters and settling agents (but not if engaged in a contentious defense);
  - b. Loss adjustment expenses for participation in voluntary and involuntary market pools if reported by calendar year;
  - c. Attorney fees incurred in the determination of coverage, including litigation between the reporting entity and the policyholder; and
  - d. Fees or salaries for appraisers, private investigators, hearing representatives, reinspectors and fraud investigators, if working in the capacity of an adjuster.
11. The foregoing list is not intended to be all-inclusive. We are relying on the reporting entities to use reasonable judgment in particular situations.
12. Reporting entities should assign the DCC expenses to the incurred year in which the associated losses were assigned. Reporting entities may assign the A&O expenses in any justifiable way among the incurred years. The preferred way is to apportion these expenses in proportion to the number of claims reported, closed, or outstanding each year.

Instruction: Schedule P — Parts 1A through 1U

...

7. “Tail Earned Premiums” applicable to a claims-made insurance program are to be included in the occurrence Part for the respective line.

...  
9. The rule for accounting for losses incurred on tail policies is that such losses must be assigned to the year in which the policy was issued and are to be included in the Occurrence Part for the respective line.

...  
Instruction: Schedule P — Parts 2, 3, & 4

... All amounts in Parts 2 and 4 must be reported gross of both tabular and non-tabular discounting. ...

Instruction: Schedule P — Part 7

1. Only the experience on contracts that meet the following definition should be included in Part 7.

Loss sensitive contracts shall meet the following criteria:

- a. Contracts where an increase in losses on a policy can cause an increase in net payment (by the insured) for that policy.
- b. The amount of additional payment (by the insured) must be at least 75% (50% for reinsurance contracts) of the additional losses, before application of aggregate and per accident/claimant limits or caps.
- c. The net amount paid (by the insured) must also be able to differ by at least 20% (10% for reinsurance contracts), from highest to lowest possible charge in reaction to the loss experience.
- d. The maximum possible payment by the insured should also be at least 15% (7.5% for reinsurance contracts) above what the insured would pay based on expected loss experience...
- e. The additional payment shall be in the form of additional premiums or additional commissions.
- f. The additional losses and corresponding payments must flow through the income and balance sheets and cannot be “off-balance sheet.” For example, a deductible feature does not make a contract “loss sensitive” under this definition, as neither the losses under the deductible nor the reimbursements for these losses flow through the income statement.

2. Part 7 is only required of reporting entities who claim a reduction in their Risk-Based Capital for Loss Sensitive Contracts. Such reporting entities must complete the entire schedule in each year that they claim such credit.

3. Part 7A provides experience on primary contracts. Part 7B provides experience on reinsurance contracts.

...  
Sections 4 and 5: Premium Development:

13. (Part 7B only): Loss Sensitive Reinsurance Contracts must be segmented between those on which premium is the adjustable element, and those on which commissions paid to the cedant are adjustable with losses. The premium development schedule (Sections 4 and 5, Part 7B of Schedule P) should only include the experience of contracts with a variable premium.

...

Sections 6 and 7 (Part 7B only): Commission Development:

14. For all reinsurance contracts where the commission paid to the cedant varies with losses, display the development of that commission in Section 6 and display any assets or liabilities accrued in respect of the commission in Section 7. An entry denoting the expectation of future additional commissions to be paid should be displayed as a negative value. An entry denoting the expectation of future return commissions should be displayed as a positive value.

Instruction: Schedule P — Interrogatories

From Annual Statement Blank:

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement?
3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement?
4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on page 10?

If yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33.

Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.

Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.

5. What were the net premiums in force at the end of the year for: 5.1 Fidelity, 5.2 Surety.

...

7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses?

7.2 An extended statement may be attached.

Instruction: Annual Supplements — Actuarial Opinion Summary Supplement

1. For all Companies that are required by their domiciliary state to submit a confidential document entitled Actuarial Opinion Summary (AOS), such document shall be filed with the domiciliary state by March 15 (or by a later date otherwise specified by the domiciliary state). This AOS shall be submitted to a non-domiciliary state within fifteen days of request, but no earlier than March 15, provided that the requesting state can demonstrate, through the existence of law or some similar means, that it is able to preserve the confidentiality of the document.
2. The AOS should be consistent with the appropriate Actuarial Standards of Practice (ASOPs), including but not limited to ASOP No. 23, ASOP No. 41 and ASOP No. 43, as promulgated by the Actuarial Standards Board.
3. Exemptions for filing the AOS are the same as those for filing the Statement of Actuarial Opinion.
4. The AOS contains significant proprietary information. It is expected that the AOS be held confidential; it is not intended for public inspection. The AOS should not be filed with the NAIC and should be kept separate from any copy of the Statement of Actuarial Opinion (Actuarial Opinion) in order to maintain confidentiality of the AOS. The AOS can contain a statement that refers to the Actuarial Opinion and the date of that opinion.
5. The AOS should be signed and dated by the Appointed Actuary who signed the Actuarial Opinion and shall include at least the following:
  - A. The Appointed Actuary's range of reasonable estimates for loss and loss adjustment expense reserves, net and gross of reinsurance, when calculated;
  - B. The Appointed Actuary's point estimates for loss and loss adjustment expense reserves, net and gross of reinsurance, when calculated;
  - C. The Company's carried loss and loss adjustment expense reserves, net and gross of reinsurance;
  - D. The difference between the Company's carried reserves and the Appointed Actuary's estimates calculated in A and B, net and gross of reinsurance; and
  - E. Where there has been one-year adverse development in excess of 5% of prior year-end's policyholders' surplus as measured by Schedule P, Part 2 Summary in three (3) or more of the past five (5) calendar years, an explicit description of the reserve elements or management decisions that were the major contributors.
6. The AOS for a pooled Company (as referenced in paragraph 1C of the instructions for the Actuarial Opinion) shall include a statement that the Company is a xx% pool participant. For a non-0% Company, the information provided for paragraph 5 should be numbers after the Company's share of

the pool has been applied; specifically, the point or range comparison should be for each statutory Company and should not be for the pool in total. For any 0% pool participant, the information provided for paragraph 5 should be that of the lead company.

7. The net and gross reserve values reported by the Appointed Actuary in the AOS should reconcile to the corresponding values reported in the Insurer's Annual Statement, the Appointed Actuary's Actuarial Opinion, and the Actuarial Report. If not, the Appointed Actuary shall provide an explanation of the difference.
8. The Insurer required to furnish an AOS shall require its Appointed Actuary to notify its Board of Directors in writing within five (5) business days after any determination by the Appointed Actuary that the AOS submitted to the domiciliary commissioner was in error as a result of reliance on data or other information (other than assumptions) that, as of the balance sheet date, was factually incorrect. The AOS shall be considered to be in error if the AOS would have not been issued or would have been materially altered had the correct data or other information been used. The AOS shall not be considered to be in error if it would have been materially altered or not issued solely because of data or information concerning events subsequent to the balance sheet date or because actual results differ from those projected. Notification shall be required when discovery is made between the issuance of the AOS and Dec. 31 of that year. Notification should include a summary of such findings.

If the Appointed Actuary learns that the data or other information relied upon was factually incorrect, but cannot immediately determine what, if any, changes are needed in the AOS, the Appointed Actuary and the Company should quickly undertake procedures necessary for the Appointed Actuary to make such determination. If the Insurer does not provide the necessary data corrections and other support (including financial support) within ten (10) business days, the Appointed Actuary should proceed with the notification to the Board of Directors and the domiciliary commissioner.

An Insurer who is notified pursuant to the preceding paragraphs shall forward a copy of the amended AOS to the domiciliary commissioner within five (5) business days of receipt of such and shall provide the Appointed Actuary making the notification with a copy of the letter and amended AOS submitted to the domiciliary commissioner. If the Appointed Actuary fails to receive such copy within the five (5) business day period referred to in the previous sentence, the Appointed Actuary shall notify the domiciliary commissioner within the next five (5) business days that an amended AOS has been finalized.

9. No Appointed Actuary shall be liable in any manner to any person for any statement made in connection with the above paragraphs if such statement is made in a good faith effort to comply with the above paragraphs.

#### Instruction: Appendix — Property and Casualty Lines of Business

These definitions should be applied when reporting all applicable amounts for the following schedules: Underwriting and Investment Exhibit Parts 1, 1A, 1B, 2 and 2A; Exhibit of Premiums and Losses (Statutory Page 14); and the Insurance Expense Exhibit. Policy fees, service charges or membership charges are to be included with the line of business or in Other Income, as determined by *SSAP No. 53-Property Casualty Contracts-Premiums*.

Some lines of business (Lines 11, 17 and 18) are divided between "Occurrence" and "Claims Made."

#### Occurrence:

These policies cover insured events that occur within the effective dates of the policy, regardless of when they are reported to the reporting entity.

#### Claims Made:

These policies cover insured events that are reported (as defined in the policy) within the effective dates of the policy, subject to retroactive dates and extended reporting periods when applicable.

#### Force-Placed Business:

Include all types of business that are “force-placed” or “lender-placed” in the same pre-defined lines of business as business placed by borrower or creditor for the same coverage.

Force-placed (also known as lender-placed and creditor-placed insurance) is insurance that is placed by the lender subsequent to the date of the credit transaction, providing coverage against loss, expense or damage to collateralized property as a result of fire, theft, collision or other risks of loss that would either impair a creditor’s interest or adversely affect the value of collateral covered by limited dual-interest insurance. It is purchased by the lender according to the terms of the credit agreement as a result of the borrower’s failure to provide required insurance, with the cost of the coverage being charged to the borrower. It may be either single-interest insurance or limited dual-interest insurance.

#### Riders/Endorsements/Floater

If a rider, endorsement or floater acts like a separate policy with separate premium, deductible and limit, then it is to be recorded on the same annual statement line as if it were a stand-alone policy regardless of whether it is referred to as a rider, endorsement or floater. If there is no additional premium, separate deductible or limit, the rider, endorsement or floater should be reported on the same annual statement line as the base policy.

State-specific deviations should be addressed on the Exhibit of Premiums and Losses (State Page).

##### Line 1 - Fire

Coverage protecting the insured against the loss to real or personal property from damage caused by the peril of fire or lightning, including business interruption, loss of rents, etc.

##### Line 2 - Allied Lines

Coverages which are generally written with property insurance; e.g., glass, tornado, windstorm and hail; sprinkler and water damage; explosion, riot, and civil commotion; growing crops; flood; rain; and damage from aircraft and vehicle, etc.

##### Line 2.1 - Allied Lines

Include: Extended coverage; glass; tornado, windstorm and hail; sprinkler and water damage; explosion, riot and civil commotion; rain; and damage from aircraft and vehicle.

Line 2.2 - Multiple Peril Crop

Include: Insurance protection that is subsidized or reinsured by the Federal Crop Insurance Corporation for protection against losses due to damage, decreases in revenues and/or gross margins from crop, livestock and other agricultural-related production from unfavorable weather conditions, drought, wind, frost, fire or lightning, flood, hail, insect infestation, disease or other yield-reducing conditions or perils.

Line 2.3 - Federal Flood

Include: Coverage provided by the Federal Insurance Administration (FIA) of the Federal Emergency Management Agency (FEMA) through insurers participating in the National Flood Insurance Program's (NFIP) Write Your Own (WYO) program. Coverage is subject to the terms and conditions provided in the Financial Assistance/Subsidy Arrangement between the reporting entity and the FIA.

Line 2.4 - Private Crop

Include: Private market coverage for crop insurance and agricultural-related protection, such as hail and fire, and is not reinsured by the Federal Crop Insurance Corporation.

Line 2.5 - Private Flood

Include: Private market coverage (primary standalone, first dollar policies that cover the flood peril and excess flood) for flood insurance that is not offered through the National Flood Insurance Program.

Creditor-placed flood insurance.

Exclude: Sewer/water backup coverage issued as an endorsement to a homeowners or commercial policy.

Crop flood peril coverage appropriately reported on Lines 2.2 and 2.4.

Line 3 - Farmowners Multiple-Peril

A package policy for farming and ranching risks, similar to a homeowners policy, that has been adopted for farms and ranches and includes both property and liability coverages for personal and business losses. Coverages include farm dwellings and their contents, barns, stables, other farm structures and farm inland marine, such as mobile equipment and livestock.

Commercial Farm and Ranch

A commercial package policy for farming and ranching risks that includes both property and liability coverage. Coverage includes barns, stables, other farm structures and farm inland marine, such as mobile equipment and livestock.

Line 4 - Homeowners Multiple-Peril

A package policy combining broad property coverage for the personal property and/or structure with broad personal liability coverage. Coverage applicable to the dwelling, appurtenant structures, unscheduled personal property and additional living expense are typical. Includes mobile homes at a fixed location.

Line 5 - Commercial Multiple-Peril

A contract for a commercial enterprise that packages two or more insurance coverages protecting an enterprise from various property and liability risk exposures. Frequently includes fire, allied lines, various other coverages (e.g., difference in conditions) and liability coverage (such coverages would be included in other annual statement lines, if written individually). Include multi-peril policies (other than farmowners, homeowners and automobile policies) that include coverage for liability other than auto.

Builders' Risk Policies

Typically written on a reporting or completed value form, this coverage insures against loss to buildings in the course of construction. The coverage also includes machinery and equipment used in the course of construction and to materials incidental to construction.

Businessowners

The Businessowners policy (BOP) provides a broad package of property and liability coverages for small and medium-size apartment buildings, offices and retail stores.

Commercial Package Policy

The Commercial Package Policy (CPP) provides a broad package of property and liability coverages for commercial ventures other than those provided insurance through a businessowners policy. (The older Special Multiple-Peril programs (SMP) also use this code.)

### Manufacturers Output Policies

Provides broad form all risks coverage of personal property of an insured manufacturer that is located away from the premises of the manufacturer at the time of a claim.

### E-Commerce

Coverage for all aspects of e-commerce business.

### Difference in Conditions (DIC)

DIC is a special form of open-peril coverage written in conjunction with basic fire coverage and designed to provide protection against losses not reimbursed under the standard fire forms.

Line 5.1 - Commercial Multiple-Peril — Non-Liability Portion

Include: All business covering the fire and allied portion of Multiple-Peril policies.

Line 5.2 - Commercial Multiple-Peril — Liability Portion

Include: All business covering the liability portion of Multiple-Peril policies.

Line 6 - Mortgage Guaranty

Insurance that indemnifies a lender from loss if a borrower fails to meet required mortgage payments.

### Mortgages — Fixed Rate Mortgages

The type of loan in which the interest rate will not change for the entire term of the loan.

### Mortgages — Trust/Pools

Insure pools of loans secured by instruments constituting a first lien on real estate and evidenced by pass-through certificates or other instruments.

### Mortgages — Variable Mortgages

The type of loan in which the interest rate may vary or float periodically throughout the term of the loan based on an interest rate index.

Line 8 - Ocean Marine

Coverage for ocean and inland water transportation exposures; goods or cargoes; ships or hulls; earnings; and liability.

## Line 9.1 - Inland Marine

Coverage for property that may be in transit, held by a bailee, at a fixed location, a movable good that is often at different locations (e.g., off-road construction equipment) or scheduled property (e.g., Homeowners Personal Property Floater), including items such as live animals, property with antique or collector's value, etc. This line also includes instrumentalities of transportation and communication, such as bridges, tunnels, piers, wharves, docks, pipelines, power and phone lines, and radio and television towers.

### Animal Mortality

Coverage that provides a death benefit to the owner of a policy in the event of the death of the insured livestock.

### EDP Policies

Coverage to protect against losses arising out of damage to or destruction of electronic data processing equipment and its software.

### Communication Equipment (Cellular Telephones)

Provides insured subscribers of Communications Equipment Service Provider replacement coverage for loss of and damage, theft or mechanical breakdown to communications equipment. Communications equipment means wireless telephones and pagers, and any other devices incorporating wireless phone and pager capabilities, including but not limited to personal digital assistants (PDA) and wireless aircards.

### Event Cancellation

Coverage for financial loss because of the cancellation or postponement of a specific event due to weather or other unexpected cause beyond the control of the insured.

### Travel Coverage

Covers financial loss due to trip cancellation/interruption; lost or damaged baggage; trip or baggage delays; missed connections and/or changes in itinerary; and casualty losses due to rental vehicle damage.

### Vehicle Excess Waiver

Coverage of rental excess or personal excess due to the vehicle being involved in an accident while under the control of the insured or rental vehicle is damaged or stolen.

### Boatowners/Personal Watercraft

Covers damage to pleasure boats, motors, trailers, boating equipment and personal watercraft, as well as bodily injury and property damage liability to others.

### Other Commercial Inland Marine

All other inland marine coverage that is sold to commercial ventures, including coverage on property rented/leased by the named insured to others.

### Other Personal Inland Marine

All other inland marine coverage that is sold for personal, family or household purposes.

### Cash and Cash in Transit

Coverage of the transport, processing and storage of currency, securities, precious metals and diamonds. (Armored carriers, courier operations, check cashers and ATM servicers).

### Line 9.2 - Pet Insurance Plans

Veterinary care plan insurance policy providing care for a pet animal (e.g., dog or cat) of the insured owner in the event of its illness or accident.

### Line 10 - Financial Guaranty

A surety bond, insurance policy, or when issued by an insurer, an indemnity contract and any guaranty similar to the foregoing types, under which loss is payable upon proof of occurrence of financial loss to an insured claimant, obligee or indemnitee as a result of failure to perform a financial obligation (see *Financial Guaranty Insurance Guideline* (#1626)).

### Line 11 - Medical Professional Liability

Insurance coverage protecting a licensed health care provider or health care facility against legal liability resulting from the death or injury of any person due to the insured's misconduct, negligence, or incompetence in rendering professional services. Medical Professional Liability is also known as Medical Malpractice.

Include Medical Professional Liability for:

Acupuncture, Ambulance Services, Chiropractic, Community Health Centers, Dental Hygienists, Dentists – General Practice, Dentists – Oral Surgeons, Home Care Service Agencies, Hospitals, Nurse – Anesthetists, Nurse – Licensed Practical, Nurse – Midwife, Nurse – Practitioners, Nurse – Private Duty, Nurse – Registered, Nursing Homes, Occupational Therapy, Ophthalmic Dispensing, Optometry, Osteopathy, Pharmacy, Physical Therapy, Physicians & Surgeons, Physicians Assistants, Podiatry, Psychiatry, Psychology, Speech Pathology and Assisted Living Facility

### Line 12 - Earthquake

Property coverages for losses resulting from a sudden trembling or shaking of the earth, including that caused by volcanic eruption. Excluded are losses resulting from fire, explosion, flood or tidal wave following the covered event.

Line 13 - Comprehensive (Hospital and Medical)

Policies that provide fully insured indemnity, HMO, PPO, or Fee for Service coverage for hospital, medical, and surgical expenses. This category excludes Short-Term Medical Insurance, the Federal Employees Health Benefit Program and non-comprehensive coverage such as basic hospital only, medical only, hospital confinement indemnity, surgical, outpatient indemnity, specified disease, intensive care, and organ and tissue transplant coverage as well as any other coverage described in the other categories of this exhibit.

Line 14 - Credit Accident and Health

Coverage provided to, or offered to, borrowers in connection with a consumer credit transaction where the proceeds are used to repay a debt or an installment loan in the event the consumer is disabled as the result of an accident, including business not exceeding 120 months duration (Group and Individual).

Line 15 - Other Accident and Health

Accident and health coverages not otherwise properly classified as Comprehensive (Hospital and Medical) and Health or Credit Accident and Health. Include all Medicare Part D Prescription Drug Coverage, whether sold on a stand-alone basis or through a Medicare Advantage product and whether sold directly to an individual or through a group.

Line 15.1 - Vision Only

Include: Policies providing for vision only coverage issued as stand-alone vision or as a rider to a medical policy that is not related to the medical policy through premiums, deductibles or out-of-pocket limits. Does not include self-insured business, federal employees health benefit plans programs. (FEHBP), or Medicare and Medicaid programs.

Line 15.2 - Dental Only

Include: Policies providing for dental only coverage (dental treatment benefits such as routine dental examinations, preventive dental work, and dental procedures needed to treat tooth decay and diseases of the teeth and jaw) issued as stand-alone dental or as a rider to a medical policy that is not related to the medical policy through premiums, deductibles or out-of-pocket limits. If dental benefits are part of a comprehensive medical plan, then include data under comprehensive/major medical category. Does not include self-insured business, as well as federal employee's health benefits plans (FEHBP), or Medicare and Medicaid programs.

Line 15.3 - Disability Income

Include: Policies that provide a weekly or monthly income benefit for more than five years for individual coverage and more than one year for group coverage for full or partial disability arising from accident and/or sickness. Include policies that provide Overhead Expense Benefits. Does not include credit disability.

Policies that provide a weekly or monthly income benefit for up to five years for individual coverage and up to one year for group coverage for full or partial disability arising from accident and/or sickness. Include policies that provide Overhead Expense Benefits. Does not include credit disability.

**Line 15.4 - Medicare Supplement**

Include: Policies that qualify as Medicare Supplement policy forms as defined in the NAIC Medicare Supplement Insurance Minimum Standards Model Act. This includes standardized plans, pre-standardized plans and Medicare select. Does not include Medicare (Title XVIII) or Medicaid (Title XIX) risk contracts.

**Line 15.5 - Medicaid title XIX**

Include: Policies issued in association with the Federal/State entitlement program created by Title XIX of the Social Security Act of 1965 that pays for medical assistance for certain individuals and families with low incomes and resources.

**Line 15.6 - Medicare Title XVIII**

Include: Policies issued as Medicare Advantage Plans providing Medicare benefits to Medicare eligible beneficiaries created by title XVIII of the Social Security Act of 1965. This includes Medicare Managed Care Plans (i.e., HMO and PPO) and Medicare Private Fee-for-Service Plans. This also includes all Medicare Part D Prescription Drug Coverage through a Medicare Advantage product and whether sold directly to an individual or through a group.

**Line 15.7 - Long-Term Care**

Include: Policies that provide coverage for not less than one year for diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services provided in a setting other than an acute care unit of a hospital, including policies that provide benefits for cognitive impairment or loss of functional capacity. This includes policies providing only nursing home care, home health care, community-based care, or any combination. Do not include coverage provided under comprehensive/major medical policies, Medicare Advantage, or for accelerated death benefit-type products.

**Line 15.8 - Federal Employees Health Benefits Plan Premium**

Include: Business allocable to the Federal Employees Health Benefit Plan premium that are exempted from state taxes or other fees by Section 8909(f)(1) of Title 5 of the United States Code. Does not include Medicare and Medicaid programs.

**Line 15.9 - Other Health**

Include: Stop loss/excess loss and any other accident and health coverages not specifically required in Annual Statement lines 13, 14, 15.1 through 15.8.

**Line 16 - Workers' Compensation**

Insurance that covers an employer's liability for injuries, disability or death to persons in their employment, without regard to fault, as prescribed by state or Federal workers' compensation laws and other statutes. Includes employer's liability coverage against the common law liability for injuries to employees (as distinguished from the liability imposed by Workers' Compensation Laws). Excludes excess workers' compensation.

#### Alternative Workers' Compensation

Other than standard workers' compensation coverage, employer's liability and excess workers' compensation (e.g., large deductible, managed care).

#### Employers' Liability

Employers' liability coverage for the legal liability of employers arising out of injuries to employees. This line of business should be used when coverage is issued as an endorsement, or as part of a statutory workers' compensation policy. When coverage is issued as a stand-alone policy, or as an endorsement a package policy, the appropriate "Other Liability" line of business should be used.

#### Standard Workers' Compensation

Insurance that covers an employer's liability for injuries, disability or death to persons in their employment, without regard to fault, as prescribed by state or federal workers' compensation laws and included within the basic policy employers' liability coverage.

#### Occupational Accident

Insurance that covers occupational accident to include comparable workers' compensation.

#### Line 17 - Other Liability

Insurance coverage protecting the insured against legal liability resulting from negligence, carelessness or a failure to act, causing property damage or personal injury to others. Typically, coverages include construction and alteration liability; contingent liability; contractual liability; elevators and escalators liability; errors and omissions liability; environmental pollution liability; excess stop loss, excess over insured or self-insured amounts and umbrella liability; liquor liability; personal injury liability; premises and operations liability; completed operations liability, nonmedical professional liability, etc. Also includes indemnification coverage provided to self-insured employers on an excess of loss basis (excess workers' compensation).

#### Completed Operations Liability

Premiums attributable to policies covering the liability of contractors, plumbers, electricians, repair shops, and similar firms to persons who have incurred bodily injury or property damage from defective work or operations completed or abandoned by or for the insured, away from the insured's premises.

### Construction and Alteration Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage from alterations involving demolition, new construction or change in size of a structure on the insured's premises.

### Contingent Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage from work done by an independent contractor hired by the insured to perform work that was illegal, inherently dangerous, supervised too closely, or it was a situation that does not permit delegation of responsibility.

### Contractual Liability

Premiums attributable to policies covering the liability of an insured that has assumed the legal liability of another party by written or oral contract. Includes coverage that names the lender/lessor as beneficiary and indemnifies the borrower/lessee for the liability of the balance due on the automobile loan/lease for an automobile that has been destroyed in an accident.

### Elevators and Escalators Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage from use of elevators or escalators operated, maintained or controlled by the insured.

### Errors and Omissions Liability — Professional Liability Other Than Medical

Premiums attributable to policies covering the liability of a professional or quasi-professional insured to persons who have incurred bodily injury or property damage, or who have sustained any loss from omissions arising from the performance of services for others, errors in judgment, breaches of duty, or negligent or wrongful acts in business conduct.

### Environmental Pollution Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage from acids, fumes, smoke, toxic chemicals, waste materials or other pollutants.

### Excess and Umbrella Liability

Premiums attributable to policies covering the liability of an insured above a specific amount set forth in a basic policy issued by the primary insurer; or a self-insurer for losses over a stated amount; or an insured or self-insurer for known or unknown gaps in basic coverages or self-insured retentions.

### Liquor Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage from an intoxicated person.

### Personal Injury Liability

Premiums attributable to policies covering the liability of an insured to persons who have been discriminated against, falsely arrested, illegally detained, libeled, maliciously prosecuted, slandered, suffered mental anguish or alienation of affections, or have had their right of privacy violated. Includes identity theft.

### Premises and Operations Liability

Premiums attributable to policies covering the liability of an insured to persons who have incurred bodily injury or property damage on an insured's premises during normal operations or routine maintenance, or from an insured's business operations either on or off of the insured's premises.

### Excess Workers' Compensation

Either specific and/or aggregate excess workers' compensation insurance written above an attachment point or self-insured retention.

### Commercial General Liability

Flexible and broad commercial liability coverage with two major sub-lines: premises/operations sub-line and products/completed operations sub-line.

### Comprehensive Personal Liability

Comprehensive liability coverage for exposures arising out of the residence premises and activities of individuals and family members. (Non-business liability exposure protection for individuals.)

### Day Care Centers

Liability coverage for day care centers.

### Directors and Officers Liability

Liability coverage protecting directors or officers of a corporation from liability arising out of the performance of their professional duties on behalf of the corporation.

### Employee Benefit Liability

Liability protection for an employer for claims arising from provisions in an employee benefit insurance plan provided for the economic and social welfare of employees.

Examples of items covered are pension plans, group life insurance, group health insurance, group disability income insurance, and accidental death and dismemberment.

### Employers' Liability

Employers' liability coverage for the legal liability of employers arising out of injuries to employees. This line of business should be used when coverage is issued as a stand-alone policy, or as an endorsement to a package policy. When this coverage is issued as an endorsement to a statutory workers' compensation policy, the "Workers' Compensation" line of business should be used.

### Employment Practices Liability

Liability protection for an employer providing personal injury coverage arising out of employment-related practices, personnel policies, acts or omissions. Examples of claims such policies respond to are refusal to employ, termination, coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation and discrimination.

### Fire Legal Liability

Coverage for property loss liability as the result of separate negligent acts and/or omissions of the insured that allows a spreading fire to cause bodily injury or property damage of others. An example is a tenant who, while occupying another party's property, through negligence causes fire damage to the property.

### Municipal Liability

Liability coverage for the acts of a municipality.

### Nuclear Energy Liability

Coverage for bodily injury and property damage liability resulting from the nuclear energy material (whether or not radioactive) on the insured business's premises or in transit.

### Veterinarian

Liability coverage for the acts of a veterinarian.

### Internet Liability

Liability arising out of claims for wrongful acts related to the content posted on a website by the insured or the insured's failure to maintain the security of its computer systems.

### Cyber Liability

Stand-alone comprehensive coverage for liability arising out of claims related to unauthorized access to or use of personally identifiable or sensitive information due to events including, but not limited to, viruses, malicious attacks, or system errors or omissions. This coverage could also include expense coverage for business interruption,

breach management and/or mitigation services. When cyber liability is provided as an endorsement or as part of a multi-peril policy, as opposed to a stand-alone policy, use the appropriate annual statement line of business of the product to which the coverage will be attached.

### Fiduciary Liability

This type of insurance provides protection for fiduciaries against legal liability for claims made against them for a wrongful act (defined as a breach of fiduciary duty imposed by ERISA or similar common or statutory law). It'll respond to claims for damages arising out of improper investments, plan and employee advice, insufficient funding and failure of an insurer to perform.

Examples include failure to invest plan assets prudently or failure to select a qualified service provider for a covered plan. Some fiduciary liability policies may also provide coverage for negligent acts, as well as errors or omissions in the administration of employee benefit plans.

### Premises and Operations (OL&T and M&C)

Policies covering the liability of an insured to persons who have incurred bodily injury or property damage on an insured's premises during normal operations or routine maintenance, or from an insured's business operations either on or off of the insured's premises.

### Professional Errors and Omissions Liability

Coverage available to pay for liability arising out of the performance of professional or business-related duties, with coverage being tailored to the needs of the specific profession. Examples include abstracters, accountants, insurance adjusters, architects, engineers, insurance agents and brokers, lawyers, real estate agents, stockbrokers.

#### Line 17.1 - Other Liability Occurrence

Exclude: Excess workers' compensation included in Line 17.3.

#### Line 17.2 - Other Liability Claims Made

Exclude: Excess workers' compensation included in Line 17.3.

#### Line 17.3 - Excess Workers' Compensation

Include: Indemnification coverage provided to self-insured employers on an excess of loss basis.

#### Line 18 - Product Liability

Insurance coverage protecting the manufacturer, distributor, seller, or lessor of a product against legal liability resulting from a defective condition causing personal injury, or damage, to any individual or entity, associated with the use of the product.

#### Line 19 - Auto Liability

Coverage that protects the insured against financial loss because of legal liability for motor vehicle-related injuries (bodily injury and medical payments) or damage to the property of others caused by accidents arising out of ownership, maintenance or use of a motor vehicle (including recreational vehicles such as motor homes). “Commercial” is defined as all motor vehicle policies that include vehicles that are used primarily in connection with business, commercial establishments, activity, employment, or activities carried on for gain or profit. “No Fault” is defined by the state concerned.

#### Line 19.1 - Private Passenger Auto No-Fault (Personal Injury Protection)

“No Fault” is defined by the state concerned.

#### Line 19.2 - Other Private Passenger Auto Liability

Include: Bodily Injury, Property Damage, Uninsured Motorist and Underinsured Motorist Coverages.

#### Line 19.3 - Commercial Auto No-Fault (Personal Injury Protection)

“No Fault” is defined by the state concerned.

#### Line 19.4 - Other Commercial Auto Passenger Liability

Include: Bodily Injury, Property Damage, Uninsured Motorist and Underinsured Motorist Coverages.

#### Line 21 - Auto Physical Damage

Any motor vehicle insurance coverage (including collision, vandalism, fire and theft) that insures against material damage to the insured’s vehicle. “Commercial” is defined as all motor vehicle policies that include vehicles that are used in connection with business, commercial establishments, activity, employment, or activities carried on for gain or profit.

#### Line 21.1 - Private Passenger Auto Physical Damage

Include: Comprehensive and Collision Coverages.

#### Line 21.2 - Commercial Auto Physical Damage

Include: Comprehensive and Collision Coverages.

#### Line 22 - Aircraft

Coverage for aircraft (hull) and their contents; aircraft owners’ and aircraft manufacturers’ liability to passengers, airports and other third parties.

Line 23 - Fidelity

A bond covering an employer's loss resulting from an employee's dishonest act (e.g., loss of cash, securities, valuables, etc.).

Line 24 - Surety

A three-party agreement where the insurer agrees to pay a second party (the obligee) or make complete an obligation in response to the default, acts or omissions of a third party (the principal).

Line 25 - Glass (1996 Annual Statement and previous)

Coverage for the costs of replacement and incidental costs of building glass due to breakage or application of chemicals to glass. NOTE: This coverage should be included in Allied Lines.

Line 26 - Burglary and Theft

Coverage for property taken or destroyed by breaking and entering the insured's premises, burglary or theft, forgery or counterfeiting, fraud, kidnap and ransom, and off-premises exposure.

Kidnap & Ransom Liability

Liability coverage up to specific limits for payments demanded by kidnappers for the release of an insured held against his or her will.

Line 27 - Boiler and Machinery

Coverage for the failure of boilers, machinery and electrical equipment. Benefits include:

- (i) property of the insured that has been directly damaged by the accident;
- (ii) costs of temporary repairs and expediting expenses; and
- (iii) liability for damage to the property of others.

Line 28 - Credit

Coverage purchased by consumers, manufacturers, merchants, educational institutions, or other providers of goods and services extending credit, for indemnification of losses or damages resulting from the nonpayment of debts owed to/from them for goods or services provided in the normal course of their business.

Credit insurance is generally issued in connection with the issuance of credit to an individual by a bank, retailer, finance company or other similar organization and protects the organization for the unpaid balance of the loan and frequently for durations of under 120 months. (Taken from *SSAP No. 59-Credit Life and Accident and Health Contracts*.)

### Personal GAP (Guaranteed Asset Protection) Insurance

Credit insurance that insures the excess of the outstanding indebtedness over the primary property insurance benefits in the event of a total loss to a collateral asset.

### Credit Involuntary Unemployment

Credit insurance that provides a monthly or lump sum benefit during an unpaid leave of absence from employment resulting from specified causes, such as layoff, business closure, strike, illness of a close relative and adoption or birth of a child. This insurance is sometimes referred to as Credit Family Leave.

#### Line 29 - International

Includes all business transacted outside the United States and its territories and possessions where the appropriate line of business is not determinable.

#### Line 30 - Warranty

Coverage that protects against manufacturer's defects past the normal warranty period and for repair after breakdown to return a product to its originally intended use. Warranty insurance generally protects consumers from financial loss caused by the seller's failure to rectify or compensate for defective or incomplete work and cost of parts and labor necessary to restore a product's usefulness. Includes, but is not limited to, coverage for all obligations and liabilities incurred by a service contract provider, mechanical breakdown insurance and service contracts written by insurers.

### Mechanical Breakdown Insurance

Premiums attributable to policies covering repair or replacement service, or indemnification for that service, for the operational or structural failure of property due to defects in materials or workmanship, or normal wear and tear. (May cover motor vehicles, mobile equipment, boats, appliances, electronics, residual structures, etc.)

### Service Contracts

Premiums attributable to policies that undertake the obligation to provide repair or replacement service, or reimbursement for that service, for the operational or structural failure of covered property due to defect in materials or workmanship or normal wear and tear, but does not include mechanical breakdown insurance.

#### Reinsurance

Proportional assumed reinsurance is allocated to and reported in the appropriate lines of business and excluded from the reinsurance lines of business. For assumed reinsurance contracts that afford proportional and nonproportional reinsurance, the business is allocated to its component parts and reported in the appropriate lines of business.

Nonproportional assumed reinsurance means excess of a retention by the ceding company, and proportional reinsurance means fixed percentage of all losses.

Line 31- Nonproportional Assumed Reinsurance — Property

Nonproportional Assumed Reinsurance - Property in the following lines: fire, allied lines, ocean marine, inland marine, earthquake, group accident and health, credit accident and health, other accident and health, auto physical damage, boiler and machinery, glass, burglary and theft and international (of the foregoing).

Line 32 - Nonproportional Assumed Reinsurance — Liability

Nonproportional Assumed Reinsurance — Liability in the following lines: farmowners multiple-peril, homeowners multiple-peril, commercial multiple-peril, medical professional liability, workers' compensation, other liability, products liability, auto liability, aircraft (all perils) and international (of the foregoing).

Line 33 - Nonproportional Assumed Reinsurance — Financial Lines

Nonproportional Assumed Reinsurance — Financial Lines in the following lines: mortgage guaranty, financial guaranty, fidelity, surety, credit and international (of the foregoing).

Line 34 - Details for Write-ins

Coverages not generally described above.

Involuntary Unemployment Insurance

Space

Coverage of satellites, shuttles, hull, drones and other non-standard aircraft.

Political and Natural Disaster Evacuation

Coverage of specified costs for an insured person to return to their country of residence or nearest place of safety and specified reasonable accommodation costs (if the insured person is unable to return to their country of residence), as a direct result of a covered evacuation or if a natural disaster has occurred in the country the insured person is currently in requiring their immediate evacuation to avoid the risk of bodily injury or sickness, while the insured person is on a journey covered by the policy.

War Risk Insurance/War Terrorism and Political Violence

Mortgage Interest Insurance

Money Insurance

Tuition Reimbursement Plans

Product which reimburses for the tuition expenses of students who drop out, are expelled, leave for medical reasons, etc.

### **Other Annual Statement Instructions: Title Insurance**

The instruction for the Actuarial Opinion (Title) is reproduced in total in Part B of this manual. Below are excerpts from other parts of the *Official NAIC Annual Statement Instructions, Title*, for the 2025 reporting year.

#### **Instruction: Annual Audited Financial Reports**

The reporting entity shall also require the independent certified public accountant to subject the data used by the appointed actuary to testing procedures. The auditor is required to determine what historical data and methods have been used by management in developing the loss reserve estimate and whether the auditor will rely on the same data or other statistical data in evaluating the reasonableness of the loss reserve estimate. After identifying the relevant data, the auditor should obtain an understanding of the controls related to the completeness, accuracy, and classification of loss data and perform testing as the auditor deems appropriate. Through inquiry of the Appointed Actuary, the auditor should obtain an understanding of the data identified by the Appointed Actuary as significant. It is recognized that there will be instances when data identified by the Appointed Actuary as significant to his or her reserve projections would not otherwise have been tested as part of the audit, and separate testing would be required. Unless otherwise agreed among the Appointed Actuary, management and the auditor, the scope of the work performed by the auditor in testing the loss data in the course of the audit would be sufficient to determine whether the data tested is fairly stated in all material respects in relation to the statutory financial statement taken as a whole. The auditing procedures should be applied to the loss and allocated expense data used by the Appointed Actuary and would be applied to activity that occurred in the current calendar year (e.g., tests of payments on losses paid during the current calendar year).

#### **Instruction: Financial Statement — Liabilities, Surplus and Other Funds**

##### **Line 1 - Known Claims Reserve**

Include: Loss and allocated loss adjustment expenses accrued.

Exclude: Unallocated loss adjustment expenses accrued.

Refer to Schedule P instructions for definitions.

Refer to *SSAP No. 9-Subsequent Events*, for accounting guidance related to events that take place subsequent to the balance sheet date for claims reported as of December 31 of the current year.

##### **Line 2 - Statutory Premium Reserve**

Should agree to the amount shown in the Operations and Investment Exhibit, Part 1B, Line 2.6.

Refer to Operations and Investment Exhibit, Part 1B instructions for definition.

Line 3 - Aggregate of Other Reserves Required by Law

Include on this line reserves required by statute other than the Statutory Premium Reserve.

...

Instruction: Operations and Investment Exhibit

Part 1B - Premiums Earned Exhibit

...

Line 2.1 - Statutory Premium Reserve — Balance at December 31, Prior Year

The amounts reported on this line are the Statutory Premium Reserve for the prior year. The amounts should agree with the amounts shown on Page 3, Line 2 for the prior year.

Line 2.2 - Aggregate Write-ins for Book Adjustments to Line 2.1

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 2.2 for Book Adjustments to Line 2.1.

Line 2.3 - Additions during the Current Year

This amount represents additions to the Statutory Premium Reserve during the current year. This is normally the premium written for the current year multiplied by the applicable statutory reserve accumulation factor.

Line 2.4 - Withdrawals during the Current Year

The amounts reported on this line are withdrawals from the Statutory Premium Reserve permitted under statute. This is normally the Statutory Premium Reserve amortization amount.

Line 2.5 - Aggregate Write-ins for Other Adjustments Not Effecting Earned Premiums

Enter the total of the write-ins listed in schedule Details of Write-ins Aggregated at Line 2.5 for Other Adjustments Not Effecting Earned Premiums.

Line 2.6 - Balance at December 31, Current Year

The amounts reported on this line represent the Statutory Premium Reserve at December 31 of the current year. The amounts reported on this line should agree with the amounts reported by the company on Page 3, Line 2, Column 1. The amounts reported on this line should agree to the amounts reported on Line 2.1 plus the amounts reported on Line 2.2, plus the amounts reported on Line 2.3, less the amounts reported on Line 2.4, plus the amounts reported on Line 2.5.

...

Instruction: Operations and Investment Exhibit, Part 2B, Unpaid Losses and Loss Adjustment Expenses

Salvage

Any amount for salvage and subrogation (including amounts recoverable from second-injury funds, other governmental agencies, or quasi-governmental agencies, where applicable) must be disclosed in Schedule P, Part 1. Refer to *SSAP No. 55-Unpaid Claims, Losses and Loss Adjustment Expenses* for accounting guidance.

...

Line 1.1 - Direct Loss and Allocated LAE Reserve for Title and Other Losses of which Notice has been Received

This line represents the direct loss and allocated LAE reserves for title and other losses of which notice has been received.

The amount shown in Column 1 should agree to Schedule P, Part 1A, Column 17, Line 12.

The amount shown in Column 2 plus the amount shown in Column 3 should agree to Schedule P, Part 1B, Column 17, Line 12.

Include: All loss and allocated LAE known claim reserves for claims that have been reported in any way to the home office of the company on or before December 31 of the current year.

Line 1.2 - Reinsurance Assumed Loss and Allocated LAE Reserve for Title and Other Losses of which Notice has been Received

The amount represents loss and allocated LAE reserves for title and other losses of which notice has been received under agreements of reinsurance assumed. This can be done through reinsurance assumed treaties, facultative reinsurance assumed agreement, or under transfer and assumption agreements. The amounts reported on this line should agree with Schedule F, Part 1, Column 8.

The amount shown in Column 2 plus the amount shown in Column 3 should as agree to Schedule P, Part 1B, Column 18, Line 12.

Line 2 - Reinsurance Recoverable

The amounts shown on this line represent reinsurance ceded recoverables (from authorized, unauthorized and certified companies) on unpaid losses of which notice has been received. This can be done through reinsurance ceded treaties, facultative reinsurance assumed agreements, or under transfer and assumption agreements.

The amounts shown on this line should reconcile to amounts reported in Schedule F, Part 2, Column 9, Total.

The amount shown in Column 1 should agree to Schedule P, Part 1A, Column 19, Line 12.

The amount shown in Column 2 plus the amount shown in Column 3 should as agree to Schedule P, Part 1B, Column 19, Line 12.

**Line 3 - Known Claim Reserves Net of Reinsurance**

The amounts reported on this line are the amounts reported on Line 1.1, plus the amounts reported on Line 1.2, less the amounts reported on Line 2. The amount shown on this line should agree with Page 3, Line 1.

**Line 4.1 - Incurred but not Reported — Direct**

The amounts reported on this line are incurred but not reported losses on a direct basis.

The amount shown in Column 1 should agree to Schedule P, Part 1A, Column 20, Line 12.

The amount shown in Column 2 plus the amount shown in Column 3 should as agree to Schedule P, Part 1B, Column 20, Line 12.

**Line 4.2 - Incurred but not Reported — Reinsurance Assumed**

The amounts reported on this line are incurred but not reported losses related to reinsurance assumed.

The amount shown in Column 1 should agree to Schedule P, Part 1A, Column 21, Line 12.

The amount shown in Column 2 plus the amount shown in Column 3 should agree to Schedule P, Part 1B, Column 21, Line 12.

**Line 4.3 - Incurred but not Reported — Reinsurance Ceded**

The amounts reported on this line are incurred but not reported losses related to reinsurance ceded.

The amount shown in Column 1 should agree to Schedule P, Part 1A, Column 22, Line 12.

The amount shown in Column 2 plus the amount shown in Column 3 should agree to Schedule P, Part 1B, Column 22, Line 12.

**Line 4.4 - Incurred but not Reported — Net of Reinsurance**

The amounts reported on this line are the amounts reported on Line 4.1, plus the amounts reported on Line 4.2, less the amounts reported on Line 4.3.

Line 5 - Unallocated LAE Reserve

The amount reported in Column 4 on this line should agree with the amounts reported in Schedule P, Part 1, Line 12, Column 23.

Line 6 - Discount for Time Value of Money, if Allowed

Only discounts allowed by law (statutes or regulations) should be reported on this line.

The amount reported in Column 4 on this line should agree with the amounts reported in Schedule P, Part 1, Line 12, Column 33.

Line 7 - Total Schedule P Reserves

The amounts reported on this line should agree with the total of the amounts reported on Lines 3 + 4.4 + 5, less the amount reported on Line 6. The amounts reported in Column 4 on this line should agree with the amount reported in Schedule P, Part 1, Line 12, Column 34.

Line 8 - Statutory Premium Reserve at Year End

The amounts reported on this line represent the Statutory Premium Reserve at December 31 of the current year. The amounts reported on this line should agree with the amounts reported by the company on Page 3, Line 2.

Line 9 - Aggregate of Other Reserves Required by Law

The amount reported on this line is the amount reported on Page 3, Line 3, if appropriate. Only reserves related to the Statutory Premium Reserve or loss and loss adjustment expenses as covered in Schedule P are eligible for inclusion.

Line 10 - Supplemental Reserve

The amount reported on this line is the amount reported on Line 7, less the amounts reported on Lines 3 plus 8 plus 9, but not less than zero.

Instruction: Notes to Financial Statements

...

25. Change in Incurred Losses and Loss Adjustment Expenses

Instruction:

- A. Describe the reasons for changes in the provision for incurred claim and claim adjustment expenses attributable to insured events of prior years. The disclosure should indicate whether additional premiums or return premiums have been accrued as a result of the prior-year effects (if applicable).

For Title reporting entities, “provision” refers to the known claims reserve included in Line 1 of the Liabilities page and “prior years” refers to prior report years.

B. Information about significant changes in methodologies and assumptions used in calculating the liability for unpaid claims and claim adjustment expenses, including reasons for the change and the effects on the financial statements for the most recent reporting period presented.

Illustration:

A. Reserves as of December 31, 2\_\_\_\_ were \$\_\_\_\_ million. As of \_\_\_\_\_, 2\_\_\_\_, \$\_\_\_\_ million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$\_\_\_\_ million as a result of re-estimation of unpaid claims and claim adjustment expenses principally on yyy and zzz lines of insurance. Therefore, there has been a \$\_\_\_\_ million unfavorable (favorable) prior-year development since December 31, 2\_\_\_\_ to \_\_\_\_\_, 2\_\_\_\_. The increase/(decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or (decreased), as additional information becomes known regarding individual claims. Included in this increase/(decrease), the Company experienced \$\_\_\_\_ million of unfavorable (favorable) prior year loss development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

...

Instruction: Schedule P

There are five parts and the interrogatories within Schedule P. Part 1 provides detailed information on losses and loss expenses. Part 2 provides a history of incurred losses and loss expenses on a policy year basis. Part 3 provides a history of incurred losses and loss expenses on a report year basis. Part 4 provides a history of claim counts on a policy year basis. Schedule P Interrogatories provides for additional calculation and explanation of various amounts. Part 5 provides a history of claim counts on a report year basis. If the company is unable to provide any part of the data required in Schedule P for years prior to 1994, the company must obtain a letter of waiver from its domiciliary commissioner. A copy of this letter must be included with the company's annual statement. Data for 1994 and subsequent should be provided in complete detail except for unallocated loss adjustment expenses (ULAE) that should be in complete detail for 1996 and subsequent.

Schedule P includes only the data for the insurer identified on the Jurat Page of the annual statement. Do not include consolidated data for affiliated companies. If the insurer participates in a pooling agreement, it should report only its share of the business, not the total of all participants.

In those instances where an insurer files an amended annual statement as a result of a restatement of prior year written premium, losses or loss adjustment expenses, Schedule P must be restated and included in the amended annual statement. In those instances where one title insurer is merged into another title insurer, Schedule P must be prepared so it includes the entire combined history of both companies.

Schedule P, Part 1 is organized so that written premiums and other income for a year are matched with corresponding losses and allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses for policies issued during that year. Experience is shown for direct business, reinsurance assumed, reinsurance ceded, and net of reinsurance.

Written premium and other income is on a calendar year basis, and should reconcile with the totals on Schedule T.

Policy year loss and loss adjustment expense payments and reserves should be assigned to the year in which the policy was written under which coverage is triggered. Payments and reserves for escrow and defalcation loss and loss adjustment expenses should be assigned to the year of the associated title insurance order or, if the year is unknown, to the year the defalcation or escrow loss was first known by the company.

Part 2 displays 20-year loss development triangles on a policy year basis. Part 3 displays 10-year loss development triangle on a report year basis. In Parts 2 and 3, losses are combined with ALAE and are net of reinsurance. Loss and ALAE development is shown for total incurred, payments, case basis reserves, bulk reserves, and incurred but not reported (IBNR) reserves (policy year basis only). Part 4 displays 20-year claim count development triangles on a policy year basis.

For report year development, group the claims by year in which the claim was first reported.

Title insurance losses should include all losses on any transaction for which a title insurance premium, rate or charge was made or contemplated. Escrow losses for which the company is contractually obligated should be included. Losses arising from defalcations for which the company is contractually obligated should be included.

Allocated loss adjustment expenses are those that can be related to specific claims and include fees, salaries, overhead, and expenses of lawyers for legal services in defense, trial or appeal of suit, other legal services rendered in connection with title claims, and general court costs and fees together with appeal costs and expenses. Allocated loss adjustment expenses should include all costs associated with attorneys involved in litigation of specific claims whether such attorneys are engaged as outside counsel or salaried employees of a reporting entity. Allocated loss adjustment expenses also include any fee or expense, other than claim adjuster services, which is directly attributable to the defense of a particular claim.

Allocated loss adjustment expenses for reinsurance assumed and ceded should be reported in accordance with the terms of the applicable reinsurance contracts. In addition, an assuming reinsurer that incurs allocated loss adjustment expenses in its adjustment of reinsured losses should report ALAE in the manner described above for direct losses.

Unallocated loss adjustment expenses are those expenses, other than allocated loss adjustment expenses, that are assigned to the expense group "Loss Adjustment Expenses." As an example, the costs related to salaried employees of the insurer involved in the management of claims are included in this category.

Loss and loss adjustment expense reserves are to be presented on a non-discounted basis. The reserves reported are expected to represent the ultimate amounts to be paid, including anticipated inflation.

Discounting of loss and loss adjustment expense reserves is allowed only if expressly permitted by the state insurance department to which this annual statement is being filed. If discounting of loss and loss adjustment expense reserves is reflected on Page 3 of this annual statement, a reconciliation is provided in Schedule P, Part 1. Work papers relating to any discount amounts must be available for examination upon request.

Salvage and subrogation should be determined in accordance with *SSAP No. 57-Title Insurance*, using the following rules:

1. Paid losses must be reported net of realized, but not anticipated, salvage and subrogation. Case basis loss and loss adjustment expense reserves must not be reduced on account of anticipated salvage and subrogation.
2. Paid salvage and subrogation is not realized until a salvage asset or an actual payment pursuant to a subrogation right is in the direct control of the reporting entity and is admissible as an asset for statutory reporting purposes in its own right.
3. Salvage assets and payments pursuant to a subrogation right are to be booked at current market value. Current market value or real estate is to be established through an appraisal conducted by a qualified independent appraiser.
4. If a salvage asset is sold or revalued by the reporting entity within twelve months of realization for an amount less than the value at which it was originally placed on the books of the reporting entity, then the loss on disposition is to be treated as a decrease in paid salvage (same effect as an addition to the paid loss) on the corresponding claim. After twelve months, such salvage revaluation will be treated as a loss on disposition or change in value of an asset, and is not to be deducted from the salvage on the corresponding claim.
5. If a salvage asset is sold or revalued by the reporting entity within twelve months of realization for an amount greater than the value at which it was originally placed on the books of the reporting entity, then the gain on disposition is to be treated as an increase in paid salvage (same effect as a deduction to the paid loss) on the corresponding claim. After twelve months, such salvage revaluation will be treated as a gain on disposition or change in value of an asset, and is not to be added to the salvage on the corresponding claim.
6. IBNR reserves may make a provision for the expected value of future salvage and subrogation on open claims and IBNR claims. This provision must be actuarially determined and should not be based upon current case estimates.

Report all dollar amounts in Schedule P in thousands of dollars (\$000 omitted), either by rounding or truncating. All claim counts are to be shown in whole numbers.

The number of claims reported is to be cumulative by policy year. The number of claims reported for each policy year is equal to the number of open claims at the end of the current year plus cumulative claims closed with or without payment for the current and prior calendar years.

For reporting entities reporting on a pooling basis, the pooling percentage should be applied to claim count as well as dollar amounts.

If the company changes its method of counting claims, the new method should be disclosed in the Notes to Financial Statements.

## Instruction: Schedule P — Part 1

Part 1 - Summary provides a 10-year summary of loss and ALAE experience for the company. Part 1 - Summary should be equal to the sum of Part 1A and Part 1B. Columnar headings provide instructions necessary for completion.

...

Loss and ALAE Payments should be reported net of realized salvage and subrogation. Salvage and Subrogation Received represents the cumulative salvage and subrogation realized, as defined in *SSAP No. 57-Title Insurance*. It is shown for reference only and should not be included in the Total Net Paid.

Inception to-date ULAE Payments by policy year should be provided with the allocation of payments to policy year described in the Schedule P Interrogatories.

The known claim reserve includes case basis reserves and “bulk” reserves. “Bulk” reserves are a provision for subsequent development on known claims.

IBNR reserves are a provision for unreported or unknown title insurance claims on all policies issued by the company as of the accounting date.

Unallocated loss expenses unpaid are a provision for ULAE yet to be paid related to claims that are either open or unreported as of the accounting date.

Losses and Allocated Loss Adjustment Expenses Incurred is the addition of the corresponding Direct, Assumed and Ceded columns for payments, Known Claim Reserves and IBNR Reserves.

...

## Instruction: Schedule P — Part 2

Part 2 provides a historical summary of loss and ALAE development by policy year on a net of reinsurance basis. Columnar headings provide instructions necessary for completion. Column 11 equals Column 10 minus Column 9 for common years (Rows 1 through 20). Column 12 equals Column 10 minus Column 8 for common years (Rows 1 through 19).

The definition of “prior years” should be the same as that used by the company in Part 1.

Columns 1 to 10 should equal the sum of Parts 2A, 2B, 2C and 2D.

## ***D. List of Abbreviations for Jurisdiction Summaries***

|                 |                                                 |
|-----------------|-------------------------------------------------|
| Academy         | American Academy of Actuaries                   |
| AnnStat         | Annual Statement                                |
| AOS             | Actuarial Opinion Summary                       |
| asm't           | assumption                                      |
| assd            | assumed                                         |
| assn            | association                                     |
| auto            | automobile                                      |
| auth            | authorized                                      |
| Bull            | Bulletin                                        |
| cap             | capital                                         |
| CAS             | Casualty Actuarial Society                      |
| CMP             | Commercial Multiple Peril                       |
| Comm'r          | Commissioner (Director, Superintendent)         |
| CL              | Circular Letter number                          |
| D&A             | Direct and Assumed                              |
| FO              | Farmowners                                      |
| GAAP            | Generally Accepted Accounting Principles        |
| GWP             | Gross Written Premium                           |
| HB              | House Bill                                      |
| HO              | Homeowners                                      |
| Hosp            | hospital                                        |
| IBNR            | Incurred But Not Reported                       |
| Indiv           | individual                                      |
| ins             | insurance                                       |
| Instr           | Instructions                                    |
| IRIS            | Insurance Regulatory Information System         |
| LAE             | Loss Adjustment Expense                         |
| liab            | liability                                       |
| med prof liab   | medical professional liability                  |
| MGA             | Managing General Agent                          |
| mgt             | management                                      |
| NAIC            | National Association of Insurance Commissioners |
| P/C             | property/casualty                               |
| PHS             | Policyholders' Surplus                          |
| PIInterrog(Ins) | Schedule P Interrogatories (Instructions)       |
| qtrly           | quarterly                                       |
| RB              | Reinsurance Intermediary-Broker                 |
| Reg             | Regulation section/number                       |
| reins           | reinsurance                                     |
| rep'd           | reported                                        |
| RM              | Reinsurance Intermediary-Manager                |
| RRG             | Risk Retention Group                            |
| Rul             | Ruling section                                  |
| SAO             | Statement of Actuarial Opinion                  |
| sched           | schedule                                        |

|         |                                              |
|---------|----------------------------------------------|
| SI      | Self-Insurance/Self-Insurer                  |
| SPFC    | Special Purpose Financial Captive            |
| SOA     | Society of Actuaries                         |
| SSAP    | Statement of Statutory Accounting Principles |
| Stat    | Statute section                              |
| unrep'd | unreported                                   |
| WC      | workers' compensation                        |
| WP      | written premium                              |
| yr(s)   | year(s)                                      |

## ***E. Additional Resources***

Additional Resources Maintained by the NAIC:

[Industry Financial Filing](#) – NAIC's links to general filing instructions such as: Accounting Practices and Procedures manuals, Annual Statement Instructions

[Industry Financial Filing State Deadlines](#) - NAIC's links to States' Filing Instructions and Checklists

[Insurance Departments](#) Select state in drop down list.

## **State - Alabama**

### **Contact Information**

|                        |                                                                                                                                                                                                                   |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commissioner:          | Mark Fowler                                                                                                                                                                                                       |
| Regulatory Agency:     | Alabama Department of Insurance<br>201 Monroe St., Suite 502<br>Montgomery, AL 36104                                                                                                                              |
| P/C SAO Contact:       | <u>Sanjeev Chaudhuri, Chief Actuary</u> <del>Sheila Travis, Chief Examiner</del><br>(334) 241-4198 <del>62</del><br><u>Sanjeev.chaudhuri@insurance.alabama.gov</u> <del>sheila.travis@insurance.alabama.gov</del> |
| Captives* SAO Contact: | <u>Sanjeev Chaudhuri</u> <del>Tedrick Burks</del><br>(334) 241-4198 <del>63</del><br><u>Sanjeev.chaudhuri@insurance.alabama.gov</u> <del>todrick.burks@insurance.alabama.gov</del>                                |

### **Website Information**

|                              |                                                                                                                                          |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Related Website:             | <a href="http://www.aldoi.gov">www.aldoi.gov</a>                                                                                         |
| Statutes (Stat):             | <a href="#">Insurance Code (Title 27)</a>                                                                                                |
| Regulations (Reg):           | <a href="#">Regulations of Alabama Department of Insurance</a>                                                                           |
| Annual Statement Checklists: | <a href="#">Property &amp; Casualty Insurers Annual Statement Checklist</a><br><a href="#">Title Insurers Annual Statement Checklist</a> |

\*Please refer to page A-5 for additional discussion of captives.

## **State - Alabama**

### **Table of Contents**

#### Admitted P/C Insurer

Special Cases:

[Producer-Controlled Insurer](#)

[Managing General Agent](#)

[Reinsurance Intermediary-Manager](#)

[Captive Insurer](#)

[Foreign Risk Retention Group](#)

#### Title Insurer

#### SAO Exemptions

## State - Alabama

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                              |                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                             | <a href="#">Stat 27-3-26.1</a> ,<br><a href="#">Reg Ch. 482-1-102-.04</a><br><a href="#">Reg Ch. 482-1-149-.05</a>             |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                   | <a href="#">No</a> <a href="#">Yes</a>                                                                                         |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                     | <a href="#">Reg Ch. 482-1-102-.04</a><br><a href="#">Reg Ch. 482-1-149-.05</a><br>NAIC AnnStat Instr (2)<br>NAIC SAO Instr (1) |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                                 | <a href="#">Stat 27-3-26.1</a><br>NAIC SAO Instr (1A)                                                                          |
| Affiliation<br>Company employee: Permitted                                                                                                                                                                                                                                                                   | <a href="#">Stat 27-3-26.1</a><br><a href="#">NAIC SAO Instr (1A)</a>                                                          |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and</del><br/><u>annually thereafter</u></li> </ul> | NAIC SAO Instr (1)                                                                                                             |
| Change of Actuary<br>Company must notify Comm'r within 5 days and provide separate letter within next 10 days concerning disagreements                                                                                                                                                                       | NAIC SAO Instr (1)                                                                                                             |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                   | <a href="#">Reg Ch. 482-1-097-.04</a> ,<br><a href="#">Reg Ch. 482-1-149-.05</a> ,<br><a href="#">Stat 27-3-26.1</a>           |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                               | <a href="#">Reg Ch. 482-1-097.04</a> ,<br><a href="#">Stat 27-3-26.1</a>                                                       |
| Reserve Amounts: Insurer must maintain adequate loss reserves                                                                                                                                                                                                                                                | <a href="#">Stat 27-36-6</a>                                                                                                   |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                      | NAIC SAO Instr (4)                                                                                                             |
| Actuarial Report & Workpapers:<br>Must file by May 1, for domestic companies filing an opinion                                                                                                                                                                                                               | <a href="#">Reg Ch. 482-1-149-.07</a>                                                                                          |

## State - Alabama

### **Admitted P/C Insurer, continued**

|                                                                                    |                                                                 |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| AOS Required: Yes (domiciled insurers only but may be requested of other insurers) | <a href="#">Reg Ch. 482-1-149-.06</a>                           |
| Confidentiality or Other Information                                               | <a href="#">Reg Ch. 482-1-149-.08</a>                           |
| AOS Contact                                                                        | <a href="#">Sanjeev Chaudhuri</a> <a href="#">Sheila Travis</a> |

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                           |                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qrtly statement), unless the producer and insurer work exclusively with each other | <a href="#">Stat 27-6B-4 (b), (c)</a><br><a href="#">Stat 27-6B-4 (e) (1)</a> |
| Filing deadline: April 1                                                                                                                                                                                  | <a href="#">Stat 27-6B-4 (e) (1)</a>                                          |
| Actuary<br>Qualifications: Either <ul style="list-style-type: none"><li>• independent casualty actuary, or</li><li>• other independent loss reserve specialist approved by Comm'r</li></ul>               | <a href="#">Stat 27-6B-4 (e) (1)</a>                                          |
| Scope: Loss reserves including IBNR; business placed by producer                                                                                                                                          | <a href="#">Stat 27-6B-4 (e) (1)</a>                                          |

### **Managing General Agent (MGA)**

|                                                                                                                                                     |                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 27-6A-2 (3)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 27-6A-5 (2)</a> |
| Filing deadline: March 1                                                                                                                            | Dept Policy                      |
| Qualified Actuary: Academy member in good standing                                                                                                  | <a href="#">Stat 27-6A-2 (1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                           | <a href="#">Stat 27-6A-5 (2)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                              |                                  |
|----------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 27-5A-2 (9)</a> ) sets reserves | <a href="#">Stat 27-5A-9 (c)</a> |
| Filing deadline: March 1                                                                     | Dept Policy                      |
| Qualified Actuary: Academy member in good standing                                           | <a href="#">Stat 27-5A-2 (1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                     | <a href="#">Stat 27-5A-9 (c)</a> |

## **State - Alabama**

### **Captive Insurer**

|                                                                                                                                                                                            |                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| Opinion required                                                                                                                                                                           | <a href="#">Reg Ch. 482-1-138-.04 (2)(e)</a> |
| Filing deadline: June 30                                                                                                                                                                   | <a href="#">Reg Ch. 482-1-138-.04 (1)</a>    |
| Qualified Actuary:<br>Approved by commissioner and either: <ul style="list-style-type: none"><li>• FCAS,</li><li>• Academy member, or</li><li>• approved loss reserve specialist</li></ul> | <a href="#">Reg Ch. 482-1-138-.04 (2)(e)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                    | <a href="#">Reg Ch. 482-1-138-.04 (2)(e)</a> |
| Credit for Reinsurance: May take credit for reserves on risks ceded to a reinsurer subject to limitations                                                                                  | <a href="#">Reg Ch. 482-1-138-.10</a>        |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                         |                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Opinion required                                                                                                                                        | <a href="#">Stat 27-31A-4 (2) a</a> |
| Filing deadline: March 1                                                                                                                                | Dept Policy                         |
| Qualified Actuary:<br>Either: <ul style="list-style-type: none"><li>• qualified loss reserve specialist per NAIC, or</li><li>• Academy member</li></ul> | <a href="#">Stat 27-31A-4 (2) a</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                 | <a href="#">Stat 27-31A-4 (2) a</a> |

## State - Alabama

### **Title Insurer**

|                                                                                                                                                                                       |                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Opinion required                                                                                                                                                                      | <a href="#">Reg Ch. 482-1-102-.04</a>  |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                            | <a href="#">No</a> <a href="#">Yes</a> |
| Filing deadline: March 1                                                                                                                                                              | <a href="#">Reg Ch. 482-1-102-.04</a>  |
| Actuary<br>Qualifications<br>Either: <ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li></ul> | NAIC SAO Instr (1A) Title              |
| Appointment <ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports to Board or Audit Committee</li></ul>              | NAIC SAO Instr (1) Title               |
| Change of Actuary<br>Company must notify Comm'r within 5 days and provide separate letter within next 10 days concerning disagreements                                                | NAIC SAO Instr (1) Title               |
| Affiliation<br>Company employee: Permitted, except as noted in "Qualifications"                                                                                                       | NAIC SAO Instr (1A) Title              |
| Insurers must follow NAIC SAO Instructions                                                                                                                                            | <a href="#">Reg Ch. 482-1-097-.04</a>  |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                        | <a href="#">Reg Ch. 482-1-097-.04</a>  |
| Reserve Amounts: Insurer must maintain adequate loss reserves                                                                                                                         | <a href="#">Stat 27-36-6</a>           |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                      | NAIC SAO Instr (4) Title               |
| Title-statutory premium reserve: Initially, 10 percent of written premium, released 5 percent per year over the next 20 years; premium does not include services                      | <a href="#">Stat 27-36-2</a>           |

## State - Alabama

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B)                   |
| <p>Captives (other than captive risk retention groups):</p> <ul style="list-style-type: none"><li>• less than \$2.2 million direct WP in calendar year, and</li><li>• less than 1,000 policyholders or certificate holders at end of calendar year or assumed premiums pursuant to contracts and/or treaties of reinsurance of \$2.2 million or less</li></ul> <p>Annually submit written application for exemption</p>                                                                                                                                                           | <a href="#">Reg Ch. 482-1-138-.04</a> |

## **State – Alaska**

### **Contact Information**

Acting Director: [Heather Carpenter](#)~~Lori Wing Heier~~

Regulatory Agency: Department of Commerce, Community, and Economic Development  
Division of Insurance  
9<sup>th</sup> Floor State Office Bldg.  
333 Willoughby Avenue  
Juneau, AK 99801-1770  
(907) [269-7900](#)~~465-2515~~

P/C SAO Contact: Sian Ng-Ashcraft  
Supervisor  
Alaska Division of Insurance  
550 W. 7<sup>th</sup> Ave., Suite 1560  
Anchorage, AK 99501-3567  
(907) 269-7890  
[sian.ng-ashcraft@alaska.gov](mailto:sian.ng-ashcraft@alaska.gov)

### **Website Information**

Related Website: <https://www.commerce.alaska.gov/web/ins>

Statutes (Stat): [Alaska Statutes, Title 21, Insurance](#)

Bulletins: [Bulletin 92-04](#)

Annual Statement Checklists: [Property/Casualty Insurers](#)

[Title Insurers](#)

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## State – Alaska

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                                                  | <a href="#">Stat 21.09.200(a)</a><br><a href="#">Stat 21.09.207(a)</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                                        | No                                                                     |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                                          | <a href="#">Stat 21.09.200(a)</a>                                      |
| Actuary<br><br>Qualifications <ul style="list-style-type: none"><li>• Meets basic education, experience, and continuing education requirements</li><li>• Maintains an accepted Actuarial Designation</li><li>• Is a member of a professional actuarial association</li><li>• Is a member in good standing of the:<ul style="list-style-type: none"><li>◦ CAS; or</li><li>◦ Academy, and approved by Casualty Practice Council</li></ul></li></ul> | NAIC SAO Instr (1A)<br><br><a href="#">Stat 21.09.207(e)</a>           |
| Affiliation<br><br>Company employee: Permitted, except as noted in “Qualifications”                                                                                                                                                                                                                                                                                                                                                               | NAIC SAO Instr (1A)                                                    |
| Appointment<br><br>• By Board of Directors or equivalent<br>• By December 31<br>• Reports to Board<br>• Actuary qualification documentation provided to Board of Directors at initial appointment <b>and annually thereafter</b>                                                                                                                                                                                                                  | NAIC SAO Instr (1)                                                     |
| Change of Actuary<br><br>Company must notify Comm'r within 5 days and provide separate letter within next 10 days concerning disagreements                                                                                                                                                                                                                                                                                                        | NAIC SAO Instr (1)                                                     |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                                        | <a href="#">Stat 21.09.207(a)(2)</a><br><a href="#">Bulletin 92-04</a> |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                                    | <a href="#">Stat 21.09.200(a)</a><br><a href="#">Bulletin 92-04</a>    |
| Insurer must maintain adequate loss reserves                                                                                                                                                                                                                                                                                                                                                                                                      | <a href="#">Stat 21.18.100</a><br><a href="#">Stat 21.18.050</a>       |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                     |
| AOS Required                                                                                                                                                                                                                                                                                                                                                                                                                                      | <a href="#">Stat 21.09.207(b)</a>                                      |
| Confidentiality or Other Information                                                                                                                                                                                                                                                                                                                                                                                                              | <a href="#">Stat 21.09.207(d)</a>                                      |
| AOS Contact                                                                                                                                                                                                                                                                                                                                                                                                                                       | Sian Ng-Ashcraft                                                       |

## State – Alaska

### **Producer-Controlled Insurer**

|                                                                                   |                                                                         |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Opinion required                                                                  | <a href="#">Stat 21.27.570(b)</a>                                       |
| Filing deadline: April 1                                                          | <a href="#">Stat 21.27.570(b)</a>                                       |
| Actuary<br>Qualifications: Independent qualified actuary who is an Academy member | <a href="#">Stat 21.27.570(b)</a><br><a href="#">Stat 21.27.990(14)</a> |
| Affiliation<br>Company employee: Not permitted                                    | <a href="#">Stat 21.27.990(14)</a>                                      |
| Scope of Opinion: Loss reserves; business produced by producer                    | <a href="#">Stat 21.27.570(b)</a>                                       |

### **Managing General Agent (MGA)**

|                                                                                   |                                                                         |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Opinion required annually if MGA sets reserves                                    | <a href="#">Stat 21.27.620(d)</a>                                       |
| Filing deadline: No Provision                                                     |                                                                         |
| Actuary<br>Qualifications: Independent qualified actuary who is an Academy member | <a href="#">Stat 21.27.620(d)</a><br><a href="#">Stat 21.27.990(14)</a> |
| Affiliation<br>Company employee: Not permitted                                    | <a href="#">Stat 21.27.990(14)</a>                                      |
| Scope of Opinion: Loss reserves; business produced by MGA                         | <a href="#">Stat 21.27.620(d)</a>                                       |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                |                                                                            |
|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 21.97.900(40)</a> ) sets reserves | <a href="#">Stat 21.27.760(e)(2)</a>                                       |
| Filing deadline: No Provision                                                                  |                                                                            |
| Actuary<br>Qualifications: Independent qualified actuary who is an Academy member              | <a href="#">Stat 21.27.760(e)(2)</a><br><a href="#">Stat 21.27.990(14)</a> |
| Affiliation<br>Company employee: Not permitted                                                 | <a href="#">Stat 21.27.990(14)</a>                                         |
| Scope of Opinion: Loss reserves; business produced by RM                                       | <a href="#">Stat 21.27.760(e)(2)</a>                                       |

## State – Alaska

### Title Insurer

|                                                                                                                                                                                       |                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                      | <a href="#">Stat 21.66.080</a><br><a href="#">Stat 21.09.200(a)</a>    |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                            | No                                                                     |
| Filing deadline: March 1                                                                                                                                                              | <a href="#">Stat 21.66.080(a)</a><br><a href="#">Stat 21.09.200(a)</a> |
| Actuary<br>Qualifications<br>Either: <ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li></ul> | NAIC SAO Instr (1A) Title                                              |
| Affiliation<br>Company employee: Permitted, except as noted in “Qualifications”                                                                                                       | NAIC SAO Instr (1A)                                                    |
| Appointment<br><ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports To Board</li></ul>                              | NAIC SAO Instr (1) Title                                               |
| Change of actuary<br>Company must notify Comm'r within 5 days and provide separate letter within next 10 days concerning disagreements                                                | NAIC SAO Instr (1) Title                                               |
| Insurers must follow NAIC SAO Instructions                                                                                                                                            | <a href="#">Stat 21.09.200(a)</a><br><a href="#">Bulletin 92-04</a>    |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                        | <a href="#">Stat 21.09.200(a)</a><br><a href="#">Bulletin 92-04</a>    |
| Insurer must maintain adequate loss reserves                                                                                                                                          | <a href="#">Stat 21.18.100</a><br><a href="#">Stat 21.18.050</a>       |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                      | NAIC SAO Instr (4) Title<br><a href="#">Stat 21.18.050</a>             |
| Title-statutory premium reserve: Maintain an unearned premium reserve as required by the director                                                                                     | <a href="#">Stat 21.18.073</a>                                         |

## **State – Alaska**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Arizona**

### **Contact Information**

Interim Director: [~~Barbara Richardson~~ Maria Ailor, AIE, AMCM](#)

Regulatory Agency: State of Arizona  
Arizona Department of Insurance and Financial Institutions  
100 N. 15<sup>th</sup> Avenue, Suite 261  
Phoenix, AZ 85007-2630  
(602) 364-3100

P/C SAO Contact: Kurt Regner, CFE  
Deputy Assistant Director  
(602) 364-3963  
[Kurt.Regner@DIFI.AZ.GOV](mailto:Kurt.Regner@DIFI.AZ.GOV)

Captives\* SAO Contact: Victoria E. Fimea, J. D.  
Chief Analyst  
(602) 364-0267  
[Victoria.Fimea@DIFI.AZ.GOV](mailto:Victoria.Fimea@DIFI.AZ.GOV)

### **Website Information**

Related Websites: <https://difi.az.gov/>  
[www.azleg.gov](http://www.azleg.gov)

Statutes (A.R.S.): [Arizona Revised Statutes, Title 20, Insurance](http://www.azleg.gov)

Annual Statement Checklist: [Domestic Insurers Annual Statement Checklists](http://www.azleg.gov)  
[Foreign Insurers Annual Statement Checklists](http://www.azleg.gov)

\*Please refer to page A-5 for additional discussion of captives.

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## State - Arizona

### **Admitted P/C Insurer (Including Domestic Surplus Lines Insurer)**

|                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | <a href="#">A.R.S. § 20-223(A)</a><br><a href="#">A.R.S. § 20-234(A)</a><br><a href="#">A.R.S. § 20-697(A)</a>                                                                 |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | Domestic: <u>No</u> <u>Yes</u><br>Foreign: No                                                                                                                                  |
| Filing deadline<br>Domestic: March 31<br>All Others: March 1                                                                                                                                                                                                                                      | <a href="#">A.R.S. § 20-223(A)</a>                                                                                                                                             |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1A)                                                                                                                                                            |
| Affiliation<br>Company employee: Permitted, except as noted in “Qualifications”                                                                                                                                                                                                                   | NAIC SAO Instr (1A)                                                                                                                                                            |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary Qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                                                                                                                             |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                     | NAIC SAO Instr (1)                                                                                                                                                             |
| All authorized domestic insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                | <a href="#">A.R.S. § 20-223(A)</a><br><a href="#">A.R.S. § 20-697(A)</a>                                                                                                       |
| All domestic, foreign, and alien insurers authorized to transact business in the state must file actuarial certification with the NAIC                                                                                                                                                            | <a href="#">A.R.S. § 20-234(A)</a><br><a href="#">A.R.S. § 20-223(A)</a>                                                                                                       |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                    | <a href="#">A.R.S. § 20-223(A)</a>                                                                                                                                             |
| Insurer must maintain adequate loss reserves                                                                                                                                                                                                                                                      | <a href="#">A.R.S. § 20-220.01</a><br><a href="#">A.R.S. § 20-505</a><br><a href="#">A.R.S. § 20-516</a><br><a href="#">A.R.S. § 20-506</a><br><a href="#">A.R.S. § 20-509</a> |

## State - Arizona

### **Admitted P/C Insurer (Including Domestic Surplus Lines Insurer), continued**

|                                         |                                                                           |
|-----------------------------------------|---------------------------------------------------------------------------|
| Scope of Opinion: Loss and LAE reserves | NAIC SAO Instr (4)                                                        |
| AOS Required                            | <a href="#">A.R.S. § 20-697(B)</a>                                        |
| Confidentiality or Other Information    | <a href="#">A.R.S. § 20-697.01</a><br><a href="#">A.R.S. § 20-1098.23</a> |
| AOS Contact                             | David Lee, Kurt Regner                                                    |
| Captive/RRG Contact                     | Victoria E. Fimea, J.D.                                                   |

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                                |                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qrtly statement), unless the producer and insurer work with each other in a defined way | <a href="#">A.R.S. § 20-487.02(C), (E), (F)</a> |
| Filing deadline: April 1                                                                                                                                                                                       | <a href="#">A.R.S. § 20-487.02(C)</a>           |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist acceptable to the Director</li> </ul>              | <a href="#">A.R.S. § 20-487.02(C)</a>           |
| Scope of Opinion: Loss reserves; business placed by producer                                                                                                                                                   | <a href="#">A.R.S. § 20-487.02(C)</a>           |

### **Managing General Agent (MGA)**

|                                                                                                            |                                          |
|------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">A.R.S. § 20-311</a> | <a href="#">A.R.S. § 20-311.02(B)(3)</a> |
| Qualified Actuary: An actuary                                                                              | <a href="#">A.R.S. § 20-311.02(B)</a>    |
| Scope of Opinion: Loss reserves; business produced by MGA                                                  | <a href="#">A.R.S. § 20-311.02(B)(3)</a> |

### **Mortgage Guaranty**

|                                                                                       |                                                                      |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Reserve amounts<br>Company shall maintain adequate case basis and other loss reserves | <a href="#">A.R.S. § 20-1555</a><br><a href="#">A.R.S. § 20-1556</a> |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------|

## State - Arizona

### **Prepaid Legal**

|                                |                                                                                                                  |
|--------------------------------|------------------------------------------------------------------------------------------------------------------|
| Opinion required               | <a href="#">A.R.S. § 20-223(A)</a><br><a href="#">A.R.S. § 20-1097.12</a>                                        |
| Scope of Opinion: Arizona laws | <a href="#">A.R.S. § 20-1097.10</a><br><a href="#">A.R.S. § 20-1097.12</a><br><a href="#">A.R.S. § 20-223(A)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                   |                                                                                |
|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Opinion required annually if RM (defined in <a href="#">A.R.S. § 20-486(A)(5)</a> ) sets reserves | <a href="#">A.R.S. § 20-486(A)(5)</a><br><a href="#">A.R.S. § 20-486.08(C)</a> |
| Qualified Actuary: Academy member in good standing                                                | <a href="#">A.R.S. § 20-486(A)(1)</a>                                          |
| Scope of Opinion: Loss reserves; business produced by RM                                          | <a href="#">A.R.S. § 20-486.08(C)</a>                                          |

### **Accredited Reinsurer/Authorized Reinsurer**

|                                                                                 |                                        |
|---------------------------------------------------------------------------------|----------------------------------------|
| Opinion required if state of domicile requires an opinion with annual statement | <a href="#">A.R.S. § 20-3602(D)(4)</a> |
|---------------------------------------------------------------------------------|----------------------------------------|

### **Captive Insurer**

|                                                                                                                                                                                                                                   |                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Opinion required, unless exempted by the director                                                                                                                                                                                 | <a href="#">A.R.S. § 20-1098.07(C)</a> |
| Filing Deadline:<br>90 days after the end of the fiscal year                                                                                                                                                                      | <a href="#">A.R.S. § 20-1098.07</a>    |
| Qualified Actuary either:<br><ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member in good standing, or</li><li>• individual who has demonstrated competence to the Director</li></ul> | <a href="#">A.R.S. § 20-1098.07(C)</a> |
| Captives cannot directly insure health insurance, workers' comp, title, personal home, motor vehicle insurance                                                                                                                    | <a href="#">A.R.S. § 20-1098.01</a>    |
| May take credit for reserves on risk ceded to reinsurer                                                                                                                                                                           | <a href="#">A.R.S. § 20-1098.11</a>    |
| Captive/RRG Contact                                                                                                                                                                                                               | Victoria E. Fimea, J.D.                |

## State - Arizona

### **Domestic Risk Retention Group (RRG)**

|                                                                                                                                                                                                                                   |                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                  | <a href="#">A.R.S. § 20-2402(A)</a><br><a href="#">A.R.S. § 20-2403(B)</a>                                           |
| Qualified Actuary<br>Either: <ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member in good standing, or</li><li>• individual who has demonstrated competence to the Director</li></ul> | <a href="#">A.R.S. § 20-1098.07(C)</a><br><a href="#">A.R.S. § 20-2402(A)</a><br><a href="#">A.R.S. § 20-2403(B)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                            |                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Opinion required                                                                                                                           | <a href="#">A.R.S. § 20-1098.07</a><br><a href="#">A.R.S. § 20-2403(B)(1)</a> |
| Filing deadline<br>Same as state in which RRG is licensed                                                                                  | <a href="#">A.R.S. § 20-2403(B)(1)</a>                                        |
| Qualified Actuary either: <ul style="list-style-type: none"><li>• Academy member, or</li><li>• qualified loss reserve specialist</li></ul> | <a href="#">A.R.S. § 20-2403(B)(1)</a>                                        |
| Scope of Opinion: Loss and LAE reserves                                                                                                    | <a href="#">A.R.S. § 20-2403(B)(1)</a>                                        |

### **Mechanical Reimbursement Reinsurer**

|                                            |                                                                            |
|--------------------------------------------|----------------------------------------------------------------------------|
| Opinion required                           | <a href="#">A.R.S. § 20-1096.05</a>                                        |
| Filing deadline: April 1                   | <a href="#">A.R.S. § 20-1096.05</a>                                        |
| Scope of Opinion: Policy and loss reserves | <a href="#">A.R.S. § 20-1096.05</a><br><a href="#">A.R.S. § 20-1096.07</a> |

### **Product Liability**

|                                                                                                                                                                      |                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Scope of Opinion: A list of claims closed during the preceding calendar year in which the insured is located in AZ must be filed at the time of the annual statement | <a href="#">A.R.S. § 20-223.01</a> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|

### **Professional Liability**

|                                                                                                            |                                  |
|------------------------------------------------------------------------------------------------------------|----------------------------------|
| Scope of Opinion: The director may require that additional information be included in the annual statement | <a href="#">A.R.S. § 20-1741</a> |
|------------------------------------------------------------------------------------------------------------|----------------------------------|

## State - Arizona

### Title Insurer

|                                                                                                                                                                                            |                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                           | <a href="#">A.R.S. § 20-223(A)</a><br><a href="#">A.R.S. § 20-234(A)</a><br><a href="#">A.R.S. § 20-697(A)</a>                               |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                 | Domestic: <a href="#">No</a> <a href="#">Yes</a><br>Foreign: No                                                                              |
| Filing deadline:<br>Domestic: March 31<br>Foreign: March 1                                                                                                                                 | <a href="#">A.R.S. § 20-223(A)</a>                                                                                                           |
| Actuary<br>Qualifications<br>Either: <ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li></ul>      | NAIC SAO Instr (1A) Title                                                                                                                    |
| Affiliation<br>Company employee: Permitted, except as noted in “Qualifications”                                                                                                            | NAIC SAO Instr (1A)                                                                                                                          |
| Appointment <ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports to Board</li></ul>                                      | NAIC SAO Instr (1) Title                                                                                                                     |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"><li>• notify Comm'r within 5 days</li><li>• provide separate letter within 10 days concerning disagreements</li></ul> | NAIC SAO Instr (1) Title                                                                                                                     |
| All authorized domestic insurers must follow NAIC SAO Instructions                                                                                                                         | <a href="#">A.R.S. § 20-223(A)</a><br><a href="#">A.R.S. § 20-697(A)</a>                                                                     |
| All domestic, foreign, and alien insurers authorized to transact business in the state must file actuarial certification with the NAIC                                                     | <a href="#">A.R.S. § 20-234(A)</a>                                                                                                           |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                             | <a href="#">A.R.S. § 20-223(A)</a>                                                                                                           |
| Insurer must maintain reserves estimated to be sufficient to provide for the payment of loss and LAE on claims for which it has received notice; must maintain unearned premium reserve    | <a href="#">A.R.S. § 20-1568</a><br><a href="#">A.R.S. § 20-1569</a><br><a href="#">A.R.S. § 20-1570</a><br><a href="#">A.R.S. § 20-1572</a> |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                           | NAIC SAO Instr (4) Title                                                                                                                     |

## State - Arizona

### **Title Insurer, continued**

|                                                                                                                                                                  |                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Title-statutory premium reserve – Domestic<br>Formula prescribed in the NAIC's Accounting Practices and Procedures Manual                                        | <a href="#">A.R.S. § 20-1569</a> |
| Title-statutory premium reserve – Foreign (title)<br>Same as domiciliary state, provided it is mandatory and substantially equivalent to requirements in Arizona | <a href="#">A.R.S. § 20-1568</a> |

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li><li>• Director's discretion: Exempted by the Director</li></ul> | NAIC SAO Instr (1B)<br><br><a href="#">A.R.S. § 20-1098.07</a><br><a href="#">A.R.S. § 20-2403(B)</a> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|

## State - Arkansas

### Contact Information

|                        |                                                                                                                                                                                                                          |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commissioner:          | <u>Jimmy Harris</u><br><u>Alan McClain</u>                                                                                                                                                                               |
| Regulatory Agency:     | Arkansas Insurance Department<br>Attn: Finance Division<br>1 Commerce Way, Suite 505<br>Little Rock, AR 72202-2087                                                                                                       |
| P/C SAO Contact:       | <u>Booth Rand</u><br><u>Sara Farris</u><br>Deputy Commissioner/General Counsel<br>(501) 371-2820 (Phone)<br><u>(501) 371-2639 (FAX)</u><br><u>booth.rand@sara.farris@arkansas.gov</u>                                    |
| Captives* SAO Contact: | Mel Anderson<br>Insurance Deputy Commissioner<br>Financial Regulation<br>(501) 371-2665<br><u>mel.anderson@arkansas.gov</u><br>or<br>Leo Liu<br>Chief Financial Analyst<br>(501) 371-2665<br><u>leo.liu@arkansas.gov</u> |

### Website Information

|                                   |                                                                                                                                                          |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Department Website:               | <a href="http://www.insurance.arkansas.gov">www.insurance.arkansas.gov</a>                                                                               |
| Related Website:                  | <a href="http://www.arkansas.gov">www.arkansas.gov</a>                                                                                                   |
| Statutes (Stat):                  | <a href="http://Arkansas Code Annotated (ACA) (must allow cookies to access code)">Arkansas Code Annotated (ACA) (must allow cookies to access code)</a> |
| Regulations (Reg, <u>CAR</u> )**: | <a href="http://Code of Arkansas Rules">Code of Arkansas Rules</a>                                                                                       |
| Bulletins (Bul):                  | <a href="http://Arkansas Bulletins">Arkansas Bulletins</a>                                                                                               |
| Annual Statement Checklists:      | <a href="http://Financial Statement and Other Filings Checklists">Financial Statement and Other Filings Checklists</a>                                   |

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\*Please refer to page A-5 for additional discussion of captives.

\*\* [Arkansas agencies have consolidated their rules/regulations into a complete “Code of Arkansas Rules” or CAR. Arkansas Rules, as previously numbered, along with the newly renamed and reformatted Rules are available on the website.](http://Arkansas agencies have consolidated their rules/regulations into a complete ‘Code of Arkansas Rules’ or CAR. Arkansas Rules, as previously numbered, along with the newly renamed and reformatted Rules are available on the website.)

## **State - Arkansas**

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- Reinsurance Intermediary-Manager
- Foreign Risk Retention Group
- Captive Insurer

#### Title Insurer

#### SAO Exemptions

## State - Arkansas

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | <a href="#">ACA 23-63-216(e)(1),(2)</a><br><a href="#">ACA § 23-63-1903</a><br>Domestic: <a href="#">23 CAR § 10-106</a><br>(formerly <a href="#">Reg 16 § 8</a> )<br>Domestic Malpractice insurance:<br><a href="#">ACA 23-67-504(b)</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | <a href="#">No</a> <a href="#">Yes</a>                                                                                                                                                                                                    |
| Filing deadline: March 1                                                                                                                                                                                                                                                                          | <a href="#">ACA 23-63-216(a)(1)</a>                                                                                                                                                                                                       |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• CAS member, or</li> <li>• approved by Comm'r (7 yrs experience) (insurer must request 90 days prior to filing)</li> <li>• Company employee permitted, except as noted</li> </ul>                 | <a href="#">23 CAR § 10-103</a> (formerly <a href="#">Reg 16 § 5</a> )<br><del><a href="#">Reg 16 § 5(4)</a></del>                                                                                                                        |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                                                                                                                                                                                        |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                     | NAIC SAO Instr (1)                                                                                                                                                                                                                        |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                        | <a href="#">ACA 23-63-216(a)(3),(e)(2)</a><br>Domestic: <a href="#">23 CAR § 10-106</a><br>(formerly <a href="#">Reg 16 § 8</a> )<br><a href="#">Bul_1-2025.pdf</a> <del><a href="#">Bul_1-2024</a></del>                                 |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                    | <a href="#">ACA 23-63-216(a)(2),(3)</a><br>Domestic: <a href="#">23 CAR § 10-106</a><br>(formerly <a href="#">Reg 16 § 8</a> )<br><a href="#">Bul_1-2025.pdf</a> <del><a href="#">Bul_1-2024</a></del>                                    |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                                                                                                                                                                                        |
| Reserve amounts: Insurer must follow NAIC Accounting Practices and Procedures Manual                                                                                                                                                                                                              | <a href="#">ACA 23-63-604</a><br><a href="#">Bul_1-2025.pdf</a> <del><a href="#">Bul_1-2024</a></del>                                                                                                                                     |
| AOS Required                                                                                                                                                                                                                                                                                      | <a href="#">ACA 23-63-1903</a>                                                                                                                                                                                                            |
| Confidentiality or Other Information                                                                                                                                                                                                                                                              | <a href="#">ACA 23-63-1905</a>                                                                                                                                                                                                            |
| AOS Contact                                                                                                                                                                                                                                                                                       | Mel A. Anderson, Deputy Commissioner, Financial Regulation<br>Leo Liu, Chief Financial Analyst                                                                                                                                            |

## State - Arkansas

### **Producer-controlled Insurer**

|                                                                                                                                                                                                                             |                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement of the prior year), unless the producer and insurer work exclusively with each other | <a href="#">ACA 23-63-1105(a)</a>    |
| Filing deadline: April 1                                                                                                                                                                                                    | <a href="#">ACA 23-63-1105(d)(1)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist acceptable to Comm'r</li> </ul>                                 | <a href="#">ACA 23-63-1105(d)(1)</a> |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                                                 | <a href="#">ACA 23-63-1105(d)(1)</a> |

### **Managing General Agent (MGA)**

|                                                                                                                                                     |                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">ACA 23-64-402(c)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">ACA 23-64-405(b)</a> |
| Filing deadline: No provision, other than "annual"                                                                                                  | <a href="#">ACA 23-64-405(b)</a> |
| Qualified Actuary: Academy member in good standing                                                                                                  | <a href="#">ACA 23-64-402(a)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                           | <a href="#">ACA 23-64-405(b)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                              |                                  |
|----------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if RM (defined in <a href="#">ACA 23-62-402(7)</a> ) sets reserves | <a href="#">ACA 23-62-410(c)</a> |
| Filing deadline: No provision, other than "annual"                                           | <a href="#">ACA 23-62-410(c)</a> |
| Qualified Actuary: Academy member in good standing                                           | <a href="#">ACA 23-62-402(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                     | <a href="#">ACA 23-62-410(c)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                                 |                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Opinion required                                                                                                                                                | <a href="#">ACA 23-94-205(2)(A)</a> |
| Filing deadline: March 1                                                                                                                                        | <a href="#">ACA 23-94-205(2)</a>    |
| Qualified Actuary: Either <ul style="list-style-type: none"> <li>• qualified loss reserve specialist per NAIC criteria, or</li> <li>• Academy member</li> </ul> | <a href="#">ACA 23-94-205(2)(A)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                         | <a href="#">ACA 23-94-205(2)(A)</a> |

## State - Arkansas

### Captive Insurer

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                   |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Filing deadline:                        | <ul style="list-style-type: none"> <li>• March 1 if included as part of AnnStat</li> <li>• March 1 for association captive insurance companies and industrial insured groups</li> <li>• Producer reinsurance captive or pure captive may apply to file 60 days after its fiscal year-end</li> <li>• 60 days after fiscal year-end for branch captive, unless waived in whole or in part</li> </ul> | <a href="#">ACA 23-63-1607(b)(1)</a><br><a href="#">ACA 23-63-1607(b)(3)(A)</a><br><br><a href="#">ACA 23-63-1607(c)</a><br><br><a href="#">ACA 23-63-1607(d)</a> |
| Scope of Opinion: Loss and LAE reserves |                                                                                                                                                                                                                                                                                                                                                                                                    | NAIC SAO Instr (4)                                                                                                                                                |

### Title Insurer

|                                                                   |                                                                                                                                                                             |
|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                  | <a href="#">ACA 23-63-216(e)</a><br><a href="#">23 CAR § 10-106 (formerly Reg 16 § 8)</a>                                                                                   |
| Original Signature (Handwritten on Paper) Required for SAO        | <a href="#">No</a> <a href="#">Yes</a>                                                                                                                                      |
| Filing deadline: March 1                                          | Domestic: <a href="#">ACA 23-63-216(a)(1)</a>                                                                                                                               |
| Actuary                                                           |                                                                                                                                                                             |
| Qualifications                                                    |                                                                                                                                                                             |
| • CAS member in good standing, or                                 | NAIC SAO Instr (1A) Title                                                                                                                                                   |
| • Academy member approved by Casualty Practice Council            |                                                                                                                                                                             |
| • Company employee permitted except as noted                      |                                                                                                                                                                             |
| Appointment                                                       |                                                                                                                                                                             |
| • By Board of Directors or equivalent                             | NAIC SAO Instr (1) Title                                                                                                                                                    |
| • By December 31                                                  |                                                                                                                                                                             |
| • Reports to Board                                                |                                                                                                                                                                             |
| Change of Actuary                                                 |                                                                                                                                                                             |
| Company must:                                                     |                                                                                                                                                                             |
| • notify Comm'r within 5 days                                     | NAIC SAO Instr (1) Title                                                                                                                                                    |
| • provide separate letter within 10 days concerning disagreements |                                                                                                                                                                             |
| Insurers must follow NAIC SAO Instructions                        | <a href="#">ACA 23-63-216(a)(3),(e)(2)</a><br>Domestic: <a href="#">23 CAR § 10-106 (formerly Reg 16 § 8)</a><br><a href="#">Bul_1-2025.pdf</a> <a href="#">Bull 1-2024</a> |
| Insurers must follow NAIC AnnStat Instructions                    | <a href="#">ACA 23-63-216(a)(2),(3)</a><br>Domestic: <a href="#">23 CAR § 10-106 (formerly Reg 16 § 8)</a><br><a href="#">Bul_1-2025.pdf</a> <a href="#">Bull 1-2024</a>    |
| Scope of Opinion: Loss and loss expense reserves                  | NAIC SAO Instr (4) Title                                                                                                                                                    |

## State - Arkansas

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State – California**

### **Contact Information**

Commissioner: Ricardo Lara

Regulatory Agency: Department of Insurance  
300 Capitol Mall  
Suite 1700  
Sacramento, CA 95814  
(916) 492-3500

P/C SAO Contact: Giovanni Mazzarelli, MAAA, FCAS  
Senior Casualty Actuary  
(415) 538-4206  
[giovanni.mazzarelli@insurance.ca.gov](mailto:giovanni.mazzarelli@insurance.ca.gov)

### **Website Information**

Related Website: <http://www.insurance.ca.gov/>

Statutes (Stat): [Insurance Code](#)

Regulations (Reg): [Admin Code, Title 10](#)

Letters: 2/21/86

Special California Schedule P: “[SCASP](#)”

Questions and Answers (Q&A): ["SCASP" Part VII - Actuarial Certification Q&A's](#)

Annual Statement Checklists: [Forms by Type of Business](#)

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#### Title Insurer

#### SAO Exemptions

## State – California

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                   |                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | <a href="#">Stat 923.6(a)</a> (Amended by Stats. 2021, Ch. 615, Sec. 299) |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | No (but preferred)                                                        |
| Filing deadline: March 1                                                                                                                                                                                                                                                                          | <a href="#">Stat 931(a)</a>                                               |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1A)                                                       |
| Affiliation: Company Employee<br>Permitted, except Comm'r can require independent actuary                                                                                                                                                                                                         | <a href="#">Stat 925</a>                                                  |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                        |
| Change of Actuary<br>Company must notify Comm'r within 5 days and provide separate letter within next 10 days concerning disagreements                                                                                                                                                            | NAIC SAO Instr (1)                                                        |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                        | <a href="#">Stat 923.6(a)</a> (Amended by Stats. 2021, Ch. 615, Sec. 299) |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                    | <a href="#">Stat 931(a)</a>                                               |
| Reserve Amounts: Insurer must maintain reserves estimated in the aggregate to provide for the payment of loss and LAE on claims for which the insurer may be liable                                                                                                                               | <a href="#">Stat 923.5</a>                                                |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                        |
| Discounting<br>Not allowed at all for California domestics; allowed for non-domestics for WC tabular                                                                                                                                                                                              | Letter 2/21/86                                                            |
| Financial guaranty<br>Discount rate equal to average rate of return on admitted assets, as of evaluation date; adjusted each calendar year                                                                                                                                                        | <a href="#">Stat 12109(a)</a>                                             |

## State – California

### **Admitted P/C Insurer, continued**

|                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <p>Subrogation and Salvage</p> <ul style="list-style-type: none"> <li>• must have been reduced to cash or any asset readily convertible to cash</li> <li>• financial guaranty – no deduction unless:           <ul style="list-style-type: none"> <li>▪ salvage under control of insurer and qualifies as admitted asset, or</li> <li>▪ salvage secured by irrevocable letter of credit approved by Comm'r</li> </ul> </li> </ul> | <p><a href="#">Reg 10 § 2302</a></p> <p><a href="#">Stat 12109(b)</a></p>        |
| <p>Special CA Schedule P (SCASP) must be filed by March 1 for companies licensed in California; WC reserves reported on SCASP should make a reasonable provision for all unpaid loss and LAE obligations for California WC exposure under the terms of its contracts and agreements</p>                                                                                                                                           | <p><a href="#">Q&amp;A: CA WC</a></p>                                            |
| <p>AOS Required</p>                                                                                                                                                                                                                                                                                                                                                                                                               | <p><a href="#">Stat 923.6(b)</a> (Amended by Stats. 2021, Ch. 615, Sec. 299)</p> |
| <p>Confidentiality or Other Information</p>                                                                                                                                                                                                                                                                                                                                                                                       | <p><a href="#">Stat 923.6(f)</a> (Amended by Stats. 2021, Ch. 615, Sec. 299)</p> |
| <p>AOS Contact</p>                                                                                                                                                                                                                                                                                                                                                                                                                | <p>Financial Analysis Division</p>                                               |

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                                             |                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| <p>Opinion required if GWP placed by producer is <math>\geq</math> 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other</p> | <p><a href="#">Stat 1216.3(a), (d)</a></p> |
| <p>Filing deadline: April 1</p>                                                                                                                                                                                             | <p><a href="#">Stat 1216.3(d)</a></p>      |
| <p>Qualified Actuary is either:</p> <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>                            | <p><a href="#">Stat 1216.3(d)</a></p>      |
| <p>Scope of Opinion: Loss reserves, including IBNR; business placed by producer</p>                                                                                                                                         | <p><a href="#">Stat 1216.3(d)</a></p>      |

### **Managing General Agent (MGA)**

|                                                                                                              |                                       |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------|
| <p>Opinion required annually if MGA (as defined in <a href="#">Stat 769.81(c)</a>) sets reserves</p>         | <p><a href="#">Stat 769.84(b)</a></p> |
| <p>Qualified Actuary: member in good standing of the Academy, the CAS, or SOA, and qualified to sign SAO</p> | <p><a href="#">Stat 769.81(a)</a></p> |
| <p>Scope of Opinion: Loss reserves; business produced by MGA</p>                                             | <p><a href="#">Stat 769.84(b)</a></p> |

## State – California

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                      |                                |
|------------------------------------------------------------------------------------------------------|--------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 1781.2(h)</a> ) sets reserves           | <a href="#">Stat 1781.9(c)</a> |
| Qualified Actuary: member in good standing of the Academy, the CAS or SOA, and qualified to sign SAO | <a href="#">Stat 1781.2(a)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                             | <a href="#">Stat 1781.9(c)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                        |                                |
|------------------------------------------------------------------------|--------------------------------|
| Opinion required annually                                              | <a href="#">Stat 132(b)(1)</a> |
| Qualified Actuary: Academy member or qualified loss reserve specialist | <a href="#">Stat 132(b)(1)</a> |
| Scope of Opinion: Loss and LAE reserves                                | <a href="#">Stat 132(b)(1)</a> |

### **Title Insurer**

|                                                                                                                                                                                       |                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                      | <a href="#">Stat 931(a)</a>                                               |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                            | No (but preferred)                                                        |
| Filing deadline: March 1                                                                                                                                                              | <a href="#">Stat 931(a)</a>                                               |
| Actuary<br>Qualifications<br>Either: <ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li></ul> | NAIC SAO Instr (1A) Title                                                 |
| Affiliation: Company employee permitted, except Comm'r can require independent actuary                                                                                                | <a href="#">Stat 925</a>                                                  |
| Appointment <ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports to Board</li></ul>                                 | NAIC SAO Instr (1) Title                                                  |
| Change of Actuary<br>Company must notify Comm'r within 5 days and provide separate letter within next 10 days concerning disagreements                                                | NAIC SAO Instr (1) Title                                                  |
| Insurers must follow NAIC SAO Instructions                                                                                                                                            | <a href="#">Stat 923.6(a)</a> (Amended by Stats. 2021, Ch. 615, Sec. 299) |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                        | <a href="#">Stat 931(a)</a>                                               |
| Reserve amounts: Insurer must maintain reserves reasonably necessary to provide for unpaid losses and LAE                                                                             | <a href="#">Stat 12388</a>                                                |

## State – California

### Title insurer, continued

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | NAIC SAO Instr (4) Title                                                                                                                                                                                                                                                                                        |
| <p>Statutory premium reserve:</p> <p>For policies issued;</p> <ul style="list-style-type: none"> <li>• Prior to Jan. 1, 1988 - 2 percent of total policy charges; released 10 percent per year, first five years and 3.33 percent per year thereafter (reinsurers reserve only that portion not booked by direct writer)</li> <li>• From Jan. 1, 1988 to Dec. 31, 1993 - 2.5 percent of total policy charges; released 10 percent per year for 10 years (reinsurers reserve only that portion not booked by direct writer)</li> <li>• On and after Jan. 1, 1994 - 4.5 percent of (direct premiums written plus other income plus reinsurance assumed less reinsurance ceded); released 10 percent per year for first five years, 9 percent per year for next five years, and 0.5 percent per year for next 10 years</li> <li>• Prior to Jan. 1, 1994 - use the 4.5 percent factor and formula; one-sixth of the excess of that calculation over the above calculation shall be added to the reserve for the six years beginning with 1994; the amount added in 1994 shall be released 10 percent per year for 10 years; the amount added in 1995 shall be released equally over 9 years; the amount added in 1996 shall be released equally over 8 years; etc.</li> </ul> | <p><a href="#">Stat 12382.2(a)</a><br/> <a href="#">Stat 12382.5(a)</a></p> <p><a href="#">Stat 12382.2(b)</a><br/> <a href="#">Stat 12382.5(b)</a></p> <p><a href="#">Stat 12382.2(c)</a><br/> <a href="#">Stat 12382.5(c)</a></p> <p><a href="#">Stat 12382.2(d)</a><br/> <a href="#">Stat 12382.5(d)</a></p> |
| <p>Statutory premium reserve for assumed reinsurance:</p> <p>If substantially entire liability is reinsured, unearned premium reserve for reinsurer cannot be less than two-thirds of reserve required for ceding company</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <a href="#">Stat 12382.6</a>                                                                                                                                                                                                                                                                                    |

### SAO Exemptions

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"> <li>• Small companies: <ul style="list-style-type: none"> <li>▪ less than \$1 million D&amp;A WP, and</li> <li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li> </ul> </li> <li>• Under supervision or conservatorship</li> <li>• Nature of business - submit to domiciliary Comm'r</li> <li>• Financial hardship – if cost of SAO exceeds either: <ul style="list-style-type: none"> <li>▪ 1 percent capital &amp; surplus, or</li> <li>▪ 3 percent D&amp;A WP</li> </ul> </li> <li>• File for exemption by December 1</li> </ul> | NAIC SAO Instr (1B) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State – California**

### **Letter dated 2/21/86:**

TO: ALL PROPERTY AND CASUALTY INSURERS  
ADMITTED TO DO BUSINESS IN THE STATE OF CALIFORNIA

SUBJECT: Loss Reserve Discounting

Dear CEO or President:

A growing number of property/casualty insurers have recently announced that they will be reporting unpaid losses and loss adjustment expenses on a discounted basis in their 1985 annual statements.

The purpose of this letter is to remind you that the California Department of Insurance does not permit loss reserve discounting. Neither the California Insurance Code (Sections 923.5 and 11558) nor the California Administrative Code have any specific provisions for allowing credit for the present value of future income on property/casualty loss reserves (i.e., discounting). Hence, this Department does not sanction explicit or implicit discounting of loss reserves (with the exception of workers' compensation reserves discounted on a tabular basis pursuant to regulations promulgated by the National Council of Compensation Insurance or where prescribed by the insurance laws of an insurer's domiciliary state) nor the reporting of discounted reserves on any financial statements filed with the California Department of Insurance.

Very truly yours,

BRUCE BUNNER  
Insurance Commissioner

## **State - Colorado**

### **Contact Information**

|                        |                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commissioner:          | Michael Conway                                                                                                                                                                                                                                                                                                                                                                                  |
| Regulatory Agency:     | Division of Insurance<br>Colorado Department of Regulatory Agencies<br>1560 Broadway, Suite 850<br>Denver, CO 80202<br>(303) 894-7550   1-(800)-930-3745                                                                                                                                                                                                                                        |
| P/C SAO Contact:       | <u>Cindy Hathaway</u> <del>Mitchell Bronson</del><br><u>Financial/Credit Director, Corporate Affairs</u> <del>Colorado Division of Insurance</del><br><del>(303) 894-74992192</del><br><del><a href="mailto:DORA_INS_CorporateAffairs@state.co.us">DORA_INS_CorporateAffairs@state.co.us</a></del><br><del><a href="mailto:mitchell.bronson@state.co.us">mitchell.bronson@state.co.us</a></del> |
| Captives* SAO Contact: | Cindy Hathaway<br>Financial/Credit Director, Corporate Affairs<br>(303) 894-7499836<br><u><a href="mailto:DORA_INS_CorporateAffairs@state.co.us">DORA_INS_CorporateAffairs@state.co.us</a></u><br><u><a href="mailto:cindy.hathaway@state.co.us">cindy.hathaway@state.co.us</a></u>                                                                                                             |

### **Website Information**

|                              |                                                                                                                                                   |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| State Website:               | <a href="https://doi.colorado.gov/">https://doi.colorado.gov/</a>                                                                                 |
| Related Website:             | <a href="https://doi.colorado.gov/insurance-statutes-regulations-bulletins">https://doi.colorado.gov/insurance-statutes-regulations-bulletins</a> |
| Statutes (Stat):             | <a href="#">Insurance Code, Title 10</a>                                                                                                          |
| Regulations (Reg):           | <a href="#">Code of Colorado Regulations Department of Regulatory Agencies, Division of Insurance</a>                                             |
| Annual Statement Checklists: | <a href="#">Annual Statement Filing Requirements</a>                                                                                              |

\*Please refer to page A-5 for additional discussion of captives.

## **State - Colorado**

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#### Title Insurer

#### SAO Exemptions

## State - Colorado

### **Admitted P/C Insurer**

|                                                                                                                                                                                                                                                                                                   |                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Opinion required, non-domestic company filing opinion with NAIC is exempt from filing opinion with CO division of insurance                                                                                                                                                                       | <a href="#">Reg 3-1-3 § 5</a>          |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | No                                     |
| Filing deadline: March 1                                                                                                                                                                                                                                                                          | <a href="#">Reg 3-1-3 § 5</a>          |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul>                                                                                                                     | <a href="#">Reg 3-1-3 § 4(B) and 5</a> |
| Affiliation<br>Company employee: permitted, except as noted in “Qualifications”                                                                                                                                                                                                                   | NAIC SAO Instr (1A)                    |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                     |
| Change of Actuary<br>Company must notify Comm'r within 5 days and provide separate letter within next 10 days concerning disagreements                                                                                                                                                            | NAIC SAO Instr (1)                     |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                        | <a href="#">Reg 3-1-3 § 5</a>          |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                    | <a href="#">Reg 3-1-10 § 4(A)</a>      |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                     |
| Reserve amounts<br>Insurer must meet standards of AnnStat Instructions                                                                                                                                                                                                                            | <a href="#">Reg 3-1-3 § 5</a>          |
| Amount - domestic companies<br>Must reflect best estimate of obligations, using reasonable assumptions and appropriate actuarial methods and verified by the opining actuary; if less than actuary's best estimate, must submit actuarial report within 30 days                                   | <a href="#">Reg 3-1-3 § 6(A)</a>       |
| Scope - domestic companies<br>All company balance sheet amounts that are established through actuarial principles                                                                                                                                                                                 | <a href="#">Reg 3-1-3 § 6(B)</a>       |

## State - Colorado

### Admitted P/C Insurer, continued

|                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Discounting - domestic companies<br>Reserves may not be discounted, with the exception of reserves established for losses with fixed and determinable future payments; interest rate may not exceed the lesser of: 1) the company's rate of return on statutory invested assets, or 2) the 20-year duration valuation rate determined pursuant to 10-7-309.5; rate available upon request from Actuarial Section of the Colorado Division of Insurance | <a href="#">Reg 3-1-3 § 6(D)</a>                                                      |
| Discounting Tabular<br>Permitted for losses with fixed and determinable future payments                                                                                                                                                                                                                                                                                                                                                                | <a href="#">Reg 3-1-3 § 6(D)</a>                                                      |
| Subrogation and Salvage<br>Permitted if reduction based upon the company's past experience and current and reasonably anticipated activities. Reduction must be evaluated, analyzed, and opined upon by the actuary. Must include expenses.                                                                                                                                                                                                            | <a href="#">Reg 3-1-3 § 6(E)</a>                                                      |
| Reinsurance - domestic companies:<br>Opinion may reflect reinsurance if the reinsurance agreements comply with <a href="#">Reg 3-3-3</a> and <a href="#">Reg 3-3-5</a>                                                                                                                                                                                                                                                                                 | <a href="#">Reg 3-1-3 § 6(C)</a>                                                      |
| AOS Required                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                       |
| Confidentiality or Other Information                                                                                                                                                                                                                                                                                                                                                                                                                   | <a href="#">Reg 3-1-3 § 6(A)</a>                                                      |
| AOS Contact                                                                                                                                                                                                                                                                                                                                                                                                                                            | <a href="#">Cindy Hathaway</a><br><a href="#">Mitchell</a><br><a href="#">Bronson</a> |

### Producer-Controlled Insurer

|                                                                                                                                                                                               |                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in prior AnnStat), unless the producer and insurer work exclusively with each other | <a href="#">Stat 10-4-1202 (4)</a> |
| Filing deadline: April 1                                                                                                                                                                      | <a href="#">Stat 10-4-1202 (4)</a> |
| Qualified Actuary is both: <ul style="list-style-type: none"> <li>• qualified as for Property &amp; Casualty insurer, and</li> <li>• independent of the ins. company and producer</li> </ul>  | <a href="#">Stat 10-4-1202 (4)</a> |
| Scope of Opinion<br>Loss reserves including IBNR; business placed by producer                                                                                                                 | <a href="#">Stat 10-4-1202 (4)</a> |

## State - Colorado

### Managing General Agent

|                                                                                                                                                       |                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 10-2-1002 (2)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 10-2-1005 (2)</a> |
| Filing deadline: Due date for the AnnStat                                                                                                             | <a href="#">Reg 3-1-3 § 5</a>      |
| Scope of Opinion<br>Loss reserves; business produced by MGA                                                                                           | <a href="#">Stat 10-2-1005 (2)</a> |

### Reinsurance Intermediary-Manager

|                                                            |                                   |
|------------------------------------------------------------|-----------------------------------|
| Opinion required annually if RM sets reserves              | <a href="#">Stat 10-2-909 (3)</a> |
| Filing deadline: Due date for the AnnStat                  | <a href="#">Reg 3-1-3 § 5</a>     |
| Scope of Opinion<br>Loss reserves; business produced by RM | <a href="#">Stat 10-2-909 (3)</a> |

### Public Entity SI Pool

|                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Report required                                                                                                                                                                                                                                                                                                                                                                                              | <a href="#">Reg 2-2-1 § 12(D)</a>                                         |
| Filing deadline:<br>Within 7 mos. of the end of the fiscal year                                                                                                                                                                                                                                                                                                                                              | <a href="#">Reg 2-2-1 § 12(C)</a><br><a href="#">Reg 2-2-1 § 12(D)(3)</a> |
| Scope of Opinion<br>Loss reserves (must be sufficient to maintain minimum statutory surplus), loss funding methodology, and adequacy of pool's reserves. Report shall describe loss funding levels, pure risk rate                                                                                                                                                                                           | <a href="#">Reg 2-2-1 § 12(D)</a>                                         |
| Discounting <ul style="list-style-type: none"> <li>• Permitted for lines that have an expected payout period extending beyond 3 years with no more than 75 percent of the expected payout within the first 2 years, or fixed or certain payment dates.</li> <li>• Requires approval and requires limitation on interest rate. Also, undiscounted reserves must be at 95 percent confidence level.</li> </ul> | <a href="#">Reg 2-2-1 § 13</a>                                            |

### Group WC SI pool

|                                                                                                                                             |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| Study required annually                                                                                                                     | <a href="#">Reg 2-2-2 § 14(E)</a>              |
| Filing deadline: August 1                                                                                                                   | <a href="#">Reg 2-2-2 § 14(D) &amp; (E)(3)</a> |
| Scope of Opinion<br>Rates, funding, and loss reserves (funding levels must be sufficient to pay obligations and maintain statutory surplus) | <a href="#">Reg 2-2-2 § 14(E)</a>              |

## State - Colorado

### **Captive Insurer**

|                                                                                                                                                                                                                                                                                           |                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| Opinion and report required                                                                                                                                                                                                                                                               | <a href="#">Reg 3-1-3 § 5</a><br><a href="#">Reg 2-3-1 § 4(B)</a> |
| Filing deadline:<br>60 days after fiscal year-end; opinion report due 90 days after fiscal year-end                                                                                                                                                                                       | <a href="#">Reg 2-3-1 § 4(B)</a>                                  |
| Discounting <ul style="list-style-type: none"> <li>• Must have authorization from Comm'r; permitted only for specific types of claims authorized in the Statement of Statutory Accounting Principles.</li> <li>• Undiscounted reserves must be at 95 percent confidence level.</li> </ul> | <a href="#">Reg 2-3-1 § 9</a>                                     |

### **Authorized Surplus Lines Carrier**

|                                              |                               |
|----------------------------------------------|-------------------------------|
| Opinion required                             | <a href="#">Reg 3-1-3 § 5</a> |
| Filing deadline:<br>Due date for the AnnStat | <a href="#">Reg 3-1-3 § 5</a> |

### **Foreign Risk Retention Group (RRG)**

|                                              |                                                                |
|----------------------------------------------|----------------------------------------------------------------|
| Opinion required                             | <a href="#">Reg 3-1-3 § 5</a><br><a href="#">Reg 2-1-8 § 6</a> |
| Filing deadline:<br>Due date for the AnnStat | <a href="#">Reg 3-1-3 § 5</a>                                  |

### **Authorized Non-Admitted Reinsurer**

|                                              |                               |
|----------------------------------------------|-------------------------------|
| Opinion required                             | <a href="#">Reg 3-1-3 § 5</a> |
| Filing deadline:<br>Due date for the AnnStat | <a href="#">Reg 3-1-3 § 5</a> |

## State - Colorado

### **Title Insurer**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <a href="#">Reg 3-1-3 § 5</a>                              |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | No                                                         |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <a href="#">Reg 3-1-3 § 5</a>                              |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                         | <a href="#">Reg 3-1-3 § 4(B) and 5</a>                     |
| Affiliation<br>Company employee: permitted, except as noted in “Qualifications”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | NAIC SAO Instr (1A)                                        |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                             | NAIC SAO Instr (1) Title                                   |
| Change of Actuary<br>Company must notify Comm'r within 5 days and provide separate letter within next 10 days concerning disagreements                                                                                                                                                                                                                                                                                                                                                                                                                                                                | NAIC SAO Instr (1) Title                                   |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <a href="#">Reg 3-1-3 § 5</a>                              |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <a href="#">Reg 3-1-10 § 4(A)</a>                          |
| Statutory premium reserve:<br>Initially, sum of (1) unearned premium reserve on July 1, 1969 (2) \$1 per policy and 15 cents per \$1,000 net retained liability on risks written after June 30, 1969; released on and before Dec. 31, 2000, 10 percent per year, first five years and 3.33 percent per year thereafter; (for reinsurer) if substantially entire liability is reinsured, unearned premium reserve cannot be less than two-thirds of reserve required for ceding company; on and after Jan. 1, 2001, in accordance with nationally recognized insurance statutory accounting principles | <a href="#">Stat 10-11-110</a>                             |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | NAIC SAO Instr (4) Title<br><a href="#">Stat 10-11-111</a> |

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                |                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Filing deadline <ul style="list-style-type: none"> <li>• May request exemption or extension up to 15 days prior to opinion filing deadline</li> <li>• Public entity SI pool may request waiver (Comm'r may require letter from qualified actuary justifying waiver)</li> </ul> | <a href="#">Reg 3-1-3 § 7</a><br><a href="#">Reg 2-2-1 § 12(D)(4)</a> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|

## **State - Connecticut**

### **Contact Information**

Interim Commissioner:

Josh Hershman~~Andrew N. Mais~~

Regulatory Agency:

Connecticut Insurance Department  
153 Market Street, 7<sup>th</sup> Floor  
Hartford, CT 06103  
(860) 297-3800

Mailing Addresses:

Overnight Mail  
153 Market Street, 7<sup>th</sup> Floor  
Hartford, CT 06103

Standard Mail  
P.O. Box 816  
Hartford, CT 06142-0816

P/C SAO Contact:

Wanchin W. Chou  
Chief Insurance Actuary and Assistant Deputy Commissioner  
(860) 297-3943  
[Wanchin.Chou@ct.gov](mailto:Wanchin.Chou@ct.gov)

Captives\* SAO Contact:

Fenhua Liu  
Assistant Deputy Commissioner & Director, Captive Insurance  
Division  
(860) 297-3935  
[Fenhua.Liu@ct.gov](mailto:Fenhua.Liu@ct.gov)

### **Website Information**

Related Website:

<https://portal.ct.gov/cid>

Statutes (Stat):

[Connecticut State Insurance Statutes - Title 38a](#)

Regulations (Reg):

[Connecticut Insurance Department Regulations](#)

Bulletins (FS):

[Connecticut Bulletins](#)

Annual Statement Checklists:

[Annual Statement Filing Requirements](#)

\*Please refer to page A-5 for additional discussion of captives.

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#### Title Insurer

#### SAO Exemptions

## State - Connecticut

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                                 | <a href="#">Stat 38a-53(a), (f)</a><br><a href="#">Reg 38a-53-2(a)</a>                                                         |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                       | Domestic: <a href="#">No</a> <a href="#">Yes</a><br>Foreign: No                                                                |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                         | <a href="#">Stat 38a-53(a)</a><br><a href="#">FS-4-243</a> (will be replaced with FS-4-254; check <a href="#">website</a> )    |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member in good standing approved by Casualty Practice Council, or</li> <li>• SOA member in good standing</li> </ul>                                                                                                                                                                                        | <a href="#">Stat 38a-53(a)(1)</a> in accordance with NAIC AnnStat SAO Instructions;<br><a href="#">Reg 38a-53-1(a)</a>         |
| Affiliation<br>Company employee permitted; however, Comm'r may require opinion by independent qualified actuary or qualified reserve specialist who is not an employee of the company                                                                                                                                                                                                                                            | <a href="#">Reg 38a-53-2(a)</a>                                                                                                |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul>                                                                                                                                | <a href="#">Reg 38a-53-2(a)</a>                                                                                                |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> <li>• CT expects the insurer to provide the Insurance Comm'r both the notification of the change in Actuary (<a href="#">Reg 38a-53-2(a)</a>) and the responsive letter from the former actuary per the NAIC SAO Instructions</li> </ul> | NAIC SAO Instr (1)<br><a href="#">Stat 38a-53(a)(1)</a> in accordance with NAIC AnnStat SAO Instructions                       |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                       | <a href="#">Reg 38a-53-2(b)</a> ;<br><a href="#">FS-4-243</a> (will be replaced with FS-4-254; check <a href="#">website</a> ) |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                   | <a href="#">Stat 38a-53(a)</a> ;<br><a href="#">FS-4-243</a> (will be replaced with FS-4-254; check <a href="#">website</a> )  |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                                                                                                                                          | NAIC SAO Instr (4)                                                                                                             |

## State - Connecticut

### **Admitted P/C Insurer (continued)**

|                                                                                                                                                                                                                                                                                                  |                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Reserve amounts: <ul style="list-style-type: none"> <li>insurer must maintain reserves equal to liability under all policy contracts</li> <li>financial guaranty – Loss and LAE reserves must be maintained. Report from independent actuarial firm required in limited circumstances</li> </ul> | <a href="#">Stat 38a-76(a)</a><br><a href="#">Stat 38a-92d(a), (c)</a> |
| Discounting-Tabular only<br>No discounting; except for fixed and reasonably determined payments, such as WC tabular indemnity reserves and long-term disability losses only as described in SSAP 55-10 and SSAP 65-10                                                                            | Per NAIC Acctg Prac & Proc Manual                                      |
| Subrogation and Salvage<br>Financial guaranty – No deduction unless: <ul style="list-style-type: none"> <li>salvage under control of insurer and qualifies as admitted asset, or</li> <li>salvage secured by irrevocable letter of credit approved by Comm'r</li> </ul>                          | <a href="#">Stat 38a-92d(b)</a>                                        |
| AOS Required                                                                                                                                                                                                                                                                                     | <a href="#">Reg 38a-53-2(b)(1)</a>                                     |
| Confidentiality or Other Information                                                                                                                                                                                                                                                             | <a href="#">Stat 38a-53(f)</a><br><a href="#">Reg 38a-53-3</a>         |
| AOS Contact                                                                                                                                                                                                                                                                                      | Wanchin Chou                                                           |

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                                             |                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement of the prior year), unless the producer and insurer work exclusively with each other | <a href="#">Stat 38a-91b(a)</a><br><a href="#">Stat 38a-91b(d)(1)</a> |
| Filing deadline: April 1                                                                                                                                                                                                    | <a href="#">Stat 38a-91b(d)(1)</a>                                    |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>independent casualty actuary, or</li> <li>other independent loss reserve specialist acceptable to Comm'r</li> </ul>                                     | <a href="#">Stat 38a-91b(d)(1)</a>                                    |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                                                 | <a href="#">Stat 38a-91b(d)(1)</a>                                    |

### **Managing General Agent (MGA)**

|                                                                                                                                                 |                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 38a-90a</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 38a-90d(b)</a> |
| Filing deadline: No provision                                                                                                                   |                                 |

## State - Connecticut

### **Managing General Agent (MGA), continued**

|                                                           |                                 |
|-----------------------------------------------------------|---------------------------------|
| Qualified Actuary: Academy member in good standing        | <a href="#">Stat 38a-90a(1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA | <a href="#">Stat 38a-90d(b)</a> |

### **Extended Warranty Provider**

|                                                                                          |                                 |
|------------------------------------------------------------------------------------------|---------------------------------|
| Certification required annually if reserves exceed one-half provider's audited net worth | <a href="#">Stat 42-260d(1)</a> |
|------------------------------------------------------------------------------------------|---------------------------------|

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                           |                                  |
|-------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 38a-760a</a> ) sets reserves | <a href="#">Stat 38a-760h(c)</a> |
| Filing deadline: No provision                                                             |                                  |
| Qualified Actuary: Academy member in good standing                                        | <a href="#">Stat 38a-760a(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                  | <a href="#">Stat 38a-760h(c)</a> |

### **Risk Retention Group (RRG)**

|                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                              | Foreign: <a href="#">Stat 38a-253(a)</a> ; Domestic: <a href="#">Stat 38a-251</a> ;<br><a href="#">FS-4RR-243</a> (will be replaced with FS-4RR-254; check <a href="#">website</a> ) |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                      | Foreign: <a href="#">Stat 38a-253(b)</a> ; Domestic: <a href="#">Stat 38a-251</a> ;<br><a href="#">FS-4RR-243</a> (will be replaced with FS-4RR-254; check <a href="#">website</a> ) |
| Qualified Actuary:<br>Foreign – Either: <ul style="list-style-type: none"><li>• Academy member, or</li><li>• qualified loss reserve specialist</li></ul> Domestic – Either: <ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member in good standing approved by Casualty Practice Council</li></ul> | <a href="#">Stat 38a-253(a)</a><br><br><a href="#">Stat 38a-53(a)(1)</a> in accordance with NAIC AnnStat SAO Instructions; <a href="#">Reg 38a-53-1(a)</a>                           |

## State - Connecticut

### Risk Retention Group (RRG), continued

|                                         |                                                                                                                                                                                   |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scope of Opinion: Loss and LAE reserves | Foreign: <a href="#">Stat 38a-253(a)</a><br>Domestic: <a href="#">Stat 38a-53</a> ; <a href="#">FS-4RR-243</a> (will be replaced with FS-4RR-254; check <a href="#">website</a> ) |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Captive Insurer

|                                                                                   |                                                                                                                             |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                  | <a href="#">Stat 38a-91gg</a> ; <a href="#">FS-4C-243</a> (will be replaced with FS-4C-254; check <a href="#">website</a> ) |
| Filing deadline: March 1 or March 15 depending on type                            | <a href="#">Stat 38a-91gg</a> ; <a href="#">FS-4C-243</a> (will be replaced with FS-4C-254; check <a href="#">website</a> ) |
| Qualified Actuary:<br>Either Academy member, or qualified loss reserve specialist | <a href="#">FS-4C-243</a> (will be replaced with FS-4C-254; check <a href="#">website</a> )                                 |
| Scope of Opinion: Loss and LAE reserves                                           | <a href="#">FS-4C-243</a> (will be replaced with FS-4C-254; check <a href="#">website</a> )                                 |

### Title Insurer

|                                                                                                                                                                                                                                           |                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                          | <a href="#">Stat 38a-53(a), (f)</a><br><a href="#">Reg 38a-53-2(a)</a>                                                 |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                | Domestic: <a href="#">No</a><br>Foreign: No                                                                            |
| Filing deadline: March 1                                                                                                                                                                                                                  | <a href="#">Stat 38a-53(a)</a>                                                                                         |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member in good standing approved by Casualty Practice Council, or</li> <li>• SOA member in good standing</li> </ul> | <a href="#">Stat 38a-53(a)(1)</a> in accordance with NAIC AnnStat SAO Instructions;<br><a href="#">Reg 38a-53-1(a)</a> |
| Affiliation<br>Company employee permitted; however, Comm'r may require opinion by independent qualified actuary or qualified reserve specialist who is not an employee of the company                                                     | <a href="#">Reg 38a-53-2(a)</a>                                                                                        |

## State - Connecticut

### Title Insurer, continued

|                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                                                                                                                                                                                                                                                            | <a href="#">Reg 38a-53-2(a)</a>                                                                                                              |
| Change of Actuary <p>Company must:</p> <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> <li>• CT expects the insurer to provide the Insurance Comm'r both the notification of the change in Actuary (<a href="#">Reg 38a-53-2(a)</a>) and the responsive letter from the former actuary per the NAIC SAO Instructions</li> </ul> | NAIC SAO Instr (1) Title<br><a href="#">Stat 38a-53(a)(1)</a> in accordance with NAIC AnnStat SAO Instructions                               |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                           | <a href="#">Reg 38a-53-2(b)</a> ; <a href="#">FS-4-243</a> (will be replaced with <a href="#">FS-4-254</a> ; check <a href="#">website</a> ) |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                       | <a href="#">Stat 38a-53(a)</a> ; <a href="#">FS-4-243</a> (will be replaced with <a href="#">FS-4-254</a> ; check <a href="#">website</a> )  |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                                                                                                                                                                                                                     | <a href="#">Stat 38a-410</a>                                                                                                                 |
| Statutory unearned premium reserve: <p>Domestic - Initially, sum of</p> <ul style="list-style-type: none"> <li>• unearned premium reserve on 10/1/90 and</li> <li>• 15 cents per \$1,000 net retained liability on risks written after 10/1/90; released 10 percent per year for first five years, and 3.33 percent per year thereafter</li> </ul> <p>Foreign – No lower than amount required of domestics</p>                       | <a href="#">Stat 38a-408</a>                                                                                                                 |

### SAO Exemptions

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| <ul style="list-style-type: none"> <li>• Small companies: <ul style="list-style-type: none"> <li>▪ less than \$1 million D&amp;A WP or</li> <li>▪ less than 1,000 policyholders</li> </ul> </li> <li>• Under rehabilitation or liquidation</li> <li>• nature of business - submit to domiciliary Comm'r (property only)</li> <li>• Financial hardship – if cost of SAO exceeds the lesser of: <ul style="list-style-type: none"> <li>▪ 1 percent capital &amp; surplus, or</li> <li>▪ 3 percent D&amp;A WP</li> </ul> </li> <li>• File for exemption by December 1</li> </ul> | <a href="#">Reg 38a-53-4(a)</a> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|

## **State - Delaware**

### **Contact Information**

Commissioner: Trinidad Navarro

Regulatory Agency: State of Delaware  
Delaware Department of Insurance  
1351 West North Street, Suite 101  
Dover, DE 19904  
(302) 674-7300

P/C SAO Contact: Nicole Brittingham  
Director-Company Regulation  
(302) 674-7335  
[nicole.brittingham@delaware.gov](mailto:nicole.brittingham@delaware.gov)

Captives\* SAO Contact: Stephen Taylor, Director  
Bureau of Captive & Financial Insurance Products  
(302) 577-5280  
[stephen.taylor@delaware.gov](mailto:stephen.taylor@delaware.gov)

### **Website Information**

Related Website: <https://insurance.delaware.gov/>

Statutes (Stat): [Delaware Statutes, Title 18](#)

Regulations (Reg): [Delaware Regulations, Regulation 302](#)

Annual Statement Checklists: [Domestic and Foreign Annual Statement Checklists](#)

\*Please refer to page A-5 for additional discussion of captives.

## **State - Delaware**

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Special Cases:

- Producer-Controlled Insurer
- Managing General Agent
- Reinsurance Intermediary-Manager
- Workers' Compensation Self-Insurance Groups
- Foreign Risk Retention Group
- Captive Insurer
- Special Purpose Financial Captive

#### Title Insurer

#### SAO Exemptions

## State - Delaware

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                   |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | <a href="#">Stat 526(e), Stat 1132(b)</a>     |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | Domestic: <u>No</u> <u>Yes</u><br>Foreign: No |
| Filing deadline: March 1                                                                                                                                                                                                                                                                          | <a href="#">Stat 526(a), (e)</a>              |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1A)                           |
| Affiliation<br>Company employee: Permitted, except as noted in "Qualifications"                                                                                                                                                                                                                   | NAIC SAO Instr (1A)                           |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                            |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                     | NAIC SAO Instr (1)                            |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                        | <a href="#">Stat 526(a), Stat 1132(b)</a>     |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                    | <a href="#">Stat 526(a), Stat 1132(b)</a>     |
| Reserve amounts: Insurer must maintain necessary loss and LAE reserves                                                                                                                                                                                                                            | <a href="#">Stat 1103(2)</a>                  |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                            |
| AOS Required                                                                                                                                                                                                                                                                                      | <a href="#">Stat 1132(c), (d)</a>             |
| Confidentiality or Other Information                                                                                                                                                                                                                                                              | <a href="#">Stat 321(g), Stat 1133(b)(1)</a>  |
| AOS Contact                                                                                                                                                                                                                                                                                       | Nicole Brittingham                            |

## State - Delaware

### **Producer-controlled Insurer**

|                                                                                                                                                                                                           |                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">Stat 1652(a), (d)(1)</a> |
| Filing deadline: April 1                                                                                                                                                                                  | <a href="#">Stat 1652(d)(1)</a>      |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>                 | <a href="#">Stat 1652(d)(1)</a>      |
| Scope of opinion: Loss reserves including IBNR, business placed by producer                                                                                                                               | <a href="#">Stat 1652(d)(1)</a>      |

### **Managing General Agent (MGA)**

|                                                                                                                                                 |                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 1802(3)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 1805(b)</a> |
| Filing deadline: March 1                                                                                                                        | <a href="#">Stat 526(e)</a>  |
| Qualified Actuary: Academy member in good standing                                                                                              | <a href="#">Stat 1802(1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                       | <a href="#">Stat 1805(b)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                          |                              |
|------------------------------------------------------------------------------------------|------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 1602(h)</a> ) sets reserves | <a href="#">Stat 1609(c)</a> |
| Filing deadline: March 1                                                                 | <a href="#">Stat 526(e)</a>  |
| Qualified Actuary: Academy member in good standing                                       | <a href="#">Stat 1602(a)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                 | <a href="#">Stat 1609(c)</a> |

## State - Delaware

### **Workers' Compensation Self-Insurance Groups**

|                                                                                                                                                  |                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Opinion required                                                                                                                                 | <a href="#">Stat 411(b)</a>              |
| Filing deadline: On or before the last day of the sixth month following the end of the group's fiscal year                                       | <a href="#">Stat 411(a)</a>              |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist</li> </ul> | <a href="#">Stat 411(b)</a>              |
| Scope of Opinion: Loss and loss expense reserves including IBNR                                                                                  | <a href="#">Stat 411(b), Stat 418(b)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                               |                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Opinion required                                                                                                                              | <a href="#">Stat 8004(2)a</a> |
| Filing deadline: March 1                                                                                                                      | <a href="#">Stat 526(e)</a>   |
| Qualified Actuary either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist</li> </ul> | <a href="#">Stat 8004(2)a</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                       | <a href="#">Stat 8004(2)a</a> |

### **Captive Insurer**

|                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                            | <a href="#">Stat 1132(b)</a><br><a href="#">Reg 302 § 8.1</a> |
| Filing deadline: April 15, or if filing on a fiscal year basis, within 60 days of fiscal year-end                                                                                                                                                                                                                                                                                                                           | <a href="#">Reg 302 § 2.1, § 2.2</a>                          |
| Qualified actuary must be approved by Comm'r and be either: <ul style="list-style-type: none"> <li>• FCAS, or</li> <li>• Fellow of the Society of Actuaries, or</li> <li>• Academy member in good standing, or</li> <li>• A member of any other member organization of the International Actuarial Association, or</li> <li>• an individual who has demonstrated competence in loss reserve evaluation to Comm'r</li> </ul> | <a href="#">Reg 302 § 8.2</a>                                 |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                                                                                                                                     | <a href="#">Reg 302 § 8.1</a>                                 |

## State - Delaware

### **Special Purpose Financial Captive (SPFC)**

|                                                                                                                     |                              |
|---------------------------------------------------------------------------------------------------------------------|------------------------------|
| Opinion required                                                                                                    | <a href="#">Stat 6960(a)</a> |
| Qualified Actuary: Approved independent actuary                                                                     | <a href="#">Stat 6960(a)</a> |
| Discounting: Reserves may be discounted in accordance with the actuarial opinion, subject to review by Commissioner | <a href="#">Stat 6960(b)</a> |

### **Title Insurer**

|                                                                                                                                                                                       |                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| Opinion required                                                                                                                                                                      | <a href="#">Stat 526(e)</a> , <a href="#">Stat 1132(b)</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                            | Domestic: <u>No</u> <u>Yes</u><br>Foreign: No              |
| Filing deadline: March 1                                                                                                                                                              | <a href="#">Stat 526(e)</a>                                |
| Actuary<br>Qualifications<br>Either: <ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li></ul> | NAIC SAO Instr (1A) Title                                  |
| Affiliation<br>Company employee: Permitted, except as noted in “Qualifications”                                                                                                       | NAIC SAO Instr (1A)                                        |
| Appointment <ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports to Board</li></ul>                                 | NAIC SAO Instr (1) Title                                   |
| Change of Actuary<br>Company must notify Comm'r within 5 days<br>Provide separate letter within 10 days concerning disagreements                                                      | NAIC SAO Instr (1) Title                                   |
| Insurers must follow NAIC SAO Instructions                                                                                                                                            | <a href="#">Stat 526(a)</a> , <a href="#">Stat 1132(b)</a> |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                        | <a href="#">Stat 526(a)</a> , <a href="#">Stat 1132(b)</a> |
| Reserve amounts: Insurer must maintain necessary loss and LAE reserves                                                                                                                | <a href="#">Stat 1103(2)</a>                               |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                      | NAIC SAO Instr (4) Title                                   |
| Unearned premium reserves: See statute                                                                                                                                                | <a href="#">Stat 1109</a>                                  |

## **State - Delaware**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State – District of Columbia**

### **Contact Information**

|                        |                                                                                                                                                                                                                |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commissioner:          | Karima M. Woods                                                                                                                                                                                                |
| Regulatory Agency:     | D.C. Department of Insurance, Securities and Banking<br>1050 First Street, N.E.<br>Suite 801<br>Washington, DC 20002<br>(202) 727-8000                                                                         |
| P/C SAO Contact:       | Samuel Merlo<br>Financial Examiner and Analyst<br>(202) 442-7833<br><a href="mailto:sam.merlo@dc.gov">sam.merlo@dc.gov</a>                                                                                     |
| Captives* SAO Contact: | Sean O'Donnell<br>Director of Financial Examination and<br><del>Acting</del> Associate Commissioner<br>Risk Finance Bureau<br>(202) 442-8153<br><a href="mailto:sean.odonnell@dc.gov">sean.odonnell@dc.gov</a> |

### **Website Information**

|                             |                                                                      |
|-----------------------------|----------------------------------------------------------------------|
| Related Website:            | <a href="http://www.disb.dc.gov">http://www.disb.dc.gov</a>          |
| Code:                       | <a href="#">District of Columbia Code, Title 31</a>                  |
| Regulations (Reg):          | <a href="#">District of Columbia Municipal Regulations, Title 26</a> |
| Bulletins:                  | <a href="#">Bulletin November 21, 2017</a>                           |
| Annual Statement Checklist: | <a href="#">Filing Compliance Checklists</a>                         |

\*Please refer to page A-5 for additional discussion of captives.

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#### Title Insurer

#### SAO Exemptions

## State – District of Columbia

### **Admitted P/C Insurer**

|                                                                                                                                                                                                                                                                                             |                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                            | <a href="#">Code 31-1901</a><br><a href="#">Code 31-2502.26a</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                  | Yes                                                              |
| Filing deadline: March 1                                                                                                                                                                                                                                                                    | <a href="#">Code 31-1901(a)</a>                                  |
| Actuary<br>Qualifications<br><ul style="list-style-type: none"><li>• Meets basic education, experience, and continuing education requirements</li><li>• Maintains an Accepted Actuarial Designation</li><li>• Is a member of a professional actuarial association</li></ul>                 | NAIC SAO Instr (1A)                                              |
| Affiliation<br>Company employee: Permitted, except as noted in “Qualifications”                                                                                                                                                                                                             | NAIC SAO Instr (1A)                                              |
| Appointment<br><ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports to Board</li><li>• Actuary qualification documentation provided to Board of Directors at initial appointment <b>and annually thereafter</b></li></ul> | NAIC SAO Instr (1)                                               |
| Change of Actuary<br>Company must notify Comm'r within 5 days and provide spate letter within next 10 days concerning disagreements                                                                                                                                                         | NAIC SAO Instr (1)                                               |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                  | <a href="#">Code 31-1901</a><br><a href="#">Code 31-2502.26a</a> |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                              | <a href="#">Code 31-1901</a><br><a href="#">Code 31-2502.26a</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                     | NAIC SAO Instr (4)                                               |
| AOS Required                                                                                                                                                                                                                                                                                | <a href="#">Code 31-2502.26a(b)</a>                              |
| Confidentiality or Other Information                                                                                                                                                                                                                                                        | <a href="#">Code 31-2502.26b</a>                                 |
| AOS Contact                                                                                                                                                                                                                                                                                 | Samuel Merlo                                                     |

## State – District of Columbia

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                                           |                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Loss reserves; opinion required if GWP placed by producer is $\geq 5$ percent of the insurer's admitted assets (as rept'd in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">Code 31-403(a)</a> |
| Filing deadline: April 1                                                                                                                                                                                                  | <a href="#">Code 31-406(a)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• independent loss reserve specialist acceptable to the Mayor</li> </ul>                                  | <a href="#">Code 31-406(a)</a> |
| Scope of Opinion: Loss reserves, including IBNR, business placed by producer                                                                                                                                              | <a href="#">Code 31-406(a)</a> |

### **Managing General Agent (MGA)**

|                                                                                                                                                    |                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Code 31-1501(4)</a> (GWP $\geq 5$ percent PHS last AnnStat) | <a href="#">Code 31-1504(b)</a> |
| Filing deadline: No provision                                                                                                                      |                                 |
| Qualified Actuary: Academy member in good standing                                                                                                 | <a href="#">Code 31-1501(1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                          | <a href="#">Code 31-1504(b)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                             |                                 |
|---------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if RM (defined in <a href="#">Code 31-1801(9)</a> ) sets reserves | <a href="#">Code 31-1808(c)</a> |
| Filing deadline: No provision                                                               |                                 |
| Qualified Actuary: Academy member in good standing                                          | <a href="#">Code 31-1801(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                    | <a href="#">Code 31-1808(c)</a> |

### **Risk Retention Group**

|                  |                                                                        |
|------------------|------------------------------------------------------------------------|
| Opinion required | <a href="#">Code 31-3931.13(c)</a><br><a href="#">Code 31-2502.26a</a> |
|------------------|------------------------------------------------------------------------|

## State – District of Columbia

### Foreign Risk Retention Group (RRG)

|                                                                                                                                                  |                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required (defined in <a href="#">Code 31-4101(12)</a> )                                                                                  | <a href="#">Code 31-4103(2)(A)</a> |
| Filing deadline: No provision                                                                                                                    |                                    |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist</li> </ul> | <a href="#">Code 31-4103(2)(A)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                          | <a href="#">Code 31-4103(2)</a>    |

### Captive Insurer

|                                                                                                                                                                                                                                                                                        |                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                       | <a href="#">Reg 26-3702.8</a>                                                                                |
| Filing deadline:<br>Non-RRG - June 30<br><br>Domestic RRG - June 1                                                                                                                                                                                                                     | <a href="#">Reg 26-3702.1</a><br><a href="#">Reg 26-3702.1</a><br><a href="#">Bulletin November 21, 2017</a> |
| Qualified Actuary: Shall be approved by the Commissioner and shall be a Fellow of the Casualty Actuarial Society, a member in good standing of the American Academy of Actuaries, or an individual who has demonstrated his competence in loss reserve evaluation to the Commissioner. | <a href="#">Reg 26-3702.8</a>                                                                                |
| NAIC<br>Non-RRGs: May follow NAIC Ann Stat Instructions, but not required to do so<br><br>Domestic RRGs: Required to file GAAP (SAP may be permitted)                                                                                                                                  | <a href="#">Bulletin November 21, 2017</a>                                                                   |
| NAIC AnnStat<br>Non-RRGs - May follow NAIC Ann Stat Instructions, but not required to do so. Actuary must state opinion and sign such opinion<br><br>Domestic RRGs: Required to file GAAP (SAP may be permitted)                                                                       | <a href="#">Bulletin November 21, 2017</a>                                                                   |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                                                                       | <a href="#">Reg 26-3702.8</a>                                                                                |

## State – District of Columbia

### **Special Purpose Financial Captive**

|                                                                      |                                    |
|----------------------------------------------------------------------|------------------------------------|
| Opinion required                                                     | <a href="#">Code 31-3932.13(b)</a> |
| Filing deadline: June 30                                             | <a href="#">Reg 26-3702.1</a>      |
| Qualified Actuary: Approved independent actuary                      | <a href="#">Code 31-3932.13(b)</a> |
| Discounting<br>Reserves may be discounted at approved discount rates | <a href="#">Code 31-3932.13(a)</a> |

### **Title Insurer**

|                                                                                                                                           |                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Opinion Required                                                                                                                          | <a href="#">Code 31-1901</a><br><a href="#">Code 31-5031.08(e)</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                | Yes                                                                |
| Filing deadline: March 1                                                                                                                  | <a href="#">Code 31-1901(a)</a>                                    |
| Actuary<br>Qualifications<br>Academy member in good standing                                                                              | <a href="#">Code 31-5031.08(e)</a>                                 |
| Affiliation<br>Company employee: Permitted, except as noted in<br>“Qualifications”                                                        | NAIC SAO Instr (1A)                                                |
| Appointment<br>• By Board of Directors or equivalent<br>• By December 31<br>• Reports to Board                                            | NAIC SAO Instr (1) Title                                           |
| Change of Actuary<br>Company must notify Comm'r within 5 days and<br>provide spate letter within next 10 days concerning<br>disagreements | NAIC SAO Instr (1) Title                                           |
| Insurers must follow NAIC SAO Instructions                                                                                                | <a href="#">Code 31-1901</a> ,<br><a href="#">Code 31-2502.26a</a> |
| Insurers must follow NAIC AnnStat Instructions                                                                                            | <a href="#">Code 31-1901</a> ,<br><a href="#">Code 31-2502.26a</a> |
| Scope of Opinion: Loss and loss expense reserves                                                                                          | NAIC SAO Instr (4) Title                                           |

## **State – District of Columbia**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds the lesser of:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Florida**

### **Contact Information**

Commissioner: Michael Yaworsky

Regulatory Agency: State of Florida  
Office of Insurance Regulation  
200 East Gaines Street  
Tallahassee, FL 32399-030529

P/C & Captives\* SAO Contact: Jane Nelson  
Director, Bureau of Property & Casualty Financial Oversight  
(850) 413-3825  
[jane.nelson@floir.com](mailto:jane.nelson@floir.com)

### **Website Information**

Related Website: [www.floir.com](http://www.floir.com)

Statutes (Stat): [Insurance Code, Title XXXVII, Chapters 624, Part III; 625, Part I; 627, Part XIX; and 628, Part V](#)

Regulations (Reg): [Florida Admin Code, Chapter 69O](#)

Annual Statement Checklists: [Financial Statement Instructions](#)

\*Please refer to page A-5 for additional discussion of captives.

## **State - Florida**

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## State - Florida

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                      |                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                     | <a href="#">Stat 624.424(1)(b)1</a>                                                              |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                           | No, a signed, scanned SAO is acceptable                                                          |
| Filing deadline: March 1                                                                                                                                                                                                                                                                             | <a href="#">Stat 624.424(1)(a)</a>                                                               |
| Actuary<br>Qualifications<br><ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li></ul>                                                                                                                        | <a href="#">Reg 690-170.031 (1)</a>                                                              |
| Affiliation<br>Company employee: Permitted, except as noted in "Qualifications"                                                                                                                                                                                                                      | NAIC SAO Instr (1A)                                                                              |
| Appointment<br><ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports to Board</li><li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li></ul>      | NAIC SAO Instr (1)                                                                               |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"><li>• notify Comm'r within 5 days</li><li>• provide separate letter within 10 days concerning disagreements</li></ul>                                                                                                           | NAIC SAO Instr (1)                                                                               |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                           | <a href="#">Stat 624.424(1)(b)</a>                                                               |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                       | <a href="#">Stat 624.424(1)(a)</a>                                                               |
| Reserve Amounts:<br>The amount, estimated consistent with the provisions of this code, necessary to pay all of the insurer's unpaid losses and claims incurred on or prior to the date of statement, whether reported or unreported, together with the expenses of adjustment or settlement thereof. | <a href="#">Stat 625.041(1)</a>                                                                  |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                              | <a href="#">Reg 690-170.031 (1)</a><br><a href="#">Reg 690-170.031 (3)</a><br>NAIC SAO Instr (4) |
| Minimum Reserves<br>Liab policies – For claims under liab policies, reserves for rep'd claims shall not be less than \$1,000 per outstanding liab suit                                                                                                                                               | <a href="#">Stat 625.091(1)</a>                                                                  |

## State - Florida

### **Admitted P/C insurer, continued**

|                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Credit for Reinsurance:<br>Credit may be taken for reserves on risks ceded, if assuming company meets certain requirements                                                                                                                                                                                                                              | <a href="#">Stat 624.610</a><br><a href="#">Reg 690-144.005</a><br><a href="#">Reg 690-144.007</a><br><a href="#">Stat 628.9142</a>                                                                    |
| Discounting<br>Not allowed without special permission except for tabular WC loss reserves                                                                                                                                                                                                                                                               | <a href="#">Reg 690-170.030</a>                                                                                                                                                                        |
| Tabular<br>Only WC tabular loss reserves; interest rate used to calculate the discount may be no more than 4 percent                                                                                                                                                                                                                                    | <a href="#">Stat 625.091(2)(a)</a><br><a href="#">Reg 690-170.030</a>                                                                                                                                  |
| Special Disability Trust Fund (SDTF)<br>An insurer may only take accounting credit for anticipated recoveries from the SDTF for each proof of claim that the fund has reviewed, determined to be a valid claim, so notified the carrier, and extended a payment offer; or a reimbursement request audited and approved for payment or paid by the fund. | <a href="#">Stat 625.091(4)</a>                                                                                                                                                                        |
| Reconciliation<br>Explain any material differences between the source data and Sched P; provide documentation in actuarial report                                                                                                                                                                                                                       | NAIC SAO Instr (4), (7)                                                                                                                                                                                |
| AOS Required: Yes                                                                                                                                                                                                                                                                                                                                       | <a href="#">Stat 624.424(1)(b)2</a><br>The Florida Office of Insurance Regulation (Office) is requiring domestic and commercially domiciled companies to file a copy of the Actuarial Opinion Summary. |
| Confidentiality and Trade Secret<br><a href="#">Must specifically mark all documents to be kept confidential pursuant to first law reference. Possible trade secret for several items according to second law reference</a>                                                                                                                             | <a href="#">Stat 624.4212</a><br><del>Should you wish the Office to keep the document confidential under Trade Secret protection, you must comply with Section 624.4213.</del>                         |
| AOS Contact                                                                                                                                                                                                                                                                                                                                             | Jane Nelson (850) 413-3825                                                                                                                                                                             |

## State - Florida

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                      |                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in prior years' AnnStat), unless the producer and insurer work exclusively with each other | <a href="#">Stat 626.7491(4)</a><br><a href="#">Stat 626.7491(7)(a)</a> |
| Filing deadline: April 1                                                                                                                                                                             | <a href="#">Stat 626.7491(7)(a)</a>                                     |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>            | <a href="#">Stat 626.7491(7)(a)</a>                                     |
| Scope of Opinion: Loss reserves including IBNR, loss ratio; business placed by producer                                                                                                              | <a href="#">Stat 626.7491(7)(a)</a>                                     |

### **Managing General Agent (MGA)**

|                                                                           |                                  |
|---------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if MGA sets reserves                            | <a href="#">Stat 626.7454(2)</a> |
| Filing deadline: No provision                                             |                                  |
| Scope of Opinion: Loss reserves, including IBNR; business produced by MGA | <a href="#">Stat 626.7454(2)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                 |                                     |
|-------------------------------------------------------------------------------------------------|-------------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 626.7492(2)(g)</a> ) sets reserves | <a href="#">Stat 626.7492(9)(c)</a> |
| Filing deadline: No provision                                                                   |                                     |
| Qualified Actuary: Academy member in good standing                                              | <a href="#">Stat 626.7492(2)(a)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                        | <a href="#">Stat 626.7492(9)(c)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                                 |                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required                                                                                                                                                | <a href="#">Stat 627.944(2)(a)</a> |
| Filing deadline: No provision                                                                                                                                   |                                    |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• qualified loss reserve specialist per department, or</li> <li>• Academy member</li> </ul> | <a href="#">Stat 627.944(2)(a)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                         | <a href="#">Stat 627.944(2)(a)</a> |

## **State - Florida**

### **Self-Insured Funds**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| <p>Report required:</p> <p>Including adequacy of premiums or contributions in paying claims and changes needed to achieve adequacy; a plan to amortize any unfunded liabilities and a description of actions taken to reduce unfunded liabilities; description and explanation of actuarial assumptions; schedule showing amortization of unfunded liabilities; comparative review illustrating level of funds available to commercial fund from rates, investment income, and other sources realized over the period covered by the report indicating the assumptions used; projection of following year's plan of operation; and statement by actuary that report is complete and accurate</p> <p>Under WC Act:</p> <ul style="list-style-type: none"><li>• Fund must file actuarial report, including evaluation of loss development and estimate of loss reserves, including allocated and unallocated LAE and IBNR reserves.</li><li>• If fund's excess insurance program will not meet specified minimum standards, a report analyzing the range of possible losses the fund could experience, and the chance of fund failure/success, must be submitted 90 days before the fund year/program commences. Other requirements detailed in Reg 69O-190.061.</li></ul> | <p><a href="#">Stat 624.470(2)(b)</a></p> <p><a href="#">Reg 69O-190.059(5)</a></p> <p><a href="#">Reg 69O-190.061</a></p> |
| Filing deadline for SI funds: 6 months after fiscal year-end                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p><a href="#">Stat 624.470(2)</a></p> <p><a href="#">Reg 69O-188.023</a></p>                                              |
| Qualified Actuary: Academy member                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p><a href="#">Stat 624.470(2)(b)</a></p>                                                                                  |
| May include asset for future investment income on loss, LAE, and excess of statutory over statement reserves, only if did for statement prior to Jan. 1, 1998. Use 3-year treasury note yield as of date of financial statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p><a href="#">Stat 624.470(1)</a></p> <p><a href="#">Reg 69O-188.023(2)</a></p>                                           |

## State - Florida

### **Captive Insurer**

|                                                                                                                                                                                                   |                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                  | <a href="#">Stat 624.424(1)(b)</a><br><a href="#">Stat 624.424(12)</a><br><a href="#">Stat 628.909</a> |
| Filing deadline: March 1, or insurer may request 60 days after fiscal year-end                                                                                                                    | <a href="#">Stat 628.911</a>                                                                           |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member in good standing approved by Casualty Practice Council</li> </ul> | <a href="#">Reg 69O-170.031(1)</a>                                                                     |
| Credit for Reinsurance:<br>Credit may be taken for reserves on risks ceded, if assuming company meets certain requirements                                                                        | <a href="#">Stat 628.9142</a>                                                                          |

### **Captive Reinsurer**

|                                                                                                                                                                                                      |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                     | <a href="#">Stat 624.424(12)</a><br><a href="#">Stat 628.912(2)</a> |
| Filing deadline: March 1, or insurer may request 60 days after fiscal year-end                                                                                                                       | <a href="#">Stat 628.911</a>                                        |
| Qualified Actuary is an independent actuary who is not an employee of: <ul style="list-style-type: none"> <li>• Company filing the SAO</li> <li>• affiliate of the Company filing the SAO</li> </ul> | <a href="#">Stat 628.912(2)</a>                                     |
| Loss and LAE reserves may be discounted at treasury rates                                                                                                                                            | <a href="#">Stat 628.912(1)</a>                                     |
| Credit for Reinsurance:<br>Credit may be taken for reserves on risks ceded, if assuming company meets certain requirements                                                                           | <a href="#">Stat 628.9142</a>                                       |

## State - Florida

### Title Insurer

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <a href="#">Stat 625.111(1)(d)</a>                                           |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | No, a signed, scanned SAO is acceptable                                      |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <a href="#">Stat 624.424(1)(a)</a>                                           |
| Actuary<br>Qualifications either <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council, or</li> <li>• approved by Comm'r (insurer must request 90 days prior to filing)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | NAIC SAO Instr (1A) Title<br><a href="#">Stat 625.111(6)</a>                 |
| Affiliation<br>Company employee: Permitted, except as noted in "Qualifications"                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | NAIC SAO Instr (1A)                                                          |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | NAIC SAO Instr (1) Title                                                     |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | NAIC SAO Instr (1) Title                                                     |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <a href="#">Stat 625.111(1)(d)</a>                                           |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <a href="#">Stat 624.424(1)(a)</a>                                           |
| Reserve Amounts: <ul style="list-style-type: none"> <li>• The amount, estimated in accordance with this code, necessary to pay all of its known unpaid losses and claims incurred on or before the date of statement, whether reported or unreported, together with the expenses of adjustment or settlement thereof. This requirement is in addition to the reserves required under <a href="#">Stat 625.111</a></li> <li>• <a href="#">Stat 625.111 sets out the requirements for the unearned premium reserve: The sums to be reserved for unearned premiums on title guarantees and policies shall be considered and constitute unearned portions of the original premiums and shall be charged as a reserve liability of the insurer in determining its financial condition.</a></li> </ul> | <a href="#">Stat 625.041(2)</a>                                              |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <a href="#">Stat 625.111 (d)</a><br><a href="#">NAIC SAO Instr (4) Title</a> |

## **State - Florida**

### **Title Insurer, continued**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <p>Statutory premium reserve:</p> <p>If the amount of the reserve stated in the opinion and displayed in Schedule P of the annual statement for that reporting date is greater than the sum of the known claims reserve and unearned premium reserve as calculated under this section, as of the same reporting date and including any previous actuarial provisions added at earlier dates, the insurer shall add to the insurer's unearned premium reserve an actuarial amount equal to the reserve shown in the actuarial opinion, minus the known claim reserve and the unearned premium reserve, as of the current reporting date and calculated in accordance with this section, but not calculated as of any date before December 31, 1999.</p> | <p><a href="#"><u>Stat 625.111(1)(d)</u></a></p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | <p>NAIC SAO Instr (1B)</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|

## State - Georgia

### Contact Information

Commissioner: John F. King

Regulatory Agency: Office of Insurance and Safety Fire Commission  
State of Georgia  
Two Martin Luther King, Jr. Drive  
West Tower, Suite 702  
Atlanta, GA 30334  
(404) 656-2070

P/C SAO Contact: Scott Sanders  
Director  
(404) 657-7742  
[ssanders@oci.ga.gov](mailto:ssanders@oci.ga.gov)

Title SAO Contact: Melanie Frechette  
Director of Licensing and Business Services  
(404) 657-1168  
[mfrechette@oci.ga.gov](mailto:mfrechette@oci.ga.gov)

Captives\* Contact: ~~Scott Sanders A. Bindu Liang~~  
~~Director Attorney, Manager of Captives Insurance Entities~~  
~~(404) 657-7742 (404) 757-8474~~  
[aliangssanders@oci.ga.gov](mailto:aliangssanders@oci.ga.gov)

### Website Information

Related Website: <https://oci.georgia.gov/>

Statutes (Stat): [Insurance Laws, Title 33 and 34](#)

Regulations (Reg): [Insurance Regulations, Chapter 120](#)

Annual Statement Checklists: [Renew a Company License | Office of the Commissioner of Insurance and Safety Fire](#) ~~Obtain through Company Portal~~

\*Please refer to page A-5 for additional discussion of captives.

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- [Captive Insurer](#)
- [Non-Resident Risk Retention Group](#)
- [Group WC Self-Insurer](#)

#### Title Insurer

#### SAO Exemptions

## State - Georgia

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                       |                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                      | <a href="#">Stat 33-3-21.3 (b) (1)</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                            | <a href="#">No</a> <a href="#">Yes</a> |
| Filing deadline: March 1                                                                                                                                                                                                                                                              | <a href="#">Stat 33-3-21.3 (b) (1)</a> |
| Actuary                                                                                                                                                                                                                                                                               |                                        |
| Qualifications                                                                                                                                                                                                                                                                        | NAIC SAO Instr (1A)                    |
| <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                                    |                                        |
| Appointment                                                                                                                                                                                                                                                                           | NAIC SAO Instr (1)                     |
| <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> |                                        |
| Change of Actuary                                                                                                                                                                                                                                                                     |                                        |
| Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                              | NAIC SAO Instr (1)                     |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                            |                                        |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                        |                                        |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                               | NAIC SAO Instr (4)                     |
| Reserve amounts: Insurer must maintain adequate loss reserves                                                                                                                                                                                                                         | <a href="#">Stat 33-10-12</a>          |
| For companies that did not file SAO with last AnnStat, if Comm'r deems reserves to be outside "standard" range, an independent (not a company employee, principal, director, or indirect owner) actuary must opine on adequacy                                                        | <a href="#">Stat 33-3-21.2 (b)</a>     |
| AOS Required                                                                                                                                                                                                                                                                          | <a href="#">Stat 33-62-2</a>           |
| Confidentiality or Other Information                                                                                                                                                                                                                                                  | <a href="#">Stat 33-62-3</a>           |
| AOS Contact                                                                                                                                                                                                                                                                           | Scott Sanders                          |

## State - Georgia

### **Producer-Controlled Insurer**

|                                                                                                                                                                                           |                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Opinion required                                                                                                                                                                          | <a href="#">Stat 33-48-3 (a) (4)</a> |
| Filing deadline: April 1                                                                                                                                                                  | <a href="#">Stat 33-48-3 (a) (4)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul> | <a href="#">Stat 33-48-3 (a) (4)</a> |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                               | <a href="#">Stat 33-48-3 (a) (4)</a> |

### **Managing General Agent (MGA)**

|                                                                                                                                                     |                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 33-47-2 (3)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 33-47-5 (b)</a> |
| Filing deadline: No provision                                                                                                                       |                                  |
| Qualified Actuary: Academy member in good standing                                                                                                  | <a href="#">Stat 33-47-2 (1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                           | <a href="#">Stat 33-47-5 (b)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                              |                                  |
|----------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 33-49-2 (8)</a> ) sets reserves | <a href="#">Stat 33-49-9 (c)</a> |
| Filing deadline: No provision                                                                |                                  |
| Qualified Actuary: Academy member in good standing                                           | <a href="#">Stat 33-49-2 (1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                     | <a href="#">Stat 33-49-9 (c)</a> |

### **Captive Insurer**

|                                                                                                                                                                                                                                                                   |                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                  | <a href="#">Stat 33-3-21.3 (b) (1)</a><br><a href="#">Stat 33-41-15</a><br><a href="#">Reg 120-2-45-.09 (6) (e)</a> |
| Filing deadline: June 30                                                                                                                                                                                                                                          | <a href="#">Reg 120-2-45-.09</a>                                                                                    |
| Actuary: <ul style="list-style-type: none"> <li>• shall apply for approval by Commissioner</li> <li>• FCAS and member in good standing of AAA, or</li> <li>• individual who has demonstrated competence in loss reserve evaluation to the Commissioner</li> </ul> | <a href="#">Reg 120-2-45-.09 (6) (e)</a>                                                                            |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                                                  | <a href="#">Reg 120-2-45-.09 (6) (e)</a>                                                                            |

## State - Georgia

### **Non-Resident Risk Retention Group (RRG)**

|                                                                                                                                 |                                      |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Opinion required                                                                                                                | <a href="#">Stat 33-40-4 (c) (1)</a> |
| Filing deadline: No provision                                                                                                   |                                      |
| Qualified Actuary is either: <ul style="list-style-type: none"><li>• qualified by Comm'r, or</li><li>• Academy member</li></ul> | <a href="#">Stat 33-40-4 (c) (1)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                         | <a href="#">Stat 33-40-4 (c) (1)</a> |

### **Group WC Self-Insurer**

|                                                                                                                                                                                                                                                                        |                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                       | <a href="#">Reg 120-2-34-.20 (2)</a>                                     |
| Filing deadline: March 1                                                                                                                                                                                                                                               | <a href="#">Reg 120-2-34-.13 (1)</a>                                     |
| Scope of Opinion: Loss and loss expense reserves, including IBNR                                                                                                                                                                                                       | <a href="#">Stat 34-9-163 (b)</a><br><a href="#">Reg 120-2-34-.20(2)</a> |
| Minimum Reserves:<br>Aggregate excess insurance retention or, with Comm'r approval, greater of<br>(1) amount established by independent actuary in accordance with actuarial standards, or<br>(2) 45 percent of earned premium written in 3 prior years, less payments | <a href="#">Stat 34-9-163 (b)</a>                                        |

## State - Georgia

### **Title Insurer**

|                                                                                                                                                                                                                                     |                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Opinion required                                                                                                                                                                                                                    | <a href="#">Stat 33-3-21.3 (b) (1)</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                          | <a href="#">No</a> <a href="#">Yes</a> |
| Filing deadline: March 1                                                                                                                                                                                                            | <a href="#">Stat 33-3-21.3 (b) (1)</a> |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> <li>• Company employee permitted except as noted</li> </ul> | NAIC SAO Instr (1A) Title              |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                                                           | NAIC SAO Instr (1) Title               |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                       | NAIC SAO Instr (1) Title               |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                          |                                        |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                      |                                        |
| Reserve Amounts:<br>Insurer must maintain adequate loss reserves                                                                                                                                                                    | <a href="#">Stat 33-10-12</a>          |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                    | NAIC SAO Instr (4) Title               |
| Statutory Premium Reserve:<br>Initially, 10 percent of calendar year written premium; released 5 percent per year, each of next 20 years                                                                                            | <a href="#">Stat 33-10-10</a>          |

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"> <li>• Small companies: <ul style="list-style-type: none"> <li>▪ less than \$1 million D&amp;A WP, and</li> <li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li> </ul> </li> <li>• Under supervision or conservatorship</li> <li>• Nature of business - submit to domiciliary Comm'r</li> <li>• Financial hardship – if cost of SAO exceeds either: <ul style="list-style-type: none"> <li>▪ 1 percent capital &amp; surplus, or</li> <li>▪ 3 percent D&amp;A WP</li> </ul> </li> <li>• File for exemption by December 1</li> </ul> | NAIC SAO Instr (1B) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Hawaii**

### **Contact Information**

Commissioner: [Scott Saiki](#)~~Gordon Ito~~

Regulatory Agency: Dept. of Commerce & Consumer Affairs  
Insurance Division  
P.O. Box 3614  
Honolulu, HI 96811  
(808) 586-2790

P/C SAO Contact: [Lance Hirano](#)~~John Pang~~  
Insurance [Examination Manager](#)~~Examiner~~  
(808) 586-~~3870~~7379  
[insexam@dcca.hawaii.gov](mailto:insexam@dcca.hawaii.gov)~~jpang@dcca.hawaii~~

Captives\* SAO Contact: Andrew Kurata  
Deputy Commissioner & Captive Insurance Administrator  
(808) 586-0981  
[akurata@dcca.hawaii.gov](mailto:akurata@dcca.hawaii.gov)

### **Website Information**

Related Website: <http://cca.hawaii.gov/ins/>

Statutes (Stat): [Hawaii Revised Statutes](#)

Regulations (Reg): [Hawaii Administrative Rules](#)

Annual Statement Checklists: [Hawaii Filing Instructions](#)

[Captive Annual Filings](#)

\*Please refer to page A-5 for additional discussion of captives.

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## State - Hawaii

### Admitted P/C Insurer

|                                                                                                                                              |                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                             | <a href="#">Stat 431:3-301</a><br><a href="#">Reg 16-169-10</a>                                                                                                                                       |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                   | No                                                                                                                                                                                                    |
| Filing deadline: March 1                                                                                                                     | <a href="#">Stat 431:3-301(a)</a>                                                                                                                                                                     |
| Actuary                                                                                                                                      |                                                                                                                                                                                                       |
| Qualifications                                                                                                                               | NAIC SAO Instr (1A)<br><a href="#">Stat 431:3-301&amp;302</a>                                                                                                                                         |
| • Meets basic education, experience, and continuing education requirements                                                                   |                                                                                                                                                                                                       |
| • Maintains an Accepted Actuarial Designation                                                                                                |                                                                                                                                                                                                       |
| • Is a member of a professional actuarial association                                                                                        |                                                                                                                                                                                                       |
| Appointment                                                                                                                                  | NAIC SAO Instr (1)<br><a href="#">Stat 431:3-301&amp;302</a>                                                                                                                                          |
| • By Board of Directors or equivalent                                                                                                        |                                                                                                                                                                                                       |
| • By December 31                                                                                                                             |                                                                                                                                                                                                       |
| • Reports to Board                                                                                                                           |                                                                                                                                                                                                       |
| • Actuary qualification documentation provided to Board of Directors at initial appointment <del>and</del><br><del>annually thereafter</del> |                                                                                                                                                                                                       |
| Change of Actuary                                                                                                                            |                                                                                                                                                                                                       |
| Company must:                                                                                                                                | NAIC SAO Instr (1)<br><a href="#">Stat 431:3-301&amp;302</a>                                                                                                                                          |
| • notify Comm'r within 5 days                                                                                                                |                                                                                                                                                                                                       |
| • provide separate letter within 10 days concerning disagreements                                                                            |                                                                                                                                                                                                       |
| Insurers must follow NAIC SAO Instructions                                                                                                   | <a href="#">Stat 431:3-301</a><br><a href="#">Reg 16-169-10</a>                                                                                                                                       |
| Insurers must follow NAIC AnnStat Instructions                                                                                               | <a href="#">Stat 431:3-301(a)</a><br><a href="#">Reg 16-169-10</a>                                                                                                                                    |
| Reserve Amounts:                                                                                                                             | <a href="#">Stat 431:5-305(b)</a>                                                                                                                                                                     |
| Insurer must maintain adequate loss reserves                                                                                                 |                                                                                                                                                                                                       |
| Scope of Opinion: Loss and LAE reserves                                                                                                      | NAIC SAO Instr (4)                                                                                                                                                                                    |
| AOS Required: Domestic – Yes                                                                                                                 | <a href="#">Reg 16-169-11</a>                                                                                                                                                                         |
| Foreign – Upon request                                                                                                                       | <a href="#">Reg 16-169-12</a>                                                                                                                                                                         |
| Confidentiality or Other Information                                                                                                         | <a href="#">Stat 431:2-209(e), (g) – General</a><br><a href="#">Stat 431:3-304:5 – Specific</a><br><a href="#">Reg 16-169-11</a>                                                                      |
| AOS Contact                                                                                                                                  | <a href="#">Lance Hirano</a><br><a href="mailto:insexam@dcca.hawaii.gov">insexam@dcca.hawaii.gov</a><br><a href="#">John Pang</a><br><a href="mailto:jpang@dcca.hawaii.gov">jpang@dcca.hawaii.gov</a> |

## State - Hawaii

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                           |                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qrtly statement), unless the producer and insurer work exclusively with each other | <a href="#">Stat 431:11A-103(a)</a><br><a href="#">Stat 431:11A-103(d)</a> |
| Filing deadline: April 1                                                                                                                                                                                  | <a href="#">Stat 431:11A-103(d)</a>                                        |
| Qualified Actuary is either: <ul style="list-style-type: none"><li>independent casualty actuary, or</li><li>other independent loss reserve specialist acceptable to Comm'r</li></ul>                      | <a href="#">Stat 431:11A-103(d)</a>                                        |
| Scope of Opinion: Loss reserves, including IBNR; business placed by producer                                                                                                                              | <a href="#">Stat 431:11A-103(d)</a>                                        |

### **Managing General Agent (MGA)**

|                                                                                                 |                                    |
|-------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required annually if MGA (as defined in <a href="#">Stat 431:9C-101</a> ) sets reserves | <a href="#">Stat 431:9C-104(b)</a> |
| Filing deadline: No provision                                                                   |                                    |
| Qualified Actuary: Academy member in good standing                                              | <a href="#">Stat 431:9C-101</a>    |
| Scope of Opinion: Loss reserves; business produced by MGA                                       | <a href="#">Stat 431:9C-104(b)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                             |                                    |
|---------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 431:9B-101</a> ) sets reserves | <a href="#">Stat 431:9B-108(c)</a> |
| Filing deadline: No provision                                                               |                                    |
| Qualified Actuary: Academy member in good standing                                          | <a href="#">Stat 431:9B-101</a>    |
| Scope of Opinion: Loss reserves; business produced by RM                                    | <a href="#">Stat 431:9B-108(c)</a> |

## State - Hawaii

### **Captive Insurer**

|                                                                                                                                                                                                                                                                          |                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                         | <a href="#">Stat 431:19-107(c)</a>                                          |
| Filing deadline: <ul style="list-style-type: none"> <li>• for risk retention captives: March 1</li> <li>• for other than risk retention captives: 6 months after fiscal year ends</li> </ul>                                                                             | <a href="#">Stat 431:19-107(b)(1)(A)</a><br><a href="#">Stat 431:19-107</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist per NAIC</li> </ul> For other than class 3 captive, may alternatively utilize loss reserve specialist deemed appropriate by Comm'r | <a href="#">Stat 431:19-107(c)</a><br><a href="#">Stat 431:19-107(c)</a>    |
| Scope of Opinion: Reserves for business underwritten                                                                                                                                                                                                                     | <a href="#">Stat 431:19-107(c)</a>                                          |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                           |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required                                                                                                                                          | <a href="#">Stat 431K-3(2)(A)</a> |
| Filing deadline: No provision                                                                                                                             |                                   |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist per NAIC</li> </ul> | <a href="#">Stat 431K-3(2)(A)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">Stat 431K-3(2)(A)</a> |

### **WC Self-Insured Group**

|                                                                                                                                                           |                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required                                                                                                                                          | <a href="#">Stat 386-201(a)</a> |
| Filing deadline: 6 months after fiscal year ends                                                                                                          | <a href="#">Stat 386-201(a)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist per NAIC</li> </ul> | <a href="#">Stat 386-201(a)</a> |
| Scope of Opinion: Known claims and LAE, IBNR and LAE                                                                                                      | <a href="#">Stat 386-201(a)</a> |

### **Employers' Mutual**

|                                                                                                                                                                  |                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required                                                                                                                                                 | <a href="#">Stat 431:14A-112</a> |
| Filing deadline: No provision                                                                                                                                    |                                  |
| Qualified Actuary: Member of Academy and either <ul style="list-style-type: none"> <li>• FCAS, or</li> <li>• ACAS with at least 5 years of experience</li> </ul> | <a href="#">Stat 431:14A-102</a> |
| Scope of Opinion: Claim reserves and expenses                                                                                                                    | <a href="#">Stat 431:14A-112</a> |

## State - Hawaii

## Title Insurer

|                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                                             | <a href="#">Stat 431:3-301</a>                                                    |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                                   | No                                                                                |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                                     | <a href="#">Stat 431:3-301(a)</a>                                                 |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> <li>• Company employee permitted except as noted</li> </ul>                                                                                                                                                                                                          | NAIC SAO Instr (1A) Title<br><a href="#">Stat 431:3-301&amp;302</a>               |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                                                                                                                                                                                                                                                                    | NAIC SAO Instr (1A) Title<br><a href="#">Stat 431:3-301&amp;302</a>               |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                                                                                                                | NAIC SAO Instr (1A) Title<br><a href="#">Stat 431:3-301&amp;302</a>               |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                                   | <a href="#">Stat 431:3-301</a><br><a href="#">Reg 16-169-10</a>                   |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                               | <a href="#">Stat 431:3-301(a)</a><br><a href="#">Reg 16-169-10</a>                |
| Insurer must maintain adequate loss reserves                                                                                                                                                                                                                                                                                                                                                                                                 | <a href="#">Stat 431:5-305(b)</a>                                                 |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                                                                                                                                                                                                                             | NAIC SAO Instr (4) Title<br><a href="#">Stat 431:20-116</a>                       |
| Statutory Premium Reserve<br>Domestic – Initially, sum of <ul style="list-style-type: none"> <li>• Unearned premium reserve on 7/1/88 released in accordance with the laws in effect before 7/1/88</li> <li>• 20 cents per \$1,000 net retained liability on risks written after 7/1/88, released 10 percent per year, first five years and 3.33 percent per year thereafter</li> </ul> Foreign – No lower than amount required of domestics | <a href="#">Stat 431:20-114(d), (f)</a><br><br><a href="#">Stat 431:20-114(c)</a> |

## **State - Hawaii**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Idaho**

### **Contact Information**

Director: Dean L. Cameron

Regulatory Agency: Department of Insurance  
State of Idaho  
700 West State Street, 3rd Floor  
P.O. Box 83720  
Boise, ID 83720-0043  
(208) 334-4250

P/C SAO Contact: Eric Fletcher  
Company Activities Bureau Chief / Chief Examiner  
(208) 334-4230  
[Eric.Fletcher@doi.idaho.gov](mailto:Eric.Fletcher@doi.idaho.gov)

### **Website Information**

Related Website: [www.doi.idaho.gov](http://www.doi.idaho.gov)

Statutes (Stat): [Insurance Code, Title 41](#)

Regulations (Reg): [Idaho Administrative Code, IDAPA 18. Department of Insurance](#)

Annual Statement Checklists: [Insurers Annual Statement Checklists](#)

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#### SAO Exemptions

## State - Idaho

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                   |                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | <a href="#">Stat 41-335(1)</a>                                   |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | <a href="#">No</a> <a href="#">Yes</a>                           |
| Filing deadline: March 1                                                                                                                                                                                                                                                                          | <a href="#">Stat 41-335(1)</a>                                   |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1A)                                              |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                               |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r (Director in Idaho) within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                 | NAIC SAO Instr (1)                                               |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                        | <a href="#">Stat 41-335(1)</a>                                   |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                    | <a href="#">Stat 41-335(1)</a>                                   |
| Reserve Amounts:<br>Insurer must maintain adequate loss reserves                                                                                                                                                                                                                                  | <a href="#">Stat 41-605</a><br><a href="#">Stat 41-610</a>       |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                               |
| AOS Required                                                                                                                                                                                                                                                                                      | <a href="#">IDAPA 18.07.08.021</a>                               |
| Confidentiality or Other Information                                                                                                                                                                                                                                                              | <a href="#">IDAPA 18.07.08.022</a> exempt from public disclosure |
| AOS Contact                                                                                                                                                                                                                                                                                       | Eric Fletcher                                                    |

## State - Idaho

### **Broker-Controlled Insurer**

|                                                                                                                                                                                                                                                |                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Opinion required if GWP placed by controlling broker is $\geq 5$ percent of the controlled insurer's admitted assets (as rep'd in September qtrly statement of the prior year), unless the broker and insurer work exclusively with each other | <a href="#">Stat 41-1704(1)(a)</a><br><a href="#">Stat 41-1704(4)(a)</a> |
| Filing deadline: April 1                                                                                                                                                                                                                       | <a href="#">Stat 41-1704(4)(a)</a>                                       |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Director</li> </ul>                                                    | <a href="#">Stat 41-1704(4)(a)</a>                                       |
| Scope of Opinion: Loss reserves including IBNR; business placed by broker                                                                                                                                                                      | <a href="#">Stat 41-1704(4)(a)</a>                                       |

### **Managing General Agent (MGA)**

|                                                                                                                                                                |                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if MGA establishes loss reserves and is an MGA as defined in <a href="#">Stat 41-1502(3)</a> (GWP $\geq 5$ percent PHS last AnnStat) | <a href="#">Stat 41-1505(2)</a> |
| Filing deadline: No provision                                                                                                                                  |                                 |
| Qualified Actuary: Academy member in good standing                                                                                                             | <a href="#">Stat 41-1502(1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                                      | <a href="#">Stat 41-1505(2)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                         |                                 |
|---------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 41-5102(6)</a> ) establishes loss reserves | <a href="#">Stat 41-5109(3)</a> |
| Filing deadline: No provision                                                                           |                                 |
| Qualified Actuary: Academy member in good standing                                                      | <a href="#">Stat 41-5102(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                                | <a href="#">Stat 41-5109(3)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                          |                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required                                                                                                                                         | <a href="#">Stat 41-4805(2)(a)</a> |
| Filing deadline: No provision                                                                                                                            |                                    |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member or</li> <li>• qualified loss reserve specialist per NAIC</li> </ul> | <a href="#">Stat 41-4805(2)(a)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                  | <a href="#">Stat 41-4805(2)(a)</a> |

## State - Idaho

### Title Insurer

|                                                                                                                                                                                                                                                              |                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                             | <a href="#">Stat 41-335(1)</a>                                                               |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                   | <a href="#">No</a> <a href="#">Yes</a>                                                       |
| Filing deadline: March 1                                                                                                                                                                                                                                     | <a href="#">Stat 41-335(1)</a>                                                               |
| <p><b>Actuary</b></p> <p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> <li>• Company employee permitted except as noted</li> </ul> | NAIC SAO Instr (1A) Title                                                                    |
| <p><b>Appointment</b></p> <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                                                                      | NAIC SAO Instr (1) Title                                                                     |
| <p><b>Change of Actuary</b></p> <p>Company must:</p> <ul style="list-style-type: none"> <li>• notify Comm'r (Director in Idaho) within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                          | NAIC SAO Instr (1) Title                                                                     |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                   | <a href="#">Stat 41-335(1)</a>                                                               |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                               | <a href="#">Stat 41-335(1)</a>                                                               |
| <p><b>Reserve Amounts:</b></p> <p>Insurer must maintain adequate loss reserves</p>                                                                                                                                                                           | <a href="#">Stat 41-605</a><br><a href="#">Stat 41-610</a>                                   |
| <p><b>Scope of Opinion:</b></p> <p>Loss and loss expense reserves</p> <p>Unearned Premium reserve</p>                                                                                                                                                        | NAIC SAO Instr (4) Title<br><a href="#">Stat 41-611(1)</a><br><a href="#">Stat 41-611(2)</a> |

### SAO Exemptions

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"> <li>• Small companies: <ul style="list-style-type: none"> <li>▪ less than \$1 million D&amp;A WP, and</li> <li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li> </ul> </li> <li>• Under supervision or conservatorship</li> <li>• Nature of business - submit to domiciliary Comm'r (Director in Idaho)</li> <li>• Financial hardship – if cost of SAO exceeds either: <ul style="list-style-type: none"> <li>▪ 1 percent capital &amp; surplus, or</li> <li>▪ 3 percent D&amp;A WP</li> </ul> </li> <li>• File for exemption by December 1</li> </ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Illinois**

### **Contact Information**

**Acting** Director

Ann Gillespie

Regulatory Agency (P/C):

State of Illinois  
Department of Insurance  
320 W. Washington Street  
Springfield, IL 62767-0001  
(217) 782-4515

Regulatory Agency (Title):

Department of Financial & Professional Regulation  
Division of Financial Institutions Title Insurance Section  
Francisco Menchaca, Director  
555 W. Monroe St, 5th Floor  
Chicago, IL 60601  
(312) 814-5340

P/C SAO Contact:

Jennifer Niles, FCAS, MAAA  
Chief P&C Actuary  
(217) 782-1766  
[jennifer.niles2@illinois.gov](mailto:jennifer.niles2@illinois.gov)

Title SAO Contact:

Francisco Menchaca  
Director, Division of Financial Institutions Title Insurance Section  
(312) 814-5340  
[francisco.menchaca@illinois.gov](mailto:francisco.menchaca@illinois.gov)

Captives\* SAO Contact:

Marcy Savage  
Deputy Director, Corporate Regulatory Section  
(217) 524-0016  
[marcy.savage@illinois.gov](mailto:marcy.savage@illinois.gov)

### **Website Information**

Related Website:

<http://insurance.illinois.gov>  
<https://idfpr.illinois.gov/dfi/titleinsur/titleinsur-main.html>

Statutes (Stat):

[IL Compiled Statutes, Chapter 5, Chapter 215](#)

Regulations (Reg):

[IL Administrative Code, Title 50](#)

Annual Statement Forms:

[Annual Statement Forms and Instructions](#)

\*Please refer to page A-5 for additional discussion of captives.

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#### Title Insurer

#### SAO Exemptions

## State - Illinois

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                  | <a href="#">Stat 215-5/136(6)</a>                                                                                                       |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                        | No, electronic signatures are allowed <a href="#">Notes for Property and Casualty Filings, Note G</a>                                   |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                          | <a href="#">Stat 215-5/136(1) and (6)(d)</a>                                                                                            |
| Actuary                                                                                                                                                                                                                                                                                                                           |                                                                                                                                         |
| Qualifications                                                                                                                                                                                                                                                                                                                    |                                                                                                                                         |
| <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                                                                                | NAIC SAO Instr (1A)                                                                                                                     |
| Appointment                                                                                                                                                                                                                                                                                                                       |                                                                                                                                         |
| <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <b>and annually thereafter</b></li> </ul>                                                 | NAIC SAO Instr (1)                                                                                                                      |
| Change of Actuary                                                                                                                                                                                                                                                                                                                 |                                                                                                                                         |
| Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> <li>• prior actuary must also submit letter to company concerning disagreements, which must be submitted to Comm'r with its own disagreement letter</li> </ul> | NAIC SAO Instr (1)                                                                                                                      |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                        | <a href="#">Stat 215-5/136(6)</a>                                                                                                       |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                    | <a href="#">Stat 215-5/136(6)</a>                                                                                                       |
| Reserve amounts: Insurer must maintain adequate loss reserves                                                                                                                                                                                                                                                                     | <a href="#">Stat 215-5/378, 215-5/396</a>                                                                                               |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                                                                                      |
| Discounting                                                                                                                                                                                                                                                                                                                       | NAIC Accounting Practices and Procedures, Statement of Statutory Accounting Principles Number 65, paragraphs 10-16                      |
| Tabular: Allowed                                                                                                                                                                                                                                                                                                                  |                                                                                                                                         |
| Non-Tabular: Not allowed without prior approval                                                                                                                                                                                                                                                                                   |                                                                                                                                         |
| Subrogation & Salvage                                                                                                                                                                                                                                                                                                             | NAIC Annual Stmt. Instr. NAIC Accounting Practices and Procedures, Statement of Statutory Accounting Principles Number 55, paragraph 15 |
| May take credit for anticipated salvage and subrogation                                                                                                                                                                                                                                                                           |                                                                                                                                         |
| AOS Required                                                                                                                                                                                                                                                                                                                      | <a href="#">Stat 215-5/136(6)</a>                                                                                                       |
| Confidentiality or Other Information                                                                                                                                                                                                                                                                                              | <a href="#">Stat 215-5/136(6)</a>                                                                                                       |
| AOS Contact                                                                                                                                                                                                                                                                                                                       | Jennifer Niles                                                                                                                          |

## State - Illinois

### **Reciprocal**

|                                                                                                                                                                           |                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Opinion required                                                                                                                                                          | <a href="#">Stat 215-5/85</a> |
| Reserve Amounts:<br>Reciprocals shall maintain reserves in same manner and upon same basis as are required of stock and mutual companies doing the same kinds of business | <a href="#">Stat 215-5/79</a> |

### **Lloyds**

|                  |                                |
|------------------|--------------------------------|
| Opinion required | <a href="#">Stat 215-5/107</a> |
|------------------|--------------------------------|

### **Managing General Agent (MGA)**

|                                                                                             |                                       |
|---------------------------------------------------------------------------------------------|---------------------------------------|
| Opinion required annually if MGA (as defined in <a href="#">Stat 5/141a</a> ) sets reserves | <a href="#">Stat 215-5/141a(d)(2)</a> |
| Filing deadline: No provision                                                               |                                       |
| Qualified Actuary: Academy member in good standing                                          | <a href="#">Stat 215-5/141a(a)</a>    |
| Scope of Opinion: Loss reserves; business produced by MGA                                   | <a href="#">Stat 215-5/141a(d)(2)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                          |                                    |
|----------------------------------------------------------|------------------------------------|
| Opinion required annually if RM sets reserves            | <a href="#">Stat 215-100/45(c)</a> |
| Filing deadline: No provision                            |                                    |
| Qualified Actuary: Academy member in good standing       | <a href="#">Stat 215-100/5</a>     |
| Scope of Opinion: Loss reserves; business produced by RM | <a href="#">Stat 215-100/45(c)</a> |

## State - Illinois

### **Domestic/Foreign Risk Retention Group (RRG)**

|                                                                                                                                                                             |                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Opinion required                                                                                                                                                            | <a href="#">Stat 215-5/123B-3E</a><br><a href="#">Stat 215-5/123B-4B(1)</a> |
| Filing deadline: March 1                                                                                                                                                    | <a href="#">Stat 215-5/123B-3E</a><br><a href="#">Stat 215-5/123B-4B(1)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• Qualified loss reserve specialist under criteria of the NAIC</li> </ul> | <a href="#">Stat 215-5/123B-3E</a><br><a href="#">Stat 215-5/123B-4B(1)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                     | <a href="#">Stat 215-5/123B-3E</a><br><a href="#">Stat 215-5/123B-4B(1)</a> |

### **Religious and Charitable Risk-Pooling Trusts**

|                                                                                                                                                                                                                   |                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| Opinion required if reserves are discounted                                                                                                                                                                       | <a href="#">Stat 215-150/14</a><br><a href="#">Reg 3601.75(a)(2)(D)</a>                                  |
| Filing deadline: June 1                                                                                                                                                                                           | <a href="#">Stat 215-150/14</a><br><a href="#">Reg. 3601.70,</a><br><a href="#">Reg 3601.75(a)(2)(D)</a> |
| “Qualified independent actuary”, defined as: <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member in good standing approved by Casualty Practice Council</li> </ul> | <a href="#">Stat 215-150/14</a><br><a href="#">Reg 3601.75(a)(2)(D)(i) and (ii)</a>                      |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                           | <a href="#">Reg 3601.75(a)(2)(D)</a>                                                                     |
| Discounting: May discount reserves if requirements of <a href="#">Reg 3601.75(a)</a> are met or if approved by the Comm'r                                                                                         | <a href="#">Reg 3601.75(a)(2), (b)</a>                                                                   |

### **Self-Insured WC pools**

|                                                                                                                                           |                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                          | <a href="#">Stat 215-5/107a.12(d)</a>                                                           |
| Filing deadline: March 1                                                                                                                  | <a href="#">Stat 215-5/107a.12(d)</a>                                                           |
| “Independent Actuarial Opinion” means an opinion expressed by a member of the American Academy of Actuaries or Casualty Actuarial Society | <a href="#">Stat 215-5/107a.05</a><br><a href="#">Stat 215-5/107a.12</a><br>NAIC SAO Instr (1A) |
| Scope of Opinion: Loss and LAE reserves                                                                                                   | <a href="#">Stat 215-5/107a.12</a>                                                              |

## State - Illinois

### **Captives (Pure, Association, Industrial)**

|                                                                                                                                                                                                                                                                                                                                               |                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                              | <a href="#">Stat 215-5/123C-9B</a>                                         |
| Filing deadline: March 1 or upon Director approval, no later than the 60 <sup>th</sup> day after the date of the company's fiscal year end.                                                                                                                                                                                                   | <a href="#">Stat 215-5/123C-9B</a><br><a href="#">Stat 215-5/123C-9E-5</a> |
| Qualified Actuary: Either: <ol style="list-style-type: none"> <li>1) A member in good standing with the Casualty Actuarial Society; or</li> <li>2) A member in good standing with the American Academy of Actuaries who has been approved as qualified for signing casualty loss reserve opinions by the Casualty Practice Council</li> </ol> | <a href="#">Stat 215-5/123C-10</a>                                         |
| Reserve Amounts: <p>Every captive must maintain reserves<br/>Every captive shall maintain an unearned premium reserve on all policies in force</p>                                                                                                                                                                                            | <a href="#">Stat 215-5/123C-9D</a><br><a href="#">Stat 215-5/123C-9E</a>   |
| Scope of Opinion: <p>Every captive must maintain reserves<br/>Every captive shall maintain an unearned premium reserve on all policies in force</p>                                                                                                                                                                                           | <a href="#">Stat 215-5/123C-9D</a><br><a href="#">Stat 215-5/123C-9E</a>   |

### **Domestic Surplus Lines**

|                          |                                 |
|--------------------------|---------------------------------|
| Opinion required         | <a href="#">Stat 215-5/445a</a> |
| Filing deadline: March 1 | <a href="#">Stat 215-5/445a</a> |

### **Joint Insurance Pool**

|                                                                                                    |                              |
|----------------------------------------------------------------------------------------------------|------------------------------|
| Opinion required or must provide opinion from the provider of the joint pool's excess ins coverage | <a href="#">Stat 5-220/6</a> |
| Filing deadline: 150 days after fiscal year end                                                    | <a href="#">Stat 5-220/6</a> |
| Qualified Actuary: Independent associate or fellow of the casualty actuarial society               | <a href="#">Stat 5-220/6</a> |

## State - Illinois

### **Title Insurer**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Opinion not required                                                                                                                                                                                                                                                                                                                                                                                                                                                | <a href="#">Stat 215-5/451</a>                                                    |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                                                          | SAO not required                                                                  |
| Filing deadline: Opinion not required                                                                                                                                                                                                                                                                                                                                                                                                                               | <a href="#">Stat 215-5/451</a><br><a href="#">Stat 215-155/1</a>                  |
| Qualified Actuary: Opinion not required                                                                                                                                                                                                                                                                                                                                                                                                                             | <a href="#">Stat 215-5/451</a><br><a href="#">Stat 215-155/1</a>                  |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                                                          | SAO not required                                                                  |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                                                      | <a href="#">Stat 215-5/136(6)</a>                                                 |
| Reserve Amounts:<br>Insurer must maintain reserves                                                                                                                                                                                                                                                                                                                                                                                                                  | <a href="#">Stat 215-155/10</a>                                                   |
| Scope of Opinion: Opinion not required                                                                                                                                                                                                                                                                                                                                                                                                                              | <a href="#">Stat 215-5/451</a><br><a href="#">Stat 215-155/10</a>                 |
| Statutory Premium Reserve<br>Domestic – Initially, sum of<br><ul style="list-style-type: none"> <li>• Unearned premium reserve on Jan. 1, 1990 released in accordance with the laws in effect before Jan. 1, 1990</li> <li>• 12.5 cents per \$1,000 net retained liability on risks written after Jan. 1, 1990, released 10 percent per year, first five years and 3.33 percent per year thereafter</li> </ul> Foreign - No lower than amount required of domestics | <a href="#">Stat 215-155/11(c), (e)</a><br><br><a href="#">Stat 215-155/11(b)</a> |

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"> <li>• Small companies: <ul style="list-style-type: none"> <li>▪ less than \$1 million D&amp;A WP, and</li> <li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li> </ul> </li> <li>• Under supervision or conservatorship</li> <li>• Nature of business - submit to domiciliary Comm'r</li> <li>• Financial hardship – if cost of SAO exceeds either: <ul style="list-style-type: none"> <li>▪ 1 percent capital &amp; surplus, or</li> <li>▪ 3 percent D&amp;A WP</li> </ul> </li> <li>• File for exemption by December 1</li> </ul> | NAIC SAO Instr (1B) |
| A copy of the approved exemption must be filed with the annual statement in all jurisdictions in which the company is authorized                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                     |

## **State - Indiana**

### **Contact Information**

Commissioner: Holly Williams Lambert

Regulatory Agency: Indiana Department of Insurance  
311 West Washington Street  
Suite 103  
Indianapolis, IN 46204-2787  
(317) 232-239085

P/C SAO Contact: Kelsi Ash  
**P&C Financial Analyst Supervisor**  
(317) 232-5298  
[keash@idoi.in.gov](mailto:keash@idoi.in.gov)

### **Website Information**

Related Website: [www.in.gov/idoi](http://www.in.gov/idoi)  
[Insurance Laws, Rules, & Bulletins](#)

Statutes (Stat): [Insurance Code, Title 27](#)

Regulations (Reg): [Administrative Code](#)

Annual Statement Checklists: [Property & Casualty Insurers Annual Statement Checklist](#)  
[Title Insurers Annual Statement Checklist](#)

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## State - Indiana

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                   |                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                  | <a href="#">Stat 27-1-20-21.3</a>                                       |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                        | No                                                                      |
| Filing deadline: March 1                                                                                                                                                                                                                                                          | <a href="#">Stat 27-1-20-21.3(a)</a><br><a href="#">Stat 27-1-20-21</a> |
| Actuary                                                                                                                                                                                                                                                                           |                                                                         |
| Qualifications                                                                                                                                                                                                                                                                    | NAIC SAO Instr (1A)                                                     |
| <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                                |                                                                         |
| Appointment                                                                                                                                                                                                                                                                       | NAIC SAO Instr (1)                                                      |
| <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <i>and annually thereafter</i></li> </ul> |                                                                         |
| Change of Actuary                                                                                                                                                                                                                                                                 |                                                                         |
| Company must:                                                                                                                                                                                                                                                                     |                                                                         |
| <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                        | NAIC SAO Instr (1)                                                      |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                        | <a href="#">Stat 27-1-3-13</a>                                          |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                    | <a href="#">Stat 27-1-3-13</a>                                          |
| Reserve Amounts:                                                                                                                                                                                                                                                                  |                                                                         |
| Insurers must maintain adequate loss reserves                                                                                                                                                                                                                                     | <a href="#">Stat 27-1-13-8</a><br><a href="#">Stat 27-1-13-8.5</a>      |
| Self insurers – Healthcare providers must maintain adequate loss and LAE reserves                                                                                                                                                                                                 | <a href="#">Reg 760 IAC 1-21-6</a>                                      |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                      |
| AOS Required                                                                                                                                                                                                                                                                      | Yes                                                                     |
| Confidentiality or Other Information                                                                                                                                                                                                                                              | <a href="#">Stat 27-1-3-11</a><br><a href="#">3</a>                     |
| AOS Contact                                                                                                                                                                                                                                                                       | Kelsi Ash                                                               |

## State - Indiana

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                           |                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">Stat 27-1-35(9,10,13)</a> |
| Filing deadline: April 1                                                                                                                                                                                  | <a href="#">Stat 27-1-35(13)</a>      |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>                 | <a href="#">Stat 27-1-35(13)</a>      |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                               | <a href="#">Stat 27-1-35(13)</a>      |

### **Managing General Agent (MGA)**

|                                                                                             |                                   |
|---------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if MGA <a href="#">as defined in Stat 27-1-33-4</a> sets reserves | <a href="#">Stat 27-1-33-8(b)</a> |
| Filing deadline: No provision                                                               |                                   |
| Qualified Actuary: Academy member in good standing                                          | <a href="#">Stat 27-1-33-1</a>    |
| Scope of Opinion: Loss reserves; business produced by MGA                                   | <a href="#">Stat 27-1-33-8(b)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                           |                                   |
|-------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if RM <a href="#">as defined in Stat 27-6-9-8</a> sets reserves | <a href="#">Stat 27-6-9-23(c)</a> |
| Filing deadline: No provision                                                             |                                   |
| Qualified Actuary: Academy member in good standing                                        | <a href="#">Stat 27-6-9-1</a>     |
| Scope of Opinion: Loss reserves; business produced by RM                                  | <a href="#">Stat 27-6-9-23(c)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                           |                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Opinion required                                                                                                                                          | <a href="#">Stat 27-7-10-14(d)(1)</a> |
| Filing deadline: No provision                                                                                                                             |                                       |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• qualified loss reserve specialist per NAIC, or</li> <li>• Academy member</li> </ul> | <a href="#">Stat 27-7-10-14(d)(1)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">Stat 27-7-10-14(d)(1)</a> |

## State - Indiana

### **Title Insurer**

|                                                                                                                                                                                                                                                       |                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                      | <a href="#">Stat 27-1-20-21.3</a>                                  |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                            | No                                                                 |
| Filing deadline: March 15                                                                                                                                                                                                                             | <a href="#">Stat 27-7-3-14</a>                                     |
| <p><b>Actuary</b></p> <p>Qualifications</p> <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> <li>• Company employee permitted except as noted</li> </ul> | NAIC SAO Instr (1A) Title                                          |
| <p><b>Appointment</b></p> <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                                                               | NAIC SAO Instr (1) Title                                           |
| <p><b>Change of Actuary</b></p> <p>Company must:</p> <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                       | NAIC SAO Instr (1) Title                                           |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                            | <a href="#">Stat 27-1-3-13</a>                                     |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                        | <a href="#">Stat 27-1-3-13</a>                                     |
| Insurers must maintain adequate loss reserves                                                                                                                                                                                                         | <a href="#">Stat 27-1-13-8</a><br><a href="#">Stat 27-1-13-8.5</a> |
| <p><b>Title Insurance reserve fund:</b></p> <p>10 percent premiums collected during previous year, with maximum of \$50,000</p>                                                                                                                       | <a href="#">Stat 27-7-3-9</a>                                      |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                                      | NAIC SAO Instr (4) Title                                           |

## **State - Indiana**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li><li>• Farm mutual companies</li><li>• <a href="#"><u>Domestic mutual fire insurance companies or associations licensed as of March 8, 1935</u></a></li><li>• Abstract and Title companies organized before March 8, 1935</li></ul> | <p>NAIC SAO Instr (1B)</p> <p><a href="#"><u>Stat 27-1-20-26</u></a></p> <p><a href="#"><u>Stat 27-1-20-27</u></a></p> <p><a href="#"><u>Stat 27-1-20-29</u></a></p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## **State - Iowa**

### **Contact Information**

Commissioner: Doug Ommen

Regulatory Agency: Iowa Insurance Division  
1963 Bell Avenue, Suite 100  
Des Moines, IA 50315  
(515) 654-6600

P/C SAO Contact: Mike Yanacheak MAAA, ASA  
Chief Actuary  
(515) 654-6535  
[mike.yanacheak@iid.iowa.gov](mailto:mike.yanacheak@iid.iowa.gov)

Captives\* SAO Contact: Kim Cross  
Deputy Commissioner for Supervision  
(515) 654-6490  
[kim.cross@iid.iowa.gov](mailto:kim.cross@iid.iowa.gov)

### **Website Information**

Related Website: [www.iid.state.ia.us/](http://www.iid.state.ia.us/)  
[Iowa Admin Code, Title 191](#)

Statutes (Stat): [Insurance Code, Title XIII, Subtitle 1](#)

Regulations (Reg): Iowa Admin Code, Title 191, [Chapter 5](#), [Chapter 56](#)

Annual Statement Checklists: [Property & Casualty Insurers Annual Statement Checklist](#)  
[Other Annual Statement Checklists](#)

\*Please refer to page A-5 for additional discussion of captives.

## **State - Iowa**

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## State - Iowa

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                                                                                                   |                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                  | <a href="#">Reg 191-5.26(2), Reg 191-5.29<br/>Stat 515H.2</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                        | No                                                            |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                          | <a href="#">Reg 191-5.26(2)</a>                               |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                                                                                                      | NAIC SAO Instr (1A)                                           |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul>                                                                                 | NAIC SAO Instr (1)                                            |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                                                     | NAIC SAO Instr (1)                                            |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                        | <a href="#">Reg 191-5.26(2), Stat 515H.2</a>                  |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                    | <a href="#">Reg 191-5.26(2), Stat 515H.2</a>                  |
| Insurer must maintain adequate loss and LAE reserves                                                                                                                                                                                                                                                                                                                              | No citation found                                             |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)<br><a href="#">Reg 191-5.29</a>            |
| Minimum Reserves: <ul style="list-style-type: none"> <li>• Employers' Liability - For the first of the 3 years preceding the date of AnnStat, \$750 per outstanding suit</li> <li>• Workers' Compensation - For the first of the 3 years preceding the date of AnnStat, the present value at 4 percent interest of determined and estimated unpaid claims for the year</li> </ul> | <a href="#">Stat 517.1 2</a><br><a href="#">Stat 517.1 4</a>  |

## State - Iowa

### **Admitted P/C insurer, continued**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <p>Formula reserves for Employers' Liability – Reserves for losses and loss expenses shall be computed as follows:</p> <ul style="list-style-type: none"> <li>• For all liab suits under policies written: <ul style="list-style-type: none"> <li>▪ 10 or more years preceding, \$1,500 per suit</li> <li>▪ 5-10 years preceding, \$1,000 per suit</li> <li>▪ 3-5 years preceding, \$850 per suit</li> </ul> </li> <li>• For all liab policies written in last 3 years, reserves for each such year shall be 60 percent of earned premiums less all loss &amp; loss expense payments for that year. Reserves for the first 3 years shall not be less than \$750 for each outstanding suit.</li> </ul> | <p><a href="#">Stat 517.1 1</a></p> <p><a href="#">Stat 517.1 2</a></p> |
| <p>Formula reserves for Workers Compensation:</p> <ul style="list-style-type: none"> <li>• For all claims under policies written 3 or more years preceding, reserves shall be the present value at 4 percent interest of determined and estimated future payments.</li> <li>• For all claims under policies written in last 3 years, reserves for each such year shall be 65 percent of earned premium less all loss and loss expense payments. For the first 3 years, the reserves shall not be less than the present value at 4 percent interest of determined and estimated unpaid claims.</li> </ul>                                                                                              | <p><a href="#">Stat 517.1 3</a></p> <p><a href="#">Stat 517.1 4</a></p> |
| Credit for reinsurance allowed certain domestic ceding insurers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <a href="#">Stat 521B.102</a> , <a href="#">Stat 521B.103</a>           |
| AOS Required                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <a href="#">Stat 515H.2</a>                                             |
| Confidentiality or Other Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <a href="#">Stat 515H.3</a>                                             |
| AOS Contact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Kim Cross                                                               |

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                                             |                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <p>Opinion required if GWP placed by producer is <math>\geq</math> 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other</p> | <p><a href="#">Stat 510A.4 1</a><br/> <a href="#">Stat 510A.4 4a</a></p> |
| Filing deadline: April 1                                                                                                                                                                                                    | <a href="#">Stat 510A.4 4a</a>                                           |
| <p>Qualified Actuary is either:</p> <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>                            | <a href="#">Stat 510A.4 4a</a>                                           |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                                                 | <a href="#">Stat 510A.4 4a</a>                                           |

## State - Iowa

### **Managing General Agent (MGA)**

|                                                                                                                                                  |                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 510.1B.4</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 510.6.2</a>  |
| Filing deadline: March 1                                                                                                                         | Division Policy               |
| Qualified Actuary: Academy member in good standing                                                                                               | <a href="#">Stat 510.1B.1</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                        | <a href="#">Stat 510.6.2</a>  |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                           |                               |
|-------------------------------------------------------------------------------------------|-------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 521C.2.8</a> ) sets reserves | <a href="#">Stat 521C.9.3</a> |
| Filing deadline: March 1                                                                  | Division Policy               |
| Qualified Actuary: Academy member in good standing                                        | <a href="#">Stat 521C.2.1</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                  | <a href="#">Stat 521C.9.3</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                        |                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Opinion required                                                                                                                                       | <a href="#">Stat 515E.4.2a</a> |
| Filing deadline: March 1                                                                                                                               | Division Policy                |
| Qualified Actuary is either: <ul style="list-style-type: none"><li>• qualified loss reserve specialist per NAIC, or</li><li>• Academy member</li></ul> | <a href="#">Stat 515E.4.2a</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                | <a href="#">Stat 515E.4.2a</a> |

### **WC Group Self-Insurer**

|                                                                                                                                                        |                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Opinion required                                                                                                                                       | <a href="#">Reg 191-56.13(2)(a)</a> |
| Filing deadline: March 1                                                                                                                               | <a href="#">Reg 191-56.13(2)</a>    |
| Qualified Actuary is either: <ul style="list-style-type: none"><li>• Academy member, or</li><li>• qualified loss reserve specialist per NAIC</li></ul> | <a href="#">Reg 191-56.13(2)(a)</a> |
| Scope of Opinion: Known claims and expenses and IBNR and associated expenses                                                                           | <a href="#">Reg 191-56.13(2)(a)</a> |

## **State - Iowa**

### **Title Insurer**

|             |                                |
|-------------|--------------------------------|
| Not allowed | <a href="#">Stat 515.48 10</a> |
|-------------|--------------------------------|

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship - if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Kansas**

### **Contact Information**

|                                |                                                                                                                                          |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Commissioner:                  | Vicki Schmidt                                                                                                                            |
| Regulatory Agency:             | Kansas <a href="#">Department of Insurance</a><br>1300 SW Arrowhead Rd.<br>Topeka, KS 66604<br>(785) 296-3071                            |
| P/C and Captives* SAO Contact: | Tish Becker<br>Director, Financial Surveillance Division<br>(785) 296-7816<br><a href="mailto:tish.becker@ks.gov">tish.becker@ks.gov</a> |

### **Website Information**

|                              |                                                              |
|------------------------------|--------------------------------------------------------------|
| Related Website:             | <a href="http://www.ksinsurance.org">www.ksinsurance.org</a> |
| Statutes (Stat):             | <a href="#">Insurance Code, Chapter 40</a>                   |
| Regulations (Reg):           | <a href="#">Kansas Administrative Regulations, Agency 40</a> |
| Annual Statement Checklists: | <a href="#">Annual Statement Checklists</a>                  |

\*Please refer to page A-5 for additional discussion of captives.

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## State - Kansas

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                              |                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                             | <a href="#">Stat 40-223i(a)</a>                                                            |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                   | Domestic: <u>No</u> <u>Yes</u><br>Foreign: No                                              |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                     | <a href="#">Stat 40-223i(a)</a> , <a href="#">Stat 40-225</a>                              |
| Actuary                                                                                                                                                                                                                                                                                                      |                                                                                            |
| Qualifications                                                                                                                                                                                                                                                                                               |                                                                                            |
| <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                                                           | NAIC SAO Instr (1A)                                                                        |
| Appointment                                                                                                                                                                                                                                                                                                  |                                                                                            |
| <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul>                        | NAIC SAO Instr (1)                                                                         |
| Change of Actuary                                                                                                                                                                                                                                                                                            |                                                                                            |
| Company must: <ul style="list-style-type: none"> <li>• notify Commissioner within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                               | NAIC SAO Instr (1)                                                                         |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                   | <a href="#">Stat 40-223i</a> , <a href="#">Stat 40-223j</a><br><a href="#">Stat 40-225</a> |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                               | <a href="#">Stat 40-223i</a> , <a href="#">Stat 40-223j</a><br><a href="#">Stat 40-225</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                      | NAIC SAO Instr (4)                                                                         |
| Reserve amounts:                                                                                                                                                                                                                                                                                             |                                                                                            |
| Mortgage guaranty – Must maintain adequate reserves for known and IBNR claims, reflecting frequency and severity; including: (1) loans that result in conveyance of unsold property, (2) loans in process of foreclosure, (3) loans or leases in default (for 4 months or lesser period as stated in policy) | <a href="#">Stat 40-3517</a>                                                               |
| Unearned Premium Reserve:                                                                                                                                                                                                                                                                                    |                                                                                            |
| <ul style="list-style-type: none"> <li>• unless otherwise specified, pro-rata amount of premiums on unexpired risks</li> <li>• Rule of 78 may be used only on policies in which exposure is decreasing in equal amounts during the period and refunds are based on Rule of 78</li> </ul>                     | <a href="#">Stat 40-234</a>                                                                |
| Discounting – Other                                                                                                                                                                                                                                                                                          |                                                                                            |
| Not allowed except for WC and long-term disability                                                                                                                                                                                                                                                           | Codification (SSAP 65-10)                                                                  |

## State - Kansas

### **Admitted P/C Insurer, continued**

|                                                                                                                                                                                                                                                                                                                          |                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Contingency reserve – mortgage guaranty<br>50 percent of remaining earned premiums after establishment of the unearned premium reserve; maintain for 120 months, except withdrawal permitted (with prior approval of domiciliary Commissioner) when actual losses exceed 35 percent of earned premiums in any given year | <a href="#">Stat 40-3518</a>       |
| Subrogation and Salvage<br>Insurance companies allowed to deduct salvage and subrogation recoverables from liability for unpaid claims or losses provided guidelines as set forth in codification are met                                                                                                                | Codification (SSAP 55)             |
| AOS Required                                                                                                                                                                                                                                                                                                             | <a href="#">Stat 40-223i(b)</a>    |
| Confidentiality or Other Information                                                                                                                                                                                                                                                                                     | <a href="#">Stat 40-223j(b)(1)</a> |
| AOS Contact                                                                                                                                                                                                                                                                                                              | Tish Becker                        |

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                                                                                      |                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Opinion required if GWP placed by controlling producer is $\geq 5$ percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the controlling producer and controlled insurer have an exclusive arrangement regarding business written | <a href="#">Stat 40-37a04(a)(1)</a><br><a href="#">Stat 40-37a04(d)(1)</a> |
| Filing deadline: April 1                                                                                                                                                                                                                                             | <a href="#">Stat 40-37a04(d)(1)</a>                                        |
| Qualified Actuary is either: <ul style="list-style-type: none"><li>• independent casualty actuary, or</li><li>• other independent loss reserve specialist approved by Commissioner</li></ul>                                                                         | <a href="#">Stat 40-37a04(d)(1)</a>                                        |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                                                                                          | <a href="#">Stat 40-37a04(d)(1)</a>                                        |

## State - Kansas

### **Managing General Agent (MGA)**

|                                                                                                                                                                 |                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Insurer shall obtain opinion annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 40-2,130(d)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 40-2,133(c)</a> |
| Filing deadline: No provision                                                                                                                                   |                                  |
| Qualified Actuary: Academy member in good standing                                                                                                              | <a href="#">Stat 40-2,130(a)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                                       | <a href="#">Stat 40-2,133(c)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                           |                                 |
|-----------------------------------------------------------------------------------------------------------|---------------------------------|
| Reinsurer shall obtain opinion annually if RM (defined in <a href="#">Stat 40-4502(g)</a> ) sets reserves | <a href="#">Stat 40-4509(c)</a> |
| Filing deadline: No provision                                                                             |                                 |
| Qualified Actuary: Academy member in good standing                                                        | <a href="#">Stat 40-4502(a)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                                  | <a href="#">Stat 40-4509(c)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                      |                                    |
|------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required                                                                                     | <a href="#">Stat 40-4103(b)(1)</a> |
| Filing deadline: No provision                                                                        |                                    |
| Qualified actuary is either:<br>• qualified loss reserve specialist per NAIC, or<br>• Academy member | <a href="#">Stat 40-4103(b)(1)</a> |
| Scope of Opinion: Loss and LAE reserves                                                              | <a href="#">Stat 40-4103(b)(1)</a> |

## State - Kansas

### Title Insurer

|                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                    | <a href="#">Stat 40-223i(a)</a>                                                            |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                          | Domestic: <u>No</u> <u>Yes</u><br>Foreign: No                                              |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                            | <a href="#">Stat 40-223i(a)</a> , <a href="#">Stat 40-225</a>                              |
| Actuary<br><br>Qualifications <ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li><li>• Company employee permitted except as noted</li></ul>                                                                                                                                                                 | NAIC SAO Instr (1A) Title                                                                  |
| Appointment <ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports to Board</li></ul>                                                                                                                                                                                                                                               | NAIC SAO Instr (1) Title                                                                   |
| Change of Actuary<br><br>Company must: <ul style="list-style-type: none"><li>• notify Commissioner within 5 days</li><li>• provide separate letter within 10 days concerning disagreements</li></ul>                                                                                                                                                                                                | NAIC SAO Instr (1) Title                                                                   |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                          | <a href="#">Stat 40-223i</a> , <a href="#">Stat 40-223j</a><br><a href="#">Stat 40-225</a> |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                      | <a href="#">Stat 40-223i</a> , <a href="#">Stat 40-223j</a><br><a href="#">Stat 40-225</a> |
| Reserve amounts:<br><br>Must maintain adequate reserves for both losses and unearned premiums; <u>domestic title companies require additional 3% on all premiums unless exclusively insuring titles to real estate issuing noncancelable policies.</u>                                                                                                                                              | <a href="#">Stat 40-234</a>                                                                |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                                                                                                                                                                                    | NAIC SAO Instr (4) Title                                                                   |
| Unearned Premium Reserve: <ul style="list-style-type: none"><li>• unless otherwise specified, pro-rata amount of premiums on unexpired risks</li><li>• Rule of 78 may be used only on policies in which exposure is decreasing in equal amounts during the period and refunds are based on Rule of 78</li><li>• For companies exclusively insuring titles to real estate see Stat 40-234b</li></ul> | <a href="#">Stat 40-234</a><br><br><a href="#">Stat 40-234b (Real Estate Only)</a>         |
| Foreign – Unearned premium reserve computed as permitted or prescribed by insurer's domicile                                                                                                                                                                                                                                                                                                        | <a href="#">Stat 40-234c</a>                                                               |
| Anticipated salvage and subrogation is not permitted                                                                                                                                                                                                                                                                                                                                                | Codification (SSAP 57-13)                                                                  |

## **State - Kansas**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Commissioner</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Kentucky**

### **Contact Information**

Commissioner: Sharon P. Clark

Regulatory Agency: Kentucky Department of Insurance  
500 Mero Street  
2 SE 11  
Frankfort, KY 40601  
(502) 564-3630

P/C and Captives\* SAO Contact: Rodney Hugle~~Russell R. Coy II~~  
Assistant Director~~Captive Coordinator~~  
(502) 782-5256~~74~~  
Rodney.Hugle@ky.gov~~Russell.coy@ky.gov~~

### **Website Information**

Related Website: <http://insurance.ky.gov>

Statutes (Stat): [Insurance Code, Title XXV, Chapter 304](#)

Regulations (Reg): [Kentucky Administrative Regulations, Title 806](#)

Annual Statement Checklists: [Annual Statement Filing Checklists & Instructions](#)

\*Please refer to page A-5 for additional discussion of captives.

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## State - Kentucky

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                       |                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                      | <a href="#">Stat 304.3-242(1)</a>                               |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                            | Domestic: <a href="#">No</a> <a href="#">Yes</a><br>Foreign: No |
| Filing deadline: Before March 1                                                                                                                                                                                                                                                       | <a href="#">Stat 304.3-240(1)</a>                               |
| Actuary                                                                                                                                                                                                                                                                               |                                                                 |
| Qualifications                                                                                                                                                                                                                                                                        | NAIC SAO Instr (1A)                                             |
| <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                                    |                                                                 |
| Appointment                                                                                                                                                                                                                                                                           | NAIC SAO Instr (1)                                              |
| <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> |                                                                 |
| Change of Actuary                                                                                                                                                                                                                                                                     |                                                                 |
| Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                              | NAIC SAO Instr (1)                                              |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                            | <a href="#">Stat 304.3-241</a>                                  |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                        | <a href="#">Stat 304.3-241</a>                                  |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                               | NAIC SAO Instr (4)                                              |
| Reserve amounts:                                                                                                                                                                                                                                                                      |                                                                 |
| Insurer must maintain reserves estimated in the aggregate to provide for the payment of loss and LAE on claims, whether reported or unreported, for which the insurer may be liable                                                                                                   | <a href="#">Stat 304.6-100(1)</a>                               |
| Discounting – Med prof liab, WC, other                                                                                                                                                                                                                                                |                                                                 |
| Domestic insurers may discount med prof liab, WC, and other kinds of casualty insurance as approved by Comm'r                                                                                                                                                                         | <a href="#">Reg 6:090 2(1)</a>                                  |
| AOS Required                                                                                                                                                                                                                                                                          | <a href="#">Stat 304.3-242(2)</a>                               |
| Confidentiality or Other Information                                                                                                                                                                                                                                                  | <a href="#">Stat 304.3-242(6)</a>                               |
| AOS Contact                                                                                                                                                                                                                                                                           | <a href="#">Rodney Hugle</a> <a href="#">Russell R. Coy II</a>  |

## State - Kentucky

### Producer-Controlled Insurer

|                                                                                                                                                                                                           |                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">Stat 304.3-410(1)</a><br><a href="#">Stat 304.3-410(4)(a)</a> |
| Filing deadline: April 1                                                                                                                                                                                  | <a href="#">Stat 304.3-410(4)(a)</a>                                      |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>                 | <a href="#">Stat 304.3-410(4)(a)</a>                                      |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                               | <a href="#">Stat 304.3-410(4)(a)</a>                                      |

### Controlling Agents

|                                                                                                                                                                              |                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if controlling agent sets reserves and is a controlling agent as defined in <a href="#">Stat 304.3-500(3)</a> (GWP $>$ 5 percent PHS last AnnStat) | <a href="#">Stat 304.3-530(2)</a> |
| Filing deadline: No provision                                                                                                                                                |                                   |
| Qualified Actuary: Academy member in good standing                                                                                                                           | <a href="#">Stat 304.3-500(1)</a> |
| Scope of Opinion: Loss reserves; business produced by controlling agent                                                                                                      | <a href="#">Stat 304.3-530(2)</a> |

### Reinsurance Intermediary-Manager (RM)

|                                                                                               |                                   |
|-----------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 304.9-700(7)</a> ) sets reserves | <a href="#">Stat 304.9-735(3)</a> |
| Filing deadline: No provision                                                                 |                                   |
| Qualified Actuary: Academy member in good standing                                            | <a href="#">Stat 304.9-700(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                      | <a href="#">Stat 304.9-735(3)</a> |

### Foreign Risk Retention Group (RRG)

|                                                                                                                                                           |                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Opinion required                                                                                                                                          | <a href="#">Stat 304.45-040(2)(a)</a> |
| Filing deadline: No provision                                                                                                                             |                                       |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• qualified loss reserve specialist per NAIC, or</li> <li>• Academy member</li> </ul> | <a href="#">Stat 304.45-040(2)(a)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">Stat 304.45-040(2)(a)</a> |

## State - Kentucky

### **Discounted Reserves**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <a href="#">Stat 304.3-242(1)</a> |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• has demonstrated satisfactory education and experience (at least 7 years) to Comm'r</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <a href="#">Reg 6:090 1(7)</a>    |
| Discounted med prof liab, WC, other lines as approved by Comm'r<br><br>Opinions must provide assessment of: <ul style="list-style-type: none"> <li>• adequacy of undiscounted reserve</li> <li>• appropriateness of interest rate (considering at least the following: valuation basis of assets, asset yields, asset maturities, consistency with interest rate used in pricing)</li> <li>• appropriateness of payment projection considering at least the following: company experience, other insurer experience (allowing for differences in coverage and limits), and reins recoverable</li> <li>• any other relevant factors</li> </ul> Opinion must describe formulas for discounting calculation, including any provision for adverse development | <a href="#">Reg 6:090 3(2)</a>    |

### **Title Insurer**

|                                                                                                                                                                                               |                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Opinion required                                                                                                                                                                              | <a href="#">Stat 304.3-242(1)</a>             |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                    | Domestic: <u>No</u> <u>Yes</u><br>Foreign: No |
| Filing deadline: Before March 1                                                                                                                                                               | <a href="#">Stat 304.3-240(1)</a>             |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul>                 | NAIC SAO Instr (1A) Title                     |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                     | NAIC SAO Instr (1) Title                      |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul> | NAIC SAO Instr (1) Title                      |

## State - Kentucky

### **Title Insurer, continued**

|                                                                                                                                                                                     |                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Insurers must follow NAIC SAO Instructions                                                                                                                                          | <a href="#">Stat 304.3-241</a>    |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                      | <a href="#">Stat 304.3-241</a>    |
| Insurer must maintain reserves estimated in the aggregate to provide for the payment of loss and LAE on claims, whether reported or unreported, for which the insurer may be liable | <a href="#">Stat 304.6-100(1)</a> |
| Statutory premium reserve<br>Initially, 10 percent of risk portion of premiums written; reduced by 5 percent of the original amount each year for the next 20 years                 | <a href="#">Stat 304.6-080</a>    |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                    | NAIC SAO Instr (4) Title          |

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, or</li><li>▪ less than 1,000 policyholders or certificate holders</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r (property insurance only)</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | <a href="#">Stat 304.3-242(7)</a> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|

## **State - Louisiana**

### **Contact Information**

|                                |                                                                                                                               |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Commissioner:                  | Tim Temple                                                                                                                    |
| Regulatory Agency:             | Department of Insurance<br>1702 N. 3rd Street<br>Baton Rouge, LA 70802<br>(225) 342-5900                                      |
| Mailing Address:               | Louisiana Department of Insurance<br>P.O. Box 94214<br>Baton Rouge, LA 70804                                                  |
| P/C and Captives* SAO Contact: | John Sobhanian, ACAS<br>Actuary<br>(402) 219-2181<br><a href="mailto:john.sobhanian@ldi.la.gov">john.sobhanian@ldi.la.gov</a> |

### **Website Information**

|                              |                                                                                                                                                |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Related Website:             | <a href="http://www.ldi.la.gov">www.ldi.la.gov</a>                                                                                             |
| Statutes (Stat):             | <a href="http://Insurance Code, Title 22">Insurance Code, Title 22</a>                                                                         |
| Annual Statement Checklists: | <a href="http://Insurers Annual Statement Checklists and Filing Instructions">Insurers Annual Statement Checklists and Filing Instructions</a> |

\*Please refer to page A-5 for additional discussion of captives.

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## State - Louisiana

### Admitted P/C Insurer

|                                                                                                                                |                                                        |
|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| Opinion required                                                                                                               | <a href="#">Stat 22:771(A)</a>                         |
| Original Signature (Handwritten on Paper) Required for SAO                                                                     | <a href="#">No</a> <a href="#">Yes</a>                 |
| Filing deadline: March 1                                                                                                       | <a href="#">Stat 22:571(B)</a>                         |
| Actuary                                                                                                                        |                                                        |
| Qualifications                                                                                                                 | NAIC SAO Instr (1A)<br><a href="#">Stat 22:65(11a)</a> |
| • Meets basic education, experience, and continuing education requirements                                                     |                                                        |
| • Maintains an Accepted Actuarial Designation                                                                                  |                                                        |
| • Is a member of a professional actuarial association                                                                          |                                                        |
| Appointment                                                                                                                    | NAIC SAO Instr (1)<br><a href="#">Stat 22:571(D)</a>   |
| • By Board of Directors or equivalent                                                                                          |                                                        |
| • By December 31                                                                                                               |                                                        |
| • Reports to Board                                                                                                             |                                                        |
| • Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del> |                                                        |
| Change of Actuary                                                                                                              |                                                        |
| Company must:                                                                                                                  | NAIC SAO Instr (1)<br><a href="#">Stat 22:571(D)</a>   |
| • notify Comm'r within 5 days                                                                                                  |                                                        |
| • provide separate letter within 10 days concerning disagreements                                                              |                                                        |
| Insurers must follow NAIC SAO Instructions                                                                                     | <a href="#">Stat 22:571(D)</a>                         |
| Insurers must follow NAIC AnnStat Instructions                                                                                 | <a href="#">Stat 22:571(D)</a>                         |
| Reserve Amounts:                                                                                                               | <a href="#">Stat 22:766</a>                            |
| Insurer must maintain adequate loss reserves                                                                                   | <a href="#">Stat 22:769(B)</a>                         |
| Scope of Opinion: Loss and LAE reserves                                                                                        | NAIC SAO Instr (4)                                     |
| AOS Required                                                                                                                   | <a href="#">Stat 22:771(B)</a>                         |
| Confidentiality or Other Information                                                                                           | <a href="#">Stat 22:771(F)</a>                         |
| AOS Contact                                                                                                                    | John Sobhanian                                         |

## State - Louisiana

### **Broker-Controlled Insurer**

|                                                                                                                                                                                                       |                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Opinion required if GWP placed by broker is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the broker and insurer work exclusively with each other | <a href="#">Stat 22:554(A)</a><br><a href="#">Stat 22:554(D)(1)</a> |
| Filing deadline: April 1                                                                                                                                                                              | <a href="#">Stat 22:554(D)(1)</a>                                   |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>             | <a href="#">Stat 22:554(D)(1)</a>                                   |
| Scope of Opinion: Loss reserves including IBNR; business placed by broker                                                                                                                             | <a href="#">Stat 22:554(D)(1)</a>                                   |

### **Managing General Agent (MGA)**

|                                                                                                                                                    |                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 22:1622(4)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 22:1625(B)</a> |
| Filing deadline: March 1                                                                                                                           | <a href="#">Stat 22:571(B)</a>  |
| Qualified Actuary: Academy member in good standing                                                                                                 | <a href="#">Stat 22:1622(1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                          | <a href="#">Stat 22:1625(B)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                             |                                 |
|---------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 22:1722(8)</a> ) sets reserves | <a href="#">Stat 22:1729(C)</a> |
| Filing deadline: March 1                                                                    | <a href="#">Stat 22:571(B)</a>  |
| Qualified Actuary: Academy member in good standing                                          | <a href="#">Stat 22:1722(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                    | <a href="#">Stat 22:1729(C)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                           |                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required                                                                                                                                          | <a href="#">Stat 22:484C(1)</a> |
| Filing deadline: No provision                                                                                                                             |                                 |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• qualified loss reserve specialist per NAIC, or</li> <li>• Academy member</li> </ul> | <a href="#">Stat 22:484C(1)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">Stat 22:484C(1)</a> |

## State - Louisiana

### **Title Insurer**

|                                                                                                                                                                                                              |                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Opinion required                                                                                                                                                                                             | <a href="#">Stat 22:571(D)</a>                                |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                   | <u>No</u> <u>Yes</u>                                          |
| Filing deadline: March 1                                                                                                                                                                                     | <a href="#">Stat 22:571(B)</a>                                |
| Actuary<br>Qualifications<br><ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li></ul>                                | NAIC SAO Instr (1A) Title                                     |
| Appointment<br><ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports to Board</li></ul>                                                     | NAIC SAO Instr (1) Title<br><a href="#">Stat 22:571(D)</a>    |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"><li>• notify Comm'r within 5 days</li><li>• provide separate letter within 10 days concerning disagreements</li></ul>                   | NAIC SAO Instr (1) Title<br><a href="#">Stat 22:571(D)</a>    |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                   | <a href="#">Stat 22:571(D)</a>                                |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                               | <a href="#">Stat 22:571(D)</a>                                |
| Insurer must maintain adequate loss reserves                                                                                                                                                                 | <a href="#">Stat 22:766</a><br><a href="#">Stat 22:769(B)</a> |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                             | NAIC SAO Instr (4) Title                                      |
| Special reserve fund<br>Annual increase is 25 cents per \$1,000 net increase in insurance in force up to guaranty fund deposit required by insurer; reinsurer need not include to extent ceding insurer does | <a href="#">Stat 22:768(A), (C)</a>                           |

## **State - Louisiana**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Maine**

### **Contact Information**

Superintendent: Bob Carey

Regulatory Agency: Department of Professional &  
Financial Regulation  
Maine Bureau of Insurance  
#34 State House Station  
Augusta, ME 04333-0034  
(207) 624-8475 or 800-300-5000

P/C and Captives\* SAO Contact: Sandra Darby, Actuary  
(207) 624-8427  
[sandra.c.darby@maine.gov](mailto:sandra.c.darby@maine.gov)

### **Website Information**

Related Website: [www.maine.gov/pfr/insurance](http://www.maine.gov/pfr/insurance)

Statutes (Stat): [Maine Insurance Code - Title 24-A](#)

Regulations (Reg): [Code of Maine Rules, Department of Professional and Financial Regulation](#)

Annual Statement Checklists: [Annual Statement Instructions and Checklists](#)

\*Please refer to page A-5 for additional discussion of captives.

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Captive Insurer

#### Title Insurer

#### SAO Exemptions

## State - Maine

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                                                                                                                                         |                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                        | <a href="#">Stat 24-A § 993(1)</a>            |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                              | Domestic: <u>No</u> <u>Yes</u><br>Foreign: No |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                | <a href="#">Stat 24-A § 423(1)</a>            |
| <p><b>Actuary</b></p> <p>Qualifications</p> <ul style="list-style-type: none"> <li>• Member of Academy</li> <li>• either FCAS or ACAS;</li> <li>• if ACAS, must have 5 years of experience in property/casualty insurance</li> </ul>                                                                                                                                                                                    | <a href="#">Stat 24-A § 992(3)</a>            |
| <p><b>Appointment</b></p> <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul>                                                                                                         | NAIC SAO Instr (1)                            |
| <p><b>Change of Actuary</b></p> <p>Company must:</p> <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                                                                         | NAIC SAO Instr (1)                            |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                              | <a href="#">Stat 24-A § 423(1)</a>            |
| Data Evaluation: If actuary relied on other persons to test data, actuary must identify data testers and include extent of testing required for reasonableness and consistency                                                                                                                                                                                                                                          | NAIC SAO Instr (4)                            |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                          | <a href="#">Stat 24-A § 423(1)</a>            |
| <p>Opinion must be on letterhead of actuary, indicate the address of office, and be manually executed and dated. Also must include actuary's relevant experience, absence of conflict of interest, and actuary's subscription to professional ethics code of CAS. This is no longer explicitly stated in statute. NAIC AnnStat Instructions will control pursuant to <a href="#">Stat 24-A § 993(1) and (3)(A)</a>.</p> | <a href="#">Stat 24-A § 993</a>               |
| <p><b>Reserve Amounts:</b></p> <p>Insurer must maintain adequate loss and LAE reserves</p>                                                                                                                                                                                                                                                                                                                              |                                               |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                                                                                                                                 | NAIC SAO Instr (4)                            |
| AOS Required                                                                                                                                                                                                                                                                                                                                                                                                            | Yes                                           |
| Confidentiality or Other Information                                                                                                                                                                                                                                                                                                                                                                                    | <a href="#">Stat 24-A § 994 (2)(A)</a>        |
| AOS Contact                                                                                                                                                                                                                                                                                                                                                                                                             | Vanessa J. Sullivan                           |

## State - Maine

### **Broker-Controlled Insurer**

|                                                                                                                                                                                                       |                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Opinion required if GWP placed by broker is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the broker and insurer work exclusively with each other | <a href="#">Stat 24-A § 6404(1)</a><br><a href="#">Stat 24-A § 6404(4)(A)</a> |
| Filing deadline: April 1                                                                                                                                                                              | <a href="#">Stat 24-A § 6404(4)(A)</a>                                        |
| Qualified Actuary: Independent casualty actuary acceptable to Superintendent                                                                                                                          | <a href="#">Stat 24-A § 6404(4)(A)</a>                                        |
| Scope of Opinion: Loss reserves including IBNR; business placed by broker                                                                                                                             | <a href="#">Stat 24-A § 6404(4)(A)</a>                                        |

### **Domestic Mutual Assessment Insurers Writing Property Insurance**

|                      |                                                                       |
|----------------------|-----------------------------------------------------------------------|
| Opinion NOT required | <a href="#">Stat 24-A § 992 (1)</a><br><a href="#">Stat 24-A § 10</a> |
|----------------------|-----------------------------------------------------------------------|

### **Managing General Agent (MGA)**

|                                                                                                                                                 |                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 1492(3)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 24-A § 1495(2)</a>                                        |
| Filing deadline: No provision                                                                                                                   |                                                                            |
| Qualified Actuary: Academy member in good standing who specializes in type of insurance under consideration                                     | <a href="#">Stat 24-A § 1492(1)</a><br><a href="#">Stat 24-A § 1495(2)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                       | <a href="#">Stat 24-A § 1495(2)</a>                                        |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                             |                                                                          |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 24-A § 741(5)</a> ) sets reserves              | <a href="#">Stat 24-A § 750(3)</a>                                       |
| Filing deadline: No Provision                                                                               |                                                                          |
| Qualified Actuary: Academy member in good standing who specializes in type of insurance under consideration | <a href="#">Stat 24-A § 741(1)</a><br><a href="#">Stat 24-A § 750(3)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                                    | <a href="#">Stat 24-A § 750(3)</a>                                       |

## State - Maine

### **Foreign Risk Retention Group (RRG)**

|                                                                               |                                        |
|-------------------------------------------------------------------------------|----------------------------------------|
| Opinion required annually                                                     | <a href="#">Stat 24-A § 6095(2)(A)</a> |
| Filing deadline: March 1                                                      | <a href="#">Stat 24-A § 6095(2)(A)</a> |
| Qualified Actuary: Academy member qualified to certify casualty loss reserves | <a href="#">Stat 24-A § 6095(2)(A)</a> |
| Scope of Opinion: Loss and LAE reserves                                       | <a href="#">Stat 24-A § 6095(2)(A)</a> |

### **Public Self-Funded Pools**

|                                                                                                          |                                     |
|----------------------------------------------------------------------------------------------------------|-------------------------------------|
| Opinion required annually                                                                                | <a href="#">Stat 30-A § 2256(1)</a> |
| Filing deadline: Six months after company's fiscal year-end                                              | <a href="#">Stat 30-A § 2256(1)</a> |
| Qualified Actuary: Academy member qualified as a casualty loss reserve specialist as defined by the NAIC | <a href="#">Stat 30-A § 2256(1)</a> |

### **Individual WC Self-Insurer**

|                                                                                                                                                                                                                                                                                    |                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| Opinion required if security is to be provided by actuarially determined trust fund, or if notified by Superintendent that actuarial review is required                                                                                                                            | <a href="#">Reg Ch 250 § II(C)(1)(e),(f)</a>       |
| Filing deadline: Not less than twenty-one (21) days prior to the self-insurer's renewal date                                                                                                                                                                                       | <a href="#">Reg Ch 250 § II(C)</a>                 |
| Qualified Actuary: <ul style="list-style-type: none"><li>• Academy member and</li><li>• either FCAS or ACAS with 5 years of experience</li></ul> Affiliation: No business relationship that causes a potential or actual conflict of interest                                      | <a href="#">Reg Ch 250 § I(D)(25)</a>              |
| Reserve Amounts:<br>Subject to Superintendent's approval, if fully funded for 5 years, SI may fund all years, including prospective year in the aggregate, at 75 percent or higher confidence level. Group SI may fund at 65 percent confidence level if fully funded for 10 years | <a href="#">Stat 39-A § 403(3)(C)(3)</a>           |
| Scope of Opinion: Loss and loss expense, net of reinsurance, plus required safety margin                                                                                                                                                                                           | <a href="#">Reg Ch 250 § I(D)(2), (4)</a>          |
| Discounting allowed. Must discuss appropriateness of discount factors                                                                                                                                                                                                              | <a href="#">Reg Ch 250 § I(D)(3)(b), (D)(4)(d)</a> |

## State - Maine

### **Group WC Self-Insurer**

|                                                                                                                                                                                                                                                                                        |                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| Opinion required if security is to be provided by actuarially determined trust fund                                                                                                                                                                                                    | <a href="#">Reg Ch 250 § III(C)(1)(b)</a>          |
| Filing deadline: Not less than twenty-one (21) days prior to the self-insurer's renewal date                                                                                                                                                                                           | <a href="#">Reg Ch 250 § III(C)</a>                |
| Qualified Actuary: <ul style="list-style-type: none"> <li>• Academy member and</li> <li>• either FCAS or ACAS with 5 years of experience</li> </ul> Affiliation: No business relationship that causes a potential or actual conflict of interest                                       | <a href="#">Reg Ch 250 § I(D)(25)</a>              |
| Reserve Amounts: <p>Subject to Superintendent's approval, if fully funded for 5 years, SI may fund all years, including prospective year in the aggregate, at 75 percent or higher confidence level. Group SI may fund at 65 percent confidence level if fully funded for 10 years</p> | <a href="#">Stat 39-A § 403(3)(C)(3)</a>           |
| Scope of Opinion: Loss and loss expense, net of reinsurance, plus required safety margin                                                                                                                                                                                               | <a href="#">Reg Ch 250 § I(D)(2), (4)</a>          |
| Discounting allowed. Must discuss appropriateness of discount factors                                                                                                                                                                                                                  | <a href="#">Reg Ch 250 § I(D)(3)(b), (D)(4)(d)</a> |

### **Captive Insurer**

|                                                                                                                                            |                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Opinion required                                                                                                                           | <a href="#">Stat 24-A § 6707(3)</a> |
| Filing deadline: Six months after company's fiscal year-end                                                                                | <a href="#">Stat 24-A § 6707(1)</a> |
| Qualified Actuary: Academy member or qualified loss reserve specialist as defined in AnnStat adopted by NAIC                               | <a href="#">Stat 24-A § 6707(3)</a> |
| Scope of Opinion: Loss and LAE reserves, including IBNR, unearned premiums, and bad debts, reserves for which must be shown as liabilities | <a href="#">Stat 24-A § 6707(3)</a> |

### **Title Insurer**

|                      |                                                                      |
|----------------------|----------------------------------------------------------------------|
| Opinion NOT required | <a href="#">Stat 24-A § 992(1)</a><br><a href="#">Stat 24-A §705</a> |
|----------------------|----------------------------------------------------------------------|

## State - Maine

### **SAO Exemptions**

- Small companies:
  - less than \$1 million D&A WP, and
  - less than \$1 million total D&A loss and LAE reserves at year-end
- Under supervision or conservatorship
- Nature of business - submit to domiciliary Comm'r (property insurance only)
- Financial hardship – if cost of SAO exceeds either:
  - 1 percent capital & surplus, or
  - 3 percent D&A WP
- File for exemption by December 1

NAIC SAO Instr (1B)

## **State – Maryland**

### **Contact Information**

Commissioner: Marie Grant

Regulatory Agency: Maryland Insurance Administration  
200 St. Paul Place, Suite 2700  
Baltimore, MD 21202  
(410) 468-2000

P/C SAO Contact: Ron Coleman  
Director, Property and Casualty Rates & Forms  
(410) 468-2310  
[ronald.coleman@maryland.gov](mailto:ronald.coleman@maryland.gov)

Title SAO Contact: Walter Dabrowski  
Senior Actuary, Property and Casualty Division  
[walter.dabrowski@maryland.gov](mailto:walter.dabrowski@maryland.gov)

Captives\* SAO Contact: Lynn Beckner  
Associate Commissioner, Financial Regulation Division  
(410) 468-2126  
[lynn.beckner@maryland.gov](mailto:lynn.beckner@maryland.gov)

### **Website Information**

Related Website: <https://insurance.maryland.gov/>

Statutes (Stat): [Maryland Statutes, Insurance Article](#)

Regulations (Reg): [Maryland Regulations, Title 31](#)

Annual Statement Checklist: [For Insurers](#)

\*Please refer to page A-5 for additional discussion of captives.

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#### SAO Exemptions

## State – Maryland

### **Admitted P/C Insurer**

|                                                                                                                                                                                                                                                                                                   |                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | <a href="#">Reg 31.05.12.02</a>                                                          |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | No                                                                                       |
| Filing deadline: March 1                                                                                                                                                                                                                                                                          | <a href="#">Stat 4-116</a>                                                               |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1A)                                                                      |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                                       |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                     | NAIC SAO Instr (1)                                                                       |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                        | <a href="#">Reg 31.05.12.02</a>                                                          |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                    | <a href="#">Stat 4-116</a><br><a href="#">Reg 31.04.01.04</a>                            |
| Reserve amounts:<br>Insurer must maintain adequate loss reserves                                                                                                                                                                                                                                  | <a href="#">Stat 5-202</a>                                                               |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                                       |
| AOS Required                                                                                                                                                                                                                                                                                      | <a href="#">Reg 31.05.12.02</a>                                                          |
| Confidentiality or Other Information                                                                                                                                                                                                                                                              | <a href="#">Reg 31.05.12.03</a>                                                          |
| AOS Contact                                                                                                                                                                                                                                                                                       | Lynn Beckner<br><a href="mailto:lynn.beckner@maryland.gov">lynn.beckner@maryland.gov</a> |

### **Broker-Controlled Insurer**

|                                                                                                                                                                                                         |                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required (control defined in <a href="#">Stat 8-101 (c)</a> )                                                                                                                                   | <a href="#">Stat 8-105(f)</a>     |
| Filing deadline: April 1                                                                                                                                                                                | <a href="#">Stat 8-105(f)</a>     |
| Qualified Actuary either: <ul style="list-style-type: none"> <li>• Academy member, independent of insurer and broker, or</li> <li>• independent loss reserve specialist acceptable to Comm'r</li> </ul> | <a href="#">Stat 8-105(a),(f)</a> |
| Scope of Opinion: Loss reserves including IBNR; business placed by broker                                                                                                                               | <a href="#">Stat 8-105(f)</a>     |

## State – Maryland

### **Managing General Agent (MGA)**

|                                                                                                                                                  |                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 8-201(c)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 8-210</a>       |
| Qualified Actuary: Academy member in good standing                                                                                               | <a href="#">Stat 8-210(b)(1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                        | <a href="#">Stat 8-210(b)(1)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                           |                                  |
|-------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 8-501(f)</a> ) sets reserves | <a href="#">Stat 8-520(a)(3)</a> |
| Qualified Actuary: Academy member in good standing                                        | <a href="#">Stat 8-520(a)(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                  | <a href="#">Stat 8-520(a)(3)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                  |                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Opinion required                                                                                                                                 | <a href="#">Stat 25-103(b)(1)(iv)</a> |
| Filing deadline: No Provision                                                                                                                    |                                       |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist</li> </ul> | <a href="#">Stat 25-103(b)(1)(iv)</a> |
| Scope of opinion: Loss and LAE reserves                                                                                                          | <a href="#">Stat 25-103(b)(1)(iv)</a> |

### **Group Self-Insurer (WC)**

|                                                                                                                                                                              |                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required                                                                                                                                                             | <a href="#">Reg 31.08.09.13</a> |
| Filing deadline: 90 days following end of the fiscal year                                                                                                                    | <a href="#">Reg 31.08.09.13</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• accepted by Comm'r</li> </ul>                                            | <a href="#">Reg 31.08.09.13</a> |
| Scope of opinion: Reserves for: <ul style="list-style-type: none"> <li>• known claims and associated expenses, and</li> <li>• IBNR claims and associated expenses</li> </ul> | <a href="#">Reg 31.08.09.13</a> |

## State – Maryland

### Title Insurer

|                                                                                                                                                                                                                                     |                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                    | <a href="#">Stat 5-206(c)</a>                                 |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                          | No                                                            |
| Filing deadline: March 1                                                                                                                                                                                                            | <a href="#">Stat 4-116</a>                                    |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> <li>• Company employee permitted except as noted</li> </ul> | NAIC SAO Instr (1A) Title<br><a href="#">Stat 5-206(c)(1)</a> |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                                                           | NAIC SAO Instr (1) Title                                      |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                       | NAIC SAO Instr (1) Title                                      |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                          | <a href="#">Stat 5-206(c)</a>                                 |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                      | <a href="#">Stat 4-116</a><br><a href="#">Reg 31.04.01.04</a> |
| Insurer must maintain adequate loss reserves                                                                                                                                                                                        | <a href="#">Stat 5-202</a>                                    |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                    | NAIC SAO Instr (4) Title                                      |
| Statutory premium reserve<br>Initially, 8 percent of risk premiums written, released at various declining percentages over the next 20 years                                                                                        | <a href="#">Stat 5-206</a>                                    |

### SAO Exemptions

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"> <li>• Small companies: <ul style="list-style-type: none"> <li>▪ less than \$1 million D&amp;A WP, and</li> <li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li> </ul> </li> <li>• Under supervision or conservatorship</li> <li>• Nature of business - submit to domiciliary Comm'r</li> <li>• Financial hardship – if cost of SAO exceeds either: <ul style="list-style-type: none"> <li>▪ 1 percent capital &amp; surplus, or</li> <li>▪ 3 percent D&amp;A WP</li> </ul> </li> <li>• File for exemption by December 1</li> </ul> | NAIC SAO Instr (1B) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State – Massachusetts**

### **Contact Information**

Commissioner: Michael T. Caljouw

Regulatory Agency: Office of Consumer Affairs and Business Regulation  
Massachusetts Division of Insurance  
~~One Federal Street – Suite 700~~~~1000 Washington St., Suite 810~~  
Boston, MA 02110~~8-2012~~~~6200~~  
(617) 521-7794

P/C SAO Contact: John A. Turchi  
Deputy Commissioner, Financial and Market Regulation  
(617) 521-7701  
[john.turchi@mass.gov](mailto:john.turchi@mass.gov)

### **Website Information**

Related Website: [www.mass.gov/doi](http://www.mass.gov/doi)

Statutes (Stat): [Massachusetts General Laws, Part I, Title VII, Title XXI, Title XXII](http://www.mass.gov/doe/legislative/statutes)

Regulations (Reg): [Massachusetts Regulations, Code of Massachusetts Regulations, 211 CMR](http://www.mass.gov/doe/legislative/regulations)

Annual Statement Checklists: [Property & Casualty Insurers Annual Statement Checklist](http://www.mass.gov/doe/annual-statements/property-casualty-insurers-annual-statements)

[Title Insurers Annual Statement Checklist](http://www.mass.gov/doe/annual-statements/title-insurers-annual-statements)

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## State – Massachusetts

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                       |                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                      | <a href="#">Stat 175:25, Stat 175:227</a>                  |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                            | <a href="#">No</a> <a href="#">Yes</a>                     |
| Filing deadline: March 1                                                                                                                                                                                                                                                              | <a href="#">Stat 175:25</a>                                |
| Actuary                                                                                                                                                                                                                                                                               |                                                            |
| Qualifications                                                                                                                                                                                                                                                                        | NAIC SAO Instr (1A)<br><a href="#">Stat 175:227</a>        |
| <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• CAS member in good standing, or</li> <li>• Academy member in good standing, approved by Casualty Practice Council</li> </ul>                             |                                                            |
| Appointment                                                                                                                                                                                                                                                                           | NAIC SAO Instr (1)                                         |
| <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> |                                                            |
| Change of Actuary                                                                                                                                                                                                                                                                     |                                                            |
| Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                              | NAIC SAO Instr (1)                                         |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                            | <a href="#">Stat 175:25, Stat 175:227</a>                  |
| Insurers must follow NAIC Annual Statement Instructions                                                                                                                                                                                                                               | <a href="#">Stat 175:25, Stat 175:227</a>                  |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                               | NAIC SAO Instr (4)                                         |
| Reserve Amounts:                                                                                                                                                                                                                                                                      |                                                            |
| Governmental Units Pooled Insurance: <ul style="list-style-type: none"> <li>Establish and maintain actuarially appropriate loss and LAE reserves, including IBNR as well as unearned premium reserves and bad debt</li> </ul>                                                         | <a href="#">Stat 40M:10</a><br><a href="#">Stat 40M:13</a> |
| Minimum Reserves                                                                                                                                                                                                                                                                      |                                                            |
| Liability companies <ul style="list-style-type: none"> <li>Reserves for losses shall be computed in accordance with the NAIC instructions</li> </ul>                                                                                                                                  | <a href="#">Stat 175:12</a>                                |
| Discounting – WC                                                                                                                                                                                                                                                                      |                                                            |
| Comm'r shall compute using rate no higher than 4 percent                                                                                                                                                                                                                              | <a href="#">Stat 152:58</a>                                |
| AOS Required                                                                                                                                                                                                                                                                          | <a href="#">Stat 175:227</a>                               |
| Confidentiality or Other Information                                                                                                                                                                                                                                                  | <a href="#">Stat 175:4(12), Stat 175:227</a>               |
| AOS Contact                                                                                                                                                                                                                                                                           | John A. Turchi                                             |

## State – Massachusetts

### **Broker-Controlled Insurer**

|                                                                                                                                                                                                   |                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Opinion required if GWP placed by broker is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in Sept. qtrly statement), unless the broker and insurer work exclusively with each other | <a href="#">Stat 175:174I (A)</a><br><a href="#">Stat 175:174I (D)(1)</a> |
| Filing deadline: April 1                                                                                                                                                                          | <a href="#">Stat 175:174I (D)(1)</a>                                      |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Independent casualty actuary, or</li> <li>• other independent loss reserve specialist acceptable to Comm'r</li> </ul>       | <a href="#">Stat 175:174I (D)(1)</a>                                      |
| Scope of Opinion: Loss reserves including IBNR; business placed by broker                                                                                                                         | <a href="#">Stat 175:174I (D)(1)</a>                                      |

### **Managing General Agent (MGA)**

|                                                                                                                                               |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if MGA sets reserves and is MGA as defined in <a href="#">Stat 175:177G</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 175:177J (B)</a> |
| Qualified Actuary: Academy member in good standing                                                                                            | <a href="#">Stat 175:177G</a>     |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                     | <a href="#">Stat 175:177J (B)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                           |                                   |
|-------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 175:177N</a> ) sets reserves | <a href="#">Stat 175:177U (C)</a> |
| Actuary Qualifications: Academy member in good standing                                   | <a href="#">Stat 175:177N</a>     |
| Scope of Opinion: Loss reserves; business produced by RM                                  | <a href="#">Stat 175:177U (C)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                                                                 |                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Opinion required                                                                                                                                                                                | <a href="#">Stat 176L:3 (B)(1)(b)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• loss reserve specialist qualified under criteria established by the Commissioner</li> </ul> | <a href="#">Stat 176L:3 (B)(1)(b)</a> |
| Scope of opinion: Loss and LAE reserves                                                                                                                                                         | <a href="#">Stat 176L:3 (B)(1)(b)</a> |

## State – Massachusetts

### **Group Self-Insurer (WC)**

|                                                                                                                                                                                                                  |                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Opinion required annually                                                                                                                                                                                        | <a href="#">Reg 67.08 (3)(a)</a>                                   |
| Filing deadline: First day of third month following end of group's fund year                                                                                                                                     | <a href="#">Reg 67.08 (3)(a)</a>                                   |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member in good standing approved by Casualty Practice Council</li> </ul>                | <a href="#">Reg 67.02</a>                                          |
| Reserve Amounts: <p>Each group shall establish and maintain actuarially sound loss reserves, which shall comply with standards for an actuarially fully funded group as defined in <a href="#">Reg 67.02</a></p> | <a href="#">Reg 67.08 (2)(a)1</a><br><a href="#">Stat 152: 25Q</a> |

### **Title Insurer**

|                                                                                                                                                                                                   |                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Opinion required                                                                                                                                                                                  | <a href="#">Stat 175:25</a>            |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                        | <a href="#">No</a> <a href="#">Yes</a> |
| Filing deadline: March 1                                                                                                                                                                          | <a href="#">Stat 175:25</a>            |
| Actuary Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul>                        | NAIC SAO Instr (1A) Title              |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                         | NAIC SAO Instr (1) Title               |
| Change of Actuary <p>Company must:</p> <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul> | NAIC SAO Instr (1) Title               |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                        | <a href="#">Stat 175:25</a>            |
| Insurers must follow NAIC Annual Statement Instructions                                                                                                                                           | <a href="#">Stat 175:25</a>            |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                  | NAIC SAO Instr (4) Title               |

## **State – Massachusetts**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds the lesser of either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State – Michigan**

## Contact Information

Director: Anita G. Fox

Regulatory Agency: Department of Insurance and Financial Services  
Office of the Director  
Regular Mail:  
P.O. Box 30220  
Lansing, MI 48909-7720  
Express Mail: (UPS, Federal Express, etc.)  
530 W. Allegan Street, 7th Floor  
Lansing, MI 48933  
(517) 284-8800 or (877) 999-6442  
[DIFSInfo@michigan.gov](mailto:DIFSInfo@michigan.gov)

P/C SAO Contact: Bob Lamberjack  
Manager  
(517) 284-8755  
[lamberjackr@michigan.gov](mailto:lamberjackr@michigan.gov)

Captives\* SAO Contact: David Piner  
Director of Captives  
(517) 284-8759  
[pinerd@michigan.gov](mailto:pinerd@michigan.gov)

## Website Information

Related Website: [www.michigan.gov/difs](http://www.michigan.gov/difs)

Statutes (Stat): [Chapter 500 – Insurance Code of 1956](#)

## Regulations (Reg): [Michigan Administrative Code](#)

Annual Statement Checklists: [Financial Statement Instruction Booklets and Forms](#)

\*Please refer to page A-5 for additional discussion of captives.

**Note:** The Department of Insurance and Financial Services (DIFS) issues an annual order ([Annual Order](#)) adopting the most current NAIC filing forms, instructions, and requirements for the upcoming reporting year. Exceptions are noted in the Annual Order, so regulated entities are advised to obtain and review the most recent order prior to making any annual or quarterly filings.

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- Special Purpose Financial Captive

#### Title Insurer

#### SAO Exemptions

## State – Michigan

### **Admitted P/C Insurer**

|                                                                                                                                                                                                                                                                                              |                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Opinion required unless exempted by Comm'r                                                                                                                                                                                                                                                   | <a href="#">Stat 500.814a(1)</a>                                                  |
| For admitted liability P/C insurers (other than HO, FO, CMP):<br>Opinion may be required by actuary approved by Comm'r                                                                                                                                                                       | <a href="#">Stat 500.814</a>                                                      |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                   | Domestic: <u>No</u> <u>Yes</u><br>Foreign: Not required to file SAO               |
| Filing deadline: March 1                                                                                                                                                                                                                                                                     | <a href="#">Stat 500.438(1)</a><br><a href="#">Stat 500.438a(1)</a>               |
| Actuary<br><br>Qualifications <ul style="list-style-type: none"><li>• Meets basic education, experience, and continuing education requirements</li><li>• Maintains an Accepted Actuarial Designation</li><li>• Is a member of a professional actuarial association</li></ul>                 | NAIC SAO Instr (1A)                                                               |
| Appointment <ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports to Board</li><li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li></ul> | NAIC SAO Instr (1)                                                                |
| Change of Actuary<br><br>Company must: <ul style="list-style-type: none"><li>• notify Comm'r within 5 days</li><li>• provide separate letter within 10 days concerning disagreements</li></ul>                                                                                               | NAIC SAO Instr (1)                                                                |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                   | <a href="#">Annual Order</a>                                                      |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                               | <a href="#">Stat 500.438a(1)</a>                                                  |
| Reserve amounts:<br><br>Insurer must maintain loss and LAE reserves in amount estimated in aggregate to pay all claims incurred whether rep'd or unrep'd and to provide for the expenses of adjustment or settlement of losses and claims                                                    | <a href="#">Stat 500.810</a><br><a href="#">Reg 500.1231</a>                      |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                      | NAIC SAO Instr (4)                                                                |
| Credit for reinsurance                                                                                                                                                                                                                                                                       | <a href="#">Stat 500.1101-1127</a><br><a href="#">Reg 500.1121 - Reg 500.1134</a> |
| AOS Required                                                                                                                                                                                                                                                                                 | <a href="#">Stat 500.814a(2),(3)</a>                                              |
| Confidentiality or Other Information                                                                                                                                                                                                                                                         | <a href="#">Stat 500.814a(6)</a>                                                  |
| AOS Contact                                                                                                                                                                                                                                                                                  | Bob Lamberjack                                                                    |

## State – Michigan

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                           |                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">Stat 500.1455(1),(2),(5a)</a> |
| Filing deadline: April 1                                                                                                                                                                                  | <a href="#">Stat 500.1455(5a)</a>         |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>                 | <a href="#">Stat 500.1455(5a)</a>         |
| Scope of Opinion: Loss ratios by line of business, and loss reserves including IBNR; business placed by producer                                                                                          | <a href="#">Stat 500.1455(5a)</a>         |

### **Managing General Agent (MGA)**

|                                                                                                                                                     |                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 500.1401(b)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 500.1411(b)</a> |
| Qualified Actuary: Academy member in good standing                                                                                                  | <a href="#">Stat 500.1401(a)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                           | <a href="#">Stat 500.1411(b)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                                                                                                                        |                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 500.1151(e)</a> ) sets reserves                                                                                                           | <a href="#">Stat 500.1165(3)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member in good standing, or</li> <li>• SOA member in good standing, or</li> <li>• CAS member in good standing</li> </ul> | <a href="#">Stat 500.1151(a)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                                                                                                                               | <a href="#">Stat 500.1165(3)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                  |                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually                                                                                                                        | <a href="#">Stat 500.1811(c)</a> |
| Filing deadline: March 1                                                                                                                         | <a href="#">Stat 500.1811(c)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist</li> </ul> | <a href="#">Stat 500.1811(c)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                          | <a href="#">Stat 500.1811(c)</a> |

## State – Michigan

### **Limited Liability Pool**

|                                       |                               |
|---------------------------------------|-------------------------------|
| Opinion required annually             | <a href="#">Stat 500.6512</a> |
| Qualified Actuary: approved by Comm'r | <a href="#">Stat 500.6512</a> |

### **Captive Insurer**

|                                                                                                                                                                                  |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Opinion required annually                                                                                                                                                        | <a href="#">Stat 500.4621(8)</a>                                                          |
| Filing deadline: March 1                                                                                                                                                         | <a href="#">Stat 500.4621(2)</a><br><a href="#">Annual Reporting for Captive Insurers</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"><li>• Academy member, or</li><li>• SOA member</li></ul>                                                           | <a href="#">Stat 500.4621(8)</a>                                                          |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                          | <a href="#">Stat 500.4621(8)</a>                                                          |
| Discounting - sponsored captive insurance company:<br>Loss and LAE reserves may be discounted at the lesser of treasury rates or the captive ins company's actual rate of return | <a href="#">Stat 500.4623</a>                                                             |

### **Special Purpose Financial Captive (SPFC)**

|                                                                                                                        |                                  |
|------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually                                                                                              | <a href="#">Stat 500.4711(4)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"><li>• Academy member, or</li><li>• SOA member</li></ul> | <a href="#">Stat 500.4711(4)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                | <a href="#">Stat 500.4711(4)</a> |

## State – Michigan

### **Title Insurer**

|                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                             | <a href="#">Stat 500.438(1)</a>                                                       |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                   | Domestic: <a href="#">No</a> <a href="#">Yes</a><br>Foreign: Not required to file SAO |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                     | <a href="#">Stat 500.438(1)</a>                                                       |
| Actuary<br>Qualifications either <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul>                                                                                                                                                                                                                                         | NAIC SAO Instr (1A) Title                                                             |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                                                                                                                                                                                                                                                    | NAIC SAO Instr (1) Title                                                              |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                                                                                                | NAIC SAO Instr (1) Title                                                              |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                       |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                               | <a href="#">Stat 500.438a(1)</a>                                                      |
| Reserve amounts:<br>Aggregate reserve must be sufficient to provide for payment of all claim and claim expense likely to be incurred by reason of every claim presented, pursuant to written notice from or on behalf of an insured of a title defect in or lien on or adverse claim against the title insured, that may result in a claim being paid or cause expense to be incurred for the proper disposition of a claim. | <a href="#">Stat 500.7306</a>                                                         |
| Statutory premium reserve:<br>Domestic - Five percent of gross premiums held for 10 years, then released 10 percent per year for the eleventh through twentieth year thereafter<br>Foreign - May follow domiciliary state, if reserve is mandatory and substantially equivalent to the above requirements                                                                                                                    | <a href="#">Stat 500.7305</a><br><br><a href="#">Stat 500.7305(4)</a>                 |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                                                                                                                                                                                                             | NAIC SAO Instr (4) Title                                                              |

## **State – Michigan**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Minnesota**

### **Contact Information**

Commissioner: Grace Arnold

Regulatory Agency: Minnesota Department of Commerce  
Insurance Division  
85 7th Place East, Suite 280  
St. Paul, MN 55101  
(651) 539-1500

P/C SAO Contact: Phil Vigliaturo, MAAA, ACAS  
Property and Casualty Actuary  
(651) 539-1762  
[phil.vigliaturo@state.mn.us](mailto:phil.vigliaturo@state.mn.us)

### **Website Information**

Related Website: [www.mn.gov/commerce/industries/insurance/](http://www.mn.gov/commerce/industries/insurance/)

Statutes (Stat): [Insurance Code](#)

Regulations (Reg): [Administrative Rules](#)

Annual Statement Checklists: [Annual Statement Checklists](#)

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#### Title Insurer

#### SAO Exemptions

## State - Minnesota

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                 |                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                | <a href="#">Stat 60A.1295</a>                                              |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                      | Yes ( <del>Domestic only</del> )                                           |
| Filing deadline: March 1                                                                                                                                                                                                                                                                        | <a href="#">Stat 60A.13(1)</a>                                             |
| Actuary<br>Qualifications<br><ul style="list-style-type: none"><li>• Academy member, or</li><li>• Individual determined by the commissioner to have the educational background necessary for the practice of actuarial science, and not less than seven years of actuarial experience</li></ul> | <a href="#">Reg 2700.0600(3)</a> applies to <a href="#">Stat 60A.13(1)</a> |
| Affiliation<br>Company employee permitted                                                                                                                                                                                                                                                       | <a href="#">Reg 2700.0600(3)</a>                                           |
| Appointment<br><ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports to Board</li><li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li></ul> | NAIC SAO Instr (1)                                                         |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"><li>• notify Comm'r within 5 days</li><li>• provide separate letter within 10 days concerning disagreements</li></ul>                                                                                                      | NAIC SAO Instr (1)                                                         |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                      | <a href="#">Stat 60A.13(1)</a> , <a href="#">Stat 60A.1295</a>             |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                  | <a href="#">Stat 60A.13(1)</a> , <a href="#">Stat 60A.1295</a>             |
| Reserve amounts:<br>If the Commissioner finds that reserves are inadequate, the Commissioner may require the corporation to maintain additional reserves.                                                                                                                                       | <a href="#">Stat 60A.12(5)</a>                                             |
| Unearned premium reserve for Reciprocals:<br>50 percent of net annual deposits (minimum \$25,000)                                                                                                                                                                                               | <a href="#">Stat 71A.03</a>                                                |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                         | NAIC SAO Instr (4)                                                         |
| Discounting:<br>Allowed only to the extent allowed under NAIC SSAP 65                                                                                                                                                                                                                           | <a href="#">Stat 60A.13(1)</a>                                             |
| AOS Required                                                                                                                                                                                                                                                                                    | <a href="#">Stat 60A.1295</a>                                              |
| Confidentiality or Other Information                                                                                                                                                                                                                                                            | <a href="#">Stat 60A.03 Subd. 9,</a><br><a href="#">Stat 60A.1296</a>      |
| AOS Contact                                                                                                                                                                                                                                                                                     | Phil Vigliaturo                                                            |

## State - Minnesota

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                                                                                                               |                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other and the producer receives no compensation based upon the amount of premiums written | <a href="#">Stat 60J.09(1), (2), (5)</a> |
| Filing deadline: April 1                                                                                                                                                                                                                                                                      | <a href="#">Stat 60J.09(5)</a>           |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>                                                                                                     | <a href="#">Stat 60J.09(5)</a>           |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                                                                                                                   | <a href="#">Stat 60J.09(5)</a>           |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                          |                                 |
|------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 60A.705</a> ) sets reserves | <a href="#">Stat 60A.74(3)</a>  |
| Filing deadline: No provision                                                            |                                 |
| Qualified Actuary: Academy member in good standing                                       | <a href="#">Stat 60A.705(2)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                 | <a href="#">Stat 60A.74(3)</a>  |

### **Domestic Risk Retention Group (RRG)**

|                  |                             |
|------------------|-----------------------------|
| Opinion required | <a href="#">Stat 60E.03</a> |
|------------------|-----------------------------|

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                           |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required                                                                                                                                          | <a href="#">Stat 60E.04(3)(1)</a> |
| Filing deadline: No provision                                                                                                                             |                                   |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• qualified loss reserve specialist per NAIC, or</li> <li>• Academy member</li> </ul> | <a href="#">Stat 60E.04(3)(1)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">Stat 60E.04(3)(1)</a> |

## **State - Minnesota**

### **Self-Insured WC**

|                                                                                                                                                                      |                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Comm'r may require opinion upon sufficient cause                                                                                                                     | <a href="#">Stat 79A.03(9)</a>                                                                        |
| Opinion always required for a group self-insurance fund                                                                                                              | <a href="#">State 79A.03(10)</a><br><a href="#">Reg 2780.4400</a>                                     |
| Filing deadline: August 1                                                                                                                                            | <a href="#">Reg 2780.0500(A)</a>                                                                      |
| Qualified Actuary for commercial self-insurance groups:<br>Associate or Fellow of CAS who is not an employee of any<br>member of the commercial self-insurance group | <a href="#">Stat 79A.19(3)</a>                                                                        |
| Scope of Opinion: Future contingent liabilities                                                                                                                      | <a href="#">Stat 79A.03(9)(b)</a><br><a href="#">Stat 79A.03(10)</a><br><a href="#">Reg 2780.4400</a> |

### **Private Employers Who Cease To Be Self-Insured**

|                                                 |                                           |
|-------------------------------------------------|-------------------------------------------|
| Opinion required                                | <a href="#">Stat 79A.06 Subd.5</a>        |
| Filing deadline: Within 120 days of termination | <a href="#">Stat 79A.06 Subd. 5(3)(b)</a> |
| Qualified Actuary: Associate or Fellow of CAS   | <a href="#">Stat 79A.06 Subd. 5(3)(b)</a> |

## State - Minnesota

### Title Insurer

|                                                                                                                                                                                                                                                                                                 |                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                | <a href="#">Stat 60A.13(1)</a>                                                |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                      | Yes ( <del>Domestic only</del> )                                              |
| Filing deadline: March 1                                                                                                                                                                                                                                                                        | <a href="#">Stat 60A.13(1)</a>                                                |
| Actuary<br>Qualifications<br><ul style="list-style-type: none"><li>• Academy member, or</li><li>• Individual determined by the commissioner to have the educational background necessary for the practice of actuarial science, and not less than seven years of actuarial experience</li></ul> | <a href="#">Reg 2700.0600(3)</a> applies to<br><a href="#">Stat 60A.13(1)</a> |
| Affiliation<br>Company employee permitted                                                                                                                                                                                                                                                       | <a href="#">Reg 2700.0600(3)</a>                                              |
| Appointment<br><ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports to Board</li></ul>                                                                                                                                        | NAIC SAO Instr (1) Title                                                      |
| Change of Actuary<br>Company must:<br><ul style="list-style-type: none"><li>• notify Comm'r within 5 days</li><li>• provide separate letter within 10 days concerning disagreements</li></ul>                                                                                                   | NAIC SAO Instr (1) Title                                                      |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                      | <a href="#">Stat 60A.13(1)</a> , <a href="#">Stat 60A.1295</a>                |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                  | <a href="#">Stat 60A.13(1)</a> , <a href="#">Stat 60A.1295</a>                |
| If the Commissioner finds that reserves are inadequate, the Commissioner may require the corporation to maintain additional reserves.                                                                                                                                                           | <a href="#">Stat 60A.12(5)</a>                                                |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                                                                                | NAIC SAO Instr (4) Title                                                      |

## **State - Minnesota**

### **Title Insurer, cont'd**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <p>Unearned premium reserve:</p> <p>For Jan. 1, 1964-Jan. 1, 2001, initially 10 percent of premium charges, released 5 percent per year for 20 years.</p> <p>Domestic insurers:</p> <p>For Jan. 1, 2001-Jan. 1, 2004, min. rate of \$0.36 per \$1,000 for policies &lt; \$500K and \$0.16 per \$1,000 for policies <math>\geq</math>\$500K and minimum 8 percent of escrow, settlement, and closing fees; released according to Stat 68A.03(3)(b)</p> <p>After Jan. 1, 2004 and until Dec. 31, 2009, minimum 8 percent of direct risk premiums and premiums for reinsurance assumed, plus other income, less premiums for reinsurance ceded, released over next 20 years on July 1, a percentage of aggregate sum as follows:</p> <p>35 percent – year 1<br/>15 percent – years 2 and 3 each<br/>10 percent – year 4<br/>3 percent – years 5 through 7 each<br/>2 percent – years 8 through 10 each<br/>1 percent – years 11 through 20 each</p> <p>After Jan. 1, 2010, minimum 6.5 percent of direct risk premiums and premiums for reinsurance assumed, plus other income, less premiums for reinsurance ceded, released over next 20 years on July 1, a percentage of aggregate sum as follows:</p> <p>35 percent – year 1<br/>15 percent – years 2 and 3 each<br/>10 percent – year 4<br/>3 percent – years 5 through 7 each<br/>2 percent – years 8 through 10 each<br/>1 percent – years 11 through 20 each</p> | <p><a href="#">Stat 68A.02(1)</a></p> <p><a href="#">Stat 68A.02(2)</a></p> <p><a href="#">Stat 68A.03(3)</a></p> |
| Discounting, Other: Only allowed to the extent allowed under NAIC SSAP 65                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <a href="#">Stat 60A.13(1)</a>                                                                                    |

## **State - Minnesota**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Mississippi**

### **Contact Information**

Commissioner: Mike Chaney

Regulatory Agency: Mississippi Insurance Department  
P.O. Box 79  
Jackson, MS 39205  
(601) 359-3569

P/C SAO Contact: Chad T. Bridges, CFE  
Director, Financial & Market Regulation Division  
(601) 359-2136  
[chad.bridges@mid.ms.gov](mailto:chad.bridges@mid.ms.gov)

### **Website Information**

Related Website: <http://www.mid.ms.gov>

Statutes (Stat): [Insurance Code, Title 83](#)

Annual Statement Checklists: [Annual Statement Filing Requirements](#)

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#### Title Insurer

#### SAO Exemptions

## State - Mississippi

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                   |                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | <a href="#">Stat 83-5-503</a>                                                                  |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | <a href="#">No</a> <a href="#">Yes, for domestic companies</a>                                 |
| Filing deadline: March 1                                                                                                                                                                                                                                                                          | <a href="#">Stat 83-5-55</a>                                                                   |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1A)                                                                            |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                                             |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                     | NAIC SAO Instr (1)                                                                             |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                        | <a href="#">Stat 83-5-55</a><br><a href="#">Stat 83-5-503</a>                                  |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                    | <a href="#">Stat 83-5-55</a><br><a href="#">Stat 83-5-503</a><br><a href="#">Stat 83-5-505</a> |
| Reserve Amounts:<br>Insurer must maintain loss and LAE reserves                                                                                                                                                                                                                                   | <a href="#">Stat 83-5-23</a>                                                                   |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                                             |
| AOS Required                                                                                                                                                                                                                                                                                      | <a href="#">Stat 83-5-503</a>                                                                  |
| Confidentiality or Other Information                                                                                                                                                                                                                                                              | <a href="#">Stat 83-5-505</a>                                                                  |
| AOS Contact                                                                                                                                                                                                                                                                                       | Chad T. Bridges                                                                                |

## State - Mississippi

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                           |                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">Stat 83-59-7(1)</a><br><a href="#">Stat 83-59-7(4)(a)</a> |
| Filing deadline: April 1                                                                                                                                                                                  | <a href="#">Stat 83-59-7(4)(a)</a>                                    |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>                 | <a href="#">Stat 83-59-7(4)(a)</a>                                    |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                               | <a href="#">Stat 83-59-7(4)(a)</a>                                    |

### **Managing General Agent (MGA)**

|                                                                                                                                                      |                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 83-18-103(c)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 83-18-109(2)</a> |
| Filing deadline: No provision                                                                                                                        |                                   |
| Qualified Actuary: Academy member in good standing                                                                                                   | <a href="#">Stat 83-18-103(a)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                            | <a href="#">Stat 83-18-109(2)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                               |                                   |
|-----------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 83-19-203(g)</a> ) sets reserves | <a href="#">Stat 83-19-217(3)</a> |
| Filing deadline: No provision                                                                 |                                   |
| Qualified Actuary: Academy member in good standing                                            | <a href="#">Stat 83-19-203(a)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                      | <a href="#">Stat 83-19-217(3)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                           |                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required                                                                                                                                          | <a href="#">Stat 83-55-7(b)(i)</a> |
| Filing deadline: No provision                                                                                                                             |                                    |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• qualified loss reserve specialist per NAIC, or</li> <li>• Academy member</li> </ul> | <a href="#">Stat 83-55-7(b)(i)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">Stat 83-55-7(b)(i)</a> |

## State - Mississippi

### Title Insurer

|                                                                                                                                                                                            |                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                           | <a href="#">Stat 83-5-503</a>                                                                  |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                 | <a href="#">No</a> <a href="#">Yes, for domestic companies</a>                                 |
| Filing deadline: March 1                                                                                                                                                                   | <a href="#">Stat 83-5-55</a>                                                                   |
| Actuary<br>Qualifications <ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li></ul>                 | NAIC SAO Instr (1A) Title                                                                      |
| Appointment <ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports to Board</li></ul>                                      | NAIC SAO Instr (1) Title                                                                       |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"><li>• notify Comm'r within 5 days</li><li>• provide separate letter within 10 days concerning disagreements</li></ul> | NAIC SAO Instr (1) Title                                                                       |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                 | <a href="#">Stat 83-5-55</a><br><a href="#">Stat 83-5-503</a>                                  |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                             | <a href="#">Stat 83-5-55</a><br><a href="#">Stat 83-5-503</a><br><a href="#">Stat 83-5-505</a> |
| Insurer must maintain loss and LAE reserves                                                                                                                                                | <a href="#">Stat 83-5-23</a>                                                                   |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                           | NAIC SAO Instr (4) Title                                                                       |
| Loss reserves:<br>Must maintain minimum reserve for losses, with lower of \$50,000 or 10 percent of premiums received after Jan. 1, 1952                                                   | <a href="#">Stat 83-15-7</a>                                                                   |
| Statutory premium reserve:<br>Beginning March 4, 1977, insurer must set aside 10 percent of premiums received as unearned premium reserve; released 180 months after set aside             | <a href="#">Stat 83-15-9</a>                                                                   |

## **State - Mississippi**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Missouri**

### **Contact Information**

|                                |                                                                                                                                                                                     |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director:                      | <a href="#">Angela L. Nelson</a><br><a href="#">Chlora Lindley Myers</a>                                                                                                            |
| Regulatory Agency:             | Department of Commerce and Insurance<br>301 West High Street, Room 530<br>Jefferson City, MO 65101<br>(573) 751-4126                                                                |
| P/C and Captives* SAO Contact: | John Rehagen, CFE<br>Director of the Division of Insurance Company Regulation<br>(573) 522-2563<br><a href="mailto:john.rehagen@insurance.mo.gov">john.rehagen@insurance.mo.gov</a> |

### **Website Information**

|                              |                                                                   |
|------------------------------|-------------------------------------------------------------------|
| Related Website:             | <a href="http://dci.mo.gov">http://dci.mo.gov</a>                 |
| Statutes (Stat):             | <a href="#">Insurance Code, Title XXIV</a>                        |
| Regulations (Reg):           | <a href="#">Missouri Regulations, Title 8 and Title 20</a>        |
| Annual Statement Checklists: | <a href="#">Annual Filing Forms - Instructions and Checklists</a> |

\*Please refer to page A-5 for additional discussion of captives.

## **State - Missouri**

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- Foreign Risk Retention Group
- WC SI Employer's Liability
- Captive Insurer

#### Title Insurer

#### SAO Exemptions

## State - Missouri

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                              |                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Opinion required to follow NAIC forms                                                                                                                                                                                                                                                                        | <a href="#">Stat 375.1060</a>                                                                   |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                   | <a href="#">No, electronic signature acceptable on electronic filing</a><br><a href="#">Yes</a> |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                     | <a href="#">Stat 375.041 2</a>                                                                  |
| Actuary<br>Qualifications<br>• Academy member in good standing                                                                                                                                                                                                                                               | <a href="#">Stat 375.1060</a>                                                                   |
| Affiliation<br>Company employee: Permitted, except as noted in "Qualifications" above                                                                                                                                                                                                                        | NAIC SAO Instr (1A)                                                                             |
| Appointment<br>• By Board of Directors<br>• By December 31<br>• Report to Board of Directors<br>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del>                                                                               | NAIC SAO Instr (1)                                                                              |
| Change of Actuary<br>Company must:<br>• notify Comm'r within 5 days<br>• provide separate letter within 10 days concerning disagreements                                                                                                                                                                     | NAIC SAO Instr (1)                                                                              |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                   | <a href="#">Stat 375.1060 5</a>                                                                 |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                               | <a href="#">Reg 20 CSR 200-1.005(1)</a>                                                         |
| Scope of Opinion:<br>Loss and LAE reserves and other items on Exhibit A of the SAO                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                                              |
| Minimum reserves for claims-paid policies                                                                                                                                                                                                                                                                    | <a href="#">Reg 20 CSR 500-1.900</a> has been rescinded effective 7/30/19                       |
| Discounting<br>Tabular Reserves:<br>Exposures with fixed and reasonably determinable payments such as those emanating from workers' compensation tabular indemnity reserves and long-term disability claims may be subject to tabular discounting per SSAP 65.<br>Nontabular Reserves: May not be discounted | SSAP 65                                                                                         |
| AOS Required                                                                                                                                                                                                                                                                                                 | <a href="#">Reg 20 CSR 200-1.105(2)</a>                                                         |
| Confidentiality or Other Information                                                                                                                                                                                                                                                                         | <a href="#">Reg 20 CSR 200-1.105(3)</a>                                                         |
| AOS Contact                                                                                                                                                                                                                                                                                                  | John Rehagen                                                                                    |

## State - Missouri

### **Broker-Controlled Insurer**

|                                                                                                                                                                                                                                                                                                                                             |                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Opinion required if GWP placed by broker is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in qtrly statement filed as of September 30 of prior year), unless the broker and insurer work exclusively with each other and broker accepts insurance placements only from nonaffiliated subproducers, not directly from insureds | <a href="#">Stat 382.405 1</a><br><a href="#">Stat 382.405 4(1)</a> |
| Filing deadline: April 1                                                                                                                                                                                                                                                                                                                    | <a href="#">Stat 382.405 4(1)</a>                                   |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist acceptable to Director</li> </ul>                                                                                                                                               | <a href="#">Stat 382.405 4(1)</a>                                   |
| Scope of Opinion: Loss reserves including IBNR; business placed by broker                                                                                                                                                                                                                                                                   | <a href="#">Stat 382.405 4(1)</a>                                   |

### **Managing General Agent (MGA)**

|                                                                                                                                                                                                                                                                                              |                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 375.147 3 (4)</a> (GWP $\geq$ 5 percent PHS last AnnStat and either adjusts or pays claims in excess of an amount determined by the director or negotiates reinsurance on behalf of the insurer) | <a href="#">Stat 375.150 2</a>    |
| Filing deadline: No provision                                                                                                                                                                                                                                                                |                                   |
| Qualified Actuary: Academy member in good standing                                                                                                                                                                                                                                           | <a href="#">Stat 375.147 3(1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                                                                                                                                                                    | <a href="#">Stat 375.150 2</a>    |

### **Reinsurance Intermediary-Manager (RM)**

|                                                          |                                  |
|----------------------------------------------------------|----------------------------------|
| Opinion required annually if RM sets reserves            | <a href="#">Stat 375.1130 3</a>  |
| Filing deadline: No provision                            |                                  |
| Qualified Actuary: Academy member in good standing       | <a href="#">Stat 375.1112(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM | <a href="#">Stat 375.1130 3</a>  |

### **Assessable Professional Mutual**

|                                       |                                                                     |
|---------------------------------------|---------------------------------------------------------------------|
| Opinion required to follow NAIC forms | <a href="#">Stat 383.035 1(3)</a><br><a href="#">Stat 383.035 2</a> |
|---------------------------------------|---------------------------------------------------------------------|

## **State - Missouri**

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                        |                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Opinion required                                                                                                                                       | <a href="#">Stat 375.1085 5(1)</a><br><a href="#">Reg 20 CSR 200-8.100(3)(B)</a> |
| Filing deadline: No provision                                                                                                                          |                                                                                  |
| Qualified Actuary is either: <ul style="list-style-type: none"><li>• qualified loss reserve specialist per NAIC, or</li><li>• Academy member</li></ul> | <a href="#">Stat 375.1085 5(1)</a><br><a href="#">Reg 20 CSR 200-8.100(3)(B)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                | <a href="#">Stat 375.1085 5(1)</a>                                               |

### **WC Self-Insured Employer's Liability**

|                                                                                                                                                                                                                                                       |                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| Opinion required                                                                                                                                                                                                                                      | <a href="#">Reg 8 CSR 50-3.010(6)(A)2</a> |
| Filing deadline: No provision                                                                                                                                                                                                                         |                                           |
| Qualified Actuary: Academy member in good standing, or CAS member in good standing, who has been approved as qualified for signing casualty loss reserve opinions by the Casualty Practice Council, with experience in Missouri workers' compensation | <a href="#">Reg 8 CSR 50-3.010(6)(A)2</a> |
| Scope of Opinion: Loss and LAE reserves, including IBNR, and rates                                                                                                                                                                                    | <a href="#">Reg 8 CSR 50-3.010(6)(A)2</a> |

### **Captive Insurer**

|                                                                                 |                                             |
|---------------------------------------------------------------------------------|---------------------------------------------|
| Opinion required, GAAP                                                          | <a href="#">Reg 20 CSR 200-20.040(2)(E)</a> |
| Filing deadline: June 30 (or 6 months after approved fiscal year-end)           | <a href="#">Reg 20 CSR 200-20.040(2)</a>    |
| Qualified actuary: Academy member in good standing and approved by the Director | <a href="#">Reg 20 CSR 200-20.040(2)(E)</a> |

## State - Missouri

### Title Insurer

|                                                                                                                                                                                                                                        |                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Opinion required to follow NAIC forms                                                                                                                                                                                                  | <a href="#">Stat 381.072 1(2)(f)b</a>                                                           |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                             | <a href="#">No, electronic signature acceptable on electronic filing</a><br><a href="#">Yes</a> |
| Filing deadline: March 1                                                                                                                                                                                                               | <a href="#">Stat 375.041 2</a>                                                                  |
| Qualified Actuary: Academy member in good standing or permitted by domiciliary Comm'r                                                                                                                                                  | <a href="#">Stat 381.072 1(2)(f)a</a>                                                           |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                             | <a href="#">Stat 381.072 1(2)(f)b</a>                                                           |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                         | <a href="#">Reg 20 CSR 200-1.005(1)</a>                                                         |
| Unearned premium reserve amounts:<br>Unearned premium reserve on Jan. 1, 2008, plus sum of 15 cents for each \$1,000 of net retained liability under each title insurance policy plus, unearned premium for closing protection letters | <a href="#">Stat 381.072 1(2)(c)</a>                                                            |

### SAO Exemptions

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"> <li>• Small companies:           <ul style="list-style-type: none"> <li>▪ less than \$1 million D&amp;A WP, and</li> <li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li> </ul> </li> <li>• Under supervision or conservatorship</li> <li>• Nature of business - submit to domiciliary Comm'r</li> <li>• Financial hardship – if cost of SAO exceeds either:           <ul style="list-style-type: none"> <li>▪ 1 percent capital &amp; surplus, or</li> <li>▪ 3 percent D&amp;A WP</li> </ul> </li> <li>• File for exemption by December 1</li> </ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Montana**

### **Contact Information**

|                       |                                                                                                                       |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------|
| Commissioner:         | James Brown                                                                                                           |
| Regulatory Agency:    | Office of the Commissioner of Securities and Insurance<br>840 Helena Avenue<br>Helena, MT 59601<br>(406) 444-2040     |
| P/C SAO Contact:      | Kari Leonard<br>Examinations Bureau Chief<br>(406) 444-2895<br><a href="mailto:kleonard2@mt.gov">kleonard2@mt.gov</a> |
| Captives* SAO Contact | Kari Leonard<br>Examinations Bureau Chief<br>(406) 444-2895<br><a href="mailto:kleonard2@mt.gov">kleonard2@mt.gov</a> |

### **Website Information**

|                              |                                              |
|------------------------------|----------------------------------------------|
| Related Website:             | <a href="#">Montana Insurance Department</a> |
| Statutes (Stat):             | <a href="#">Insurance Code, Title 33</a>     |
| Annual Statement Checklists: | <a href="#">Annual Statement Checklists</a>  |

\*Please refer to page A-5 for additional discussion of captives.

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#### [SAO Exemptions](#)

## State - Montana

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                   |                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | <a href="#">Stat 33-2-701 (1)(c)</a>                                      |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | No                                                                        |
| Filing deadline: March 1                                                                                                                                                                                                                                                                          | <a href="#">Stat 33-2-701 (1)</a>                                         |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1A)                                                       |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                        |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                     | NAIC SAO Instr (1)                                                        |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                        | <a href="#">Stat 33-2-701 (1)(b)</a>                                      |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                    | <a href="#">Stat 33-2-701 (1)(b)</a>                                      |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                        |
| Reserve amounts:<br>Insurer must maintain adequate loss reserves                                                                                                                                                                                                                                  | <a href="#">Stat 33-2-516</a><br><a href="#">Stat 33-2-518</a>            |
| Discounting tabular:<br>4 percent interest; applicable only to WC indemnity and medical tabular reserves; not applicable to LAE                                                                                                                                                                   | <a href="#">Stat 33-2-518 (3)</a>                                         |
| IBNR must be included (based on insurers' prior experience, Montana experience, or countrywide experience)                                                                                                                                                                                        | <a href="#">Stat 33-2-511 (2)</a><br><a href="#">Stat 33-2-518 (2)(b)</a> |
| Special Cases:<br>Fidelity: At least 10 percent net premiums in force                                                                                                                                                                                                                             | <a href="#">Stat 33-2-518 (2)(b)</a>                                      |
| Surety: At least 5 percent net premiums in force                                                                                                                                                                                                                                                  | <a href="#">Stat 33-2-518 (2)(b)</a>                                      |
| AOS Required                                                                                                                                                                                                                                                                                      | <a href="#">Stat 33-1-1402 (2)</a>                                        |
| Confidentiality or Other Information                                                                                                                                                                                                                                                              | <a href="#">Stat 33-1-1403</a>                                            |
| AOS Contact                                                                                                                                                                                                                                                                                       | Kari Leonard                                                              |

## State - Montana

### Producer-Controlled Insurer

|                                                                                                                                                                                                                                     |                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Opinion required if insurer is controlled as defined in <a href="#">Stat 33-2-1101 (2)</a>                                                                                                                                          | <a href="#">Stat 33-2-1512</a>                                       |
| Filing deadline: April 1                                                                                                                                                                                                            | <a href="#">Stat 33-2-1512</a>                                       |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary who is an Academy member in good standing, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul> | <a href="#">Stat 33-2-1512</a><br><a href="#">Stat 33-2-1501 (2)</a> |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                                                         | <a href="#">Stat 33-2-1512</a>                                       |

### Managing General Agent (MGA)

|                                                                                                                                                                 |                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 33-2-1501 (10)(a)</a> (GWP $\geq$ 5 percent PHS in any qtr or year) | <a href="#">Stat 33-2-1603 (2)</a> |
| Filing deadline: No provision                                                                                                                                   |                                    |
| Qualified Actuary: Academy member in good standing                                                                                                              | <a href="#">Stat 33-2-1501 (2)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                                       | <a href="#">Stat 33-2-1603 (2)</a> |

### Reinsurance Intermediary-Manager (RM)

|                                                                                                 |                                    |
|-------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 33-2-1501 (16)</a> ) sets reserves | <a href="#">Stat 33-2-1707 (3)</a> |
| Filing deadline: No provision                                                                   |                                    |
| Qualified Actuary: Academy member in good standing                                              | <a href="#">Stat 33-2-1501 (2)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                        | <a href="#">Stat 33-2-1707 (3)</a> |

### Foreign RRG

|                                                                                                                                                           |                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Opinion required                                                                                                                                          | <a href="#">Stat 33-11-104 (2)(a)</a> |
| Filing deadline: March 1                                                                                                                                  | Insurance Department Policy           |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Qualified loss reserve specialist per NAIC, or</li> <li>• Academy member</li> </ul> | <a href="#">Stat 33-11-104 (2)(a)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">Stat 33-11-104 (2)(a)</a> |

### Captive RRG

|                                                  |                                       |
|--------------------------------------------------|---------------------------------------|
| Opinion required                                 | <a href="#">Stat 33-28-107 (4)(a)</a> |
| NAIC AnnStat and SAO Instructions - may use GAAP | <a href="#">Stat 33-28-107 (4)(a)</a> |

## State - Montana

### **Title Insurer**

|                                                                                                                                                                                                                                     |                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                    | <a href="#">Stat 33-2-701 (1)(c)</a>                                      |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                          | No                                                                        |
| Filing deadline: March 1                                                                                                                                                                                                            | <a href="#">Stat 33-2-701 (1)</a>                                         |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> <li>• Company employee permitted except as noted</li> </ul> | NAIC SAO Instr (1A) Title                                                 |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                                                           | NAIC SAO Instr (1) Title                                                  |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                       | NAIC SAO Instr (1) Title                                                  |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                          | <a href="#">Stat 33-2-701 (1)(b)</a>                                      |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                      | <a href="#">Stat 33-2-701 (1)(b)</a>                                      |
| Insurer must maintain adequate loss reserves                                                                                                                                                                                        | <a href="#">Stat 33-2-516, Stat 33-2-518</a>                              |
| Statutory premium reserve: Initially, 10 percent of written premium, released 5 percent per year for 20 years                                                                                                                       | <a href="#">Stat 33-2-517</a>                                             |
| IBNR must be included (based on insurers' prior experience, Montana experience, or countrywide experience)                                                                                                                          | <a href="#">Stat 33-2-511 (2)</a><br><a href="#">Stat 33-2-518 (2)(b)</a> |

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"> <li>• Small companies: <ul style="list-style-type: none"> <li>▪ less than \$1 million D&amp;A WP, and</li> <li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li> </ul> </li> <li>• Under supervision or conservatorship</li> <li>• Nature of business - submit to domiciliary Comm'r</li> <li>• Financial hardship – if cost of SAO exceeds either: <ul style="list-style-type: none"> <li>▪ 1 percent capital &amp; surplus, or</li> <li>▪ 3 percent D&amp;A WP</li> </ul> </li> <li>• File for exemption by December 1</li> </ul> | NAIC SAO Instr (1B) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Nebraska**

### **Contact Information**

Director: Eric Dunning

Regulatory Agency: Nebraska Department of Insurance  
P.O. Box 95087  
Lincoln, NE 68509-5087  
(402) 471-2201

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~~(404) 471-4645~~~~4531~~  
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### **Website Information**

Related Website: <https://doi.nebraska.gov/index>

Statutes (Stat): [Insurance Code, Chapter 44](#)

Regulations (Reg): [Administrative Rules & Regulations, Title 210](#)

Annual Statement Checklists: [State Filing Checklists](#)

\*Please refer to page A-5 for additional discussion of captives.

## **State - Nebraska**

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#### Title Insurer

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## State - Nebraska

### **Admitted P/C Insurer**

|                                                                                                                                                                                                                                                                                                                                                           |                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                          | <a href="#">Stat 44-7902, Stat 44-322</a>                        |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                | Domestic: Yes<br>Foreign: No                                     |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                  | <a href="#">Stat 44-322(1)</a>                                   |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Academy member and has met the AAA examination and experience requirements</li> </ul>                                                                                                                                                                                                  | NAIC SAO Instr(1A)                                               |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <i>and annually thereafter</i></li> </ul>                                                             | NAIC SAO Instr (1)                                               |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                             | NAIC SAO Instr (1)                                               |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                | <a href="#">Stat 44-322(1)</a>                                   |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                            | <a href="#">Stat 44-322(2)</a>                                   |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                                                                   | NAIC SAO Instr (4)                                               |
| Insurer must maintain reserves for all outstanding claims and 100 percent unearned premium                                                                                                                                                                                                                                                                | <a href="#">Stat 44-401</a>                                      |
| Discounting:<br>Structured Settlements: Loss reserves shall be discounted if <ul style="list-style-type: none"> <li>• a complete settlement between the claimant and the insured or insurer has been agreed upon,</li> <li>• all payments due to the claimant have not yet been made, and</li> <li>• the payments are structured as an annuity</li> </ul> | <a href="#">Stat 44-401.01</a>                                   |
| AOS Required                                                                                                                                                                                                                                                                                                                                              | <a href="#">Stat 44-7902</a>                                     |
| Confidentiality or Other Information                                                                                                                                                                                                                                                                                                                      | <a href="#">Stat 44-7903</a>                                     |
| AOS Contact                                                                                                                                                                                                                                                                                                                                               | <a href="#">Nguyen Thai</a><br><a href="#">Margaret Garrison</a> |

## State - Nebraska

### **Producer-Controlled Insurer**

|                                                                                                                                                                                           |                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required if insurer is controlled                                                                                                                                                 | <a href="#">Stat 44-5704(4)</a> |
| Filing deadline: April 1                                                                                                                                                                  | <a href="#">Stat 44-5704(4)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul> | <a href="#">Stat 44-5704(4)</a> |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                               | <a href="#">Stat 44-5704(4)</a> |

### **Managing General Agent (MGA)**

|                                                                                                                                       |                                 |
|---------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if MGA (defined in <a href="#">Stat 44-4902(5)</a> ) sets reserves; (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 44-4906(2)</a> |
| Filing deadline: No provision                                                                                                         |                                 |
| Qualified Actuary: Academy member in good standing                                                                                    | <a href="#">Stat 44-4902(1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                             | <a href="#">Stat 44-4906(2)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                             |                                 |
|---------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 44-5602(7)</a> ) sets reserves | <a href="#">Stat 44-5609(3)</a> |
| Filing deadline: No provision                                                               |                                 |
| Qualified Actuary: Independent Academy member in good standing                              | <a href="#">Stat 44-5602(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                    | <a href="#">Stat 44-5609(3)</a> |

### **Hospital-Medical Liability Risk-Loss Trust**

|                                                         |                                    |
|---------------------------------------------------------|------------------------------------|
| Opinion required                                        | <a href="#">Stat 44-2827.01(5)</a> |
| Filing deadline: March 1                                | <a href="#">Stat 44-2827.01(5)</a> |
| Qualified Actuary: Actuarial or loss reserve specialist | <a href="#">Stat 44-2827.01(5)</a> |
| Scope of Opinion: Must reserve for occurrence coverage  | <a href="#">Stat 44.2827.01(4)</a> |

## State - Nebraska

### Foreign Risk Retention Group (RRG)

|                                                                                                                                                           |                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required                                                                                                                                          | <a href="#">Stat 44-4405(2a)</a> |
| Filing deadline: No provision                                                                                                                             |                                  |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• qualified loss reserve specialist per NAIC, or</li> <li>• Academy member</li> </ul> | <a href="#">Stat 44-4405(2a)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">Stat 44-4405(2a)</a> |

### Risk-Management Pool

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required if reserves are discounted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <a href="#">Reg Ch 47 § 005</a>    |
| Filing deadline: No provision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• FCAS/ACAS, member of Academy, and independent of the insurance company, or</li> <li>• with demonstrated experience and education to the Comm'r, independent of the insurance company, and with prior written approval of the Comm'r</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                        | <a href="#">Reg Ch 47 § 003.05</a> |
| Scope of Opinion: <p>Opinions must provide assessment of:</p> <ul style="list-style-type: none"> <li>• adequacy of undiscounted reserve</li> <li>• appropriateness of interest rate (considering valuation basis of bonds, asset yields, and asset-liab matching)</li> <li>• liab-surplus ratio</li> <li>• appropriateness of payment projection (considering pool experience, other insurer experience (allowing for differences in coverage and limits), and reins recoverable)</li> <li>• contingent reins premiums</li> <li>• reserve-surplus ratio</li> <li>• any other relevant factors</li> </ul> <p>Opinion must describe formulas for discounting calculation, including any provision for adverse development</p> | <a href="#">Reg Ch 47 § 005</a>    |

## State - Nebraska

### **Title Insurer**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <a href="#">Stat 44-322</a><br><a href="#">Stat 44-1988(5)</a>                                                                                         |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Domestic: Yes<br>Foreign: No                                                                                                                           |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <a href="#">Stat 44-322</a>                                                                                                                            |
| Qualified Actuary: Academy member in good standing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <a href="#">Stat 44-1988(5)</a>                                                                                                                        |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <a href="#">Stat 44-322(1)</a>                                                                                                                         |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <a href="#">Stat 44-322(1)</a>                                                                                                                         |
| Insurer must maintain reserves for all outstanding claims and 100 percent unearned premium                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <a href="#">Stat 44-401</a>                                                                                                                            |
| Scope of opinion:<br>All:<br>Loss and ALAE reserves – sufficient known claims reserve<br>Supplemental reserve – excess of loss and LAE reserve over known and unearned premium reserves<br><br>Foreign:<br>Unearned premium reserve – follow domiciliary state<br><br>Domestic:<br>Unearned premium reserve of 17 cents per \$1,000 net retained liability on each policy; 30 percent released in subsequent year, 15 percent in next year, 10 percent in next 2 years, 5 percent in next 2 years, 3 percent in next 2 years, 2 percent in next 7 years and 1 percent in next 5 years | <a href="#">Stat 44-1988(2)</a><br><a href="#">Stat 44-1988(4)</a><br><br><a href="#">Stat 44-1988(3)(a)</a><br><br><a href="#">Stat 44-1988(3)(b)</a> |
| Discounting:<br>Structured Settlements: Loss reserves shall be discounted if <ul style="list-style-type: none"> <li>• a complete settlement between the claimant and the insured or insurer has been agreed upon,</li> <li>• all payments due to the claimant have not yet been made, and</li> <li>• the payments are structured as an annuity</li> </ul>                                                                                                                                                                                                                             | <a href="#">Stat 44-401.01</a>                                                                                                                         |

## **State - Nebraska**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Nevada**

### **Contact Information**

|                              |                                                                                                                                                                                                                   |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commissioner:                | <u>Ned Gaines</u> <del>Scott J. Kipper</del>                                                                                                                                                                      |
| Regulatory Agency:           | Division of Insurance<br>State of Nevada<br>1818 East College Pkwy, Suite 103<br>Carson City, NV 89706<br>(775) 687-0700                                                                                          |
| P/C & Captives* SAO Contact: | Gennady Stolyarov II, MAAA, FSA, ACAS, CPCU, ARe, ARC, API, AIS, AIE, AIAF<br>Lead Actuary, Property and Casualty Insurance<br>(775) 687-0766<br><a href="mailto:gstolyarov@doi.nv.gov">gstolyarov@doi.nv.gov</a> |

### **Website Information**

|                              |                                                                                                               |
|------------------------------|---------------------------------------------------------------------------------------------------------------|
| Related Websites:            | <a href="https://doi.nv.gov/">https://doi.nv.gov/</a>                                                         |
| Statutes (NRS):              | <a href="#">Nevada Revised Statutes, Labor &amp; Industrial Relations, Title 53, Insurance Code, Title 57</a> |
| Regulations (NAC):           | <a href="#">Nevada Administrative Code</a>                                                                    |
| Annual Statement Checklists: | <a href="#">Financial Statement Checklists</a>                                                                |

\*Please refer to page A-5 for additional discussion of captives.

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## State - Nevada

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                                                            |                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                           | <a href="#">NRS 680A.270</a><br><a href="#">NRS 681B.200 - 681B.240</a><br><a href="#">NAC 681B.275</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                 | <a href="#">No</a> <a href="#">Yes</a>                                                                  |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                   | <a href="#">NRS 680A.270(1)</a>                                                                         |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> <li>• Company employee permitted, disclose per Exhibit B</li> </ul> | NAIC SAO Instr (1A)<br><br>NAIC SAO Instr (Exh B)                                                       |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• by December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul>                                          | NAIC SAO Instr (1)                                                                                      |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Commissioner within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                        | NAIC SAO Instr (1)                                                                                      |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                 | <a href="#">NRS 680A.270(1)(b)</a>                                                                      |
| Insurer must follow NAIC AnnStat Instructions and Accounting Practices and Procedures Manual, adopted by the NAIC                                                                                                                                                                                                                          | <a href="#">NRS 680A.270(1)(b)</a>                                                                      |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                                                    | NAIC SAO Instr (4)                                                                                      |
| Reserve amounts:<br>Insurer must maintain adequate loss and LAE reserves                                                                                                                                                                                                                                                                   | <a href="#">NRS 681B.050(1)</a>                                                                         |
| AOS Required                                                                                                                                                                                                                                                                                                                               | <a href="#">NAC 681B.280</a>                                                                            |
| Confidentiality or Other Information:<br>Confidentiality of documents must be requested                                                                                                                                                                                                                                                    | <a href="#">NAC 681B.290</a><br><a href="#">NRS 679B.285(2)</a>                                         |
| AOS Contact                                                                                                                                                                                                                                                                                                                                | Gennady Stolyarov II                                                                                    |

## State - Nevada

### **Group WC Self-Insurer**

|                                                                                                                                                                                  |                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required                                                                                                                                                                 | <a href="#">NRS 616B.404(2)(b)</a> |
| Filing deadline: May 1 or within 120 days of the end of the fiscal year                                                                                                          | <a href="#">NRS 616B.404(1)</a>    |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• specialist in loss reserves identified in AnnStat adopted by NAIC</li> </ul> | <a href="#">NRS 616B.404(2)(b)</a> |
| Scope of Opinion: Actual claims and associated expenses; IBNR and associated expenses                                                                                            | <a href="#">NRS 616B.404(2)(b)</a> |

### **Risk Retention Group (RRG)**

|                                                                                                                         |                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                        | <a href="#">NRS 695E.160(1)</a><br><a href="#">NRS 695E.140(1)(a)</a><br><a href="#">NRS 694C.400(1)</a> , as revised in Section 51 of <a href="#">SB86 (2019)</a><br><a href="#">NAC 681B.275</a><br><a href="#">NAC 694C.210(4)(f)</a> |
| Filing deadline: March 1 for submission with Annual Statement<br>June 1 for submission with Audited Financial Statement | <a href="#">NRS 695E.140(1) (a)</a><br><a href="#">NRS 680A.270(1)</a><br><a href="#">NAC 681B.275</a><br><a href="#">NRS 694C.400(3)</a><br><a href="#">NAC 694C.210(2)</a>                                                             |
| Scope of Opinion: Loss and LAE reserves                                                                                 | <a href="#">NRS 695E.160(1)</a><br><a href="#">NAC 694C.210(4)(f)</a>                                                                                                                                                                    |

### **Managing General Agent (MGA)**

|                                                                                                                                                    |                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">NAC 683A.450(3)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">NAC 683A.540(2)</a> |
| Filing deadline: No specific provision. Annual filing required if MGA establishes loss reserves                                                    | <a href="#">NAC 683A.540(2)</a> |
| Qualified Actuary: Academy member in good standing                                                                                                 | <a href="#">NAC 683A.450(1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                          | <a href="#">NAC 683A.540(2)</a> |

## State - Nevada

### **Captive Insurer**

|                                                                                                                                                                                                                            |                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                           | <a href="#">NAC 694C.210(4)(f)</a>                                 |
| Filing deadline: June 30                                                                                                                                                                                                   | <a href="#">NRS 694C.400(2)</a><br><a href="#">NAC 694C.210(1)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Fellow of the CAS, or</li> <li>• Fellow of the SOA, or</li> <li>• Academy member in good standing, or</li> <li>• approved by Commissioner</li> </ul> | <a href="#">NAC 694C.210(4)(f)</a>                                 |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                           | <a href="#">NAC 694C.210(4)(f)</a>                                 |

### **Title Insurer**

|                                                                                                                                                                                                     |                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                    | <a href="#">NRS 680A.270</a><br><a href="#">NRS 681B.200 - 681B.240</a><br><a href="#">NAC 681B.275</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                          | <a href="#">No</a> <a href="#">Yes</a>                                                                  |
| Filing deadline: March 1                                                                                                                                                                            | <a href="#">NRS 680A.270(1)</a>                                                                         |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul>                       | NAIC SAO Instr (1A) Title                                                                               |
| Affiliation<br>Company employee permitted, disclose per Exhibit B                                                                                                                                   | NAIC SAO Instr (Exh B)                                                                                  |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                           | NAIC SAO Instr (1) Title                                                                                |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Commissioner within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul> | NAIC SAO Instr (1) Title                                                                                |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                          | <a href="#">NRS 680A.270(1)(b)</a>                                                                      |
| Insurer must follow NAIC AnnStat Instructions and Accounting Practices and Procedures Manual, adopted by the NAIC                                                                                   | <a href="#">NRS 680A.270(1)(b)</a>                                                                      |

## **State - Nevada**

### **Title Insurer, continued**

|                                                                             |                                 |
|-----------------------------------------------------------------------------|---------------------------------|
| Insurer must maintain adequate loss and LAE reserves                        | <a href="#">NRS 681B.050(1)</a> |
| Scope of opinion: Loss and loss expense reserves                            | NAIC SAO Instr (4) Title        |
| Statutory unearned premium reserve domestic:<br>Released 5 percent per year | <a href="#">NRS 692A.160</a>    |

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Size:<br><p>For NAIC Annual Statements: “A domestic insurer that is not licensed or authorized to do business in any state other than this State is not required to file information from its annual statement with the National Association of Insurance Commissioners as required pursuant to subsection 2 if the written premium of the domestic insurer for the year is less than \$1,000,000.”</p> <p>For Audited Financial Statements: “...[T]he Commissioner will find that good cause exists for the exemption of an insurer from the requirements of <a href="#">NRS 680A.265</a> for the immediately preceding calendar year if, at the end of that year, the insurer has direct premiums written in this State in an amount which is less than \$1,000,000 and has less than 1,000 policyholders, certificate holders, enrollees, members or subscribers of directly written policies in the United States unless:</p> <ul style="list-style-type: none"><li>• The Commissioner makes a specific finding that compliance by that insurer is necessary for the Commissioner to carry out his or her statutory responsibilities; or</li><li>• The insurer has assumed premiums pursuant to contracts or treaties of reinsurance in an amount of \$1,000,000 or more.”</li></ul> | <a href="#">NAC 680A.160(10)</a><br><br><a href="#">NAC 680A.172</a> |
| <ul style="list-style-type: none"><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship - if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | NAIC SAO Instr (1B)<br><br><a href="#">NAC 680A.160(7)(b)</a>        |

## **State – New Hampshire**

### **Contact Information**

|                    |                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commissioner:      | D. J. Bettencourt                                                                                                                                                                                                                                                                                                                                                                |
| Regulatory Agency: | New Hampshire Insurance Department<br>21 South Fruit Street, Suite 14<br>Concord, NH 03301<br>(603) 271-2261                                                                                                                                                                                                                                                                     |
| P/C SAO Contact:   | <u>Edward “Ned” Cataldo</u><br><u>Douglas Bartlett, CPA, CFE, CIE, CPCU, ARe</u><br><u>Chief Financial Analyst, Director of Financial Regulation Division</u><br><u>(603) 271-40842879</u><br><u><a href="mailto:Edward.J.CataldoJr@ins.nh.gov">Edward.J.CataldoJr@ins.nh.gov</a></u><br><u><a href="mailto:douglas.L.bartlett@ins.nh.gov">douglas.L.bartlett@ins.nh.gov</a></u> |

### **Website Information**

|                              |                                                                                                                                                                                                                         |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Related Website:             | <a href="https://www.nh.gov/insurance/">https://www.nh.gov/insurance/</a>                                                                                                                                               |
| Statutes (Stat):             | <a href="#">New Hampshire Statutes, Title XXXVII</a>                                                                                                                                                                    |
| Regulations (Reg INS):       | <a href="#">New Hampshire Code of Administrative Rules, Chapters INS 900, 2400</a>                                                                                                                                      |
| Annual Statement Checklists: | <a href="https://www.insurance.nh.gov/companies/currently-licensed-companies/naic-company-filing-requirements">https://www.insurance.nh.gov/companies/currently-licensed-companies/naic-company-filing-requirements</a> |

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#### Title Insurer

#### SAO Exemptions

## State – New Hampshire

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                   |                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | <a href="#">Stat 400-A:36-a(I)</a><br><a href="#">Reg INS 2402.03</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | Domestic: Yes<br>Foreign: No                                          |
| Filing deadline: March 1                                                                                                                                                                                                                                                                          | <a href="#">Stat 400-A:36-a(I)</a>                                    |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1A)<br><a href="#">Reg INS 901.02</a>                 |
| Affiliation<br>Company employee: Permitted, except as noted in “Qualifications”                                                                                                                                                                                                                   | NAIC SAO Instr (1A)                                                   |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                    |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                     | NAIC SAO Instr (1)                                                    |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                        | <a href="#">Stat 400-A:36-a(I)</a>                                    |
| Insurer must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                     | <a href="#">Stat 400-A:36-a(I)</a>                                    |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)<br><a href="#">Stat 416-A:11</a>                   |
| AOS Required                                                                                                                                                                                                                                                                                      | <a href="#">Reg INS 2402.04</a>                                       |
| Confidentiality or Other Information                                                                                                                                                                                                                                                              | <a href="#">Reg INS 2402.06</a>                                       |
| AOS Contact                                                                                                                                                                                                                                                                                       | Patricia Gosselin                                                     |

## State – New Hampshire

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                           |                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">Stat 402-G:3(I)</a><br><a href="#">Stat 402-G:3(IV)(a)</a> |
| Filing deadline: April 1                                                                                                                                                                                  | <a href="#">Stat 402-G:3(IV)(a)</a>                                    |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist acceptable to Comm'r</li> </ul>               | <a href="#">Stat 402-G:3(IV)(a)</a>                                    |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                               | <a href="#">Stat 402-G:3(IV)(a)</a>                                    |

### **Managing General Agent (MGA)**

|                                                                                                                                                       |                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 402-E:1(III.)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 402-E:4(II)</a> |
| Filing deadline: No provision                                                                                                                         |                                  |
| Qualified Actuary: Academy member in good standing                                                                                                    | <a href="#">Stat 402-E:1(I)</a>  |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                             | <a href="#">Stat 402-E:4(II)</a> |

### **Reinsurance-Intermediary Manager (RM)**

|                                                                                                 |                                   |
|-------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 402-F:1 (VII.)</a> ) sets reserves | <a href="#">Stat 402-F:8(III)</a> |
| Filing deadline: No provision                                                                   |                                   |
| Qualified Actuary: Academy member in good standing                                              | <a href="#">Stat 402-F:1(I)</a>   |
| Scope of Opinion: Loss reserves; business produced by RM                                        | <a href="#">Stat 402-F:8(III)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                                    |                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Opinion required                                                                                                                                                   | <a href="#">Stat 405-A:3(II)(a)</a> |
| Filing deadline: No provision                                                                                                                                      |                                     |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist per NAIC criteria</li> </ul> | <a href="#">Stat 405-A:3(II)(a)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                            | <a href="#">Stat 405-A:3(II)(a)</a> |

## State – New Hampshire

### **Title Insurer**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <a href="#">Stat 400-A:36-a(I)</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Domestic: Yes<br>Foreign: No       |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <a href="#">Stat 400-A:36-a(I)</a> |
| Actuary<br>Qualifications<br>Either: <ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li></ul>                                                                                                                                                                                                                                                                                                                                          | NAIC SAO Instr (1A) Title          |
| Affiliation<br>Company employee: Permitted, except as noted in “Qualifications”                                                                                                                                                                                                                                                                                                                                                                                                                                                | NAIC SAO Instr (1A)                |
| Appointment <ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports to Board</li></ul>                                                                                                                                                                                                                                                                                                                                                                          | NAIC SAO Instr (1) Title           |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"><li>• notify Comm'r within 5 days</li><li>• provide separate letter within 10 days concerning disagreements</li></ul>                                                                                                                                                                                                                                                                                                                                     | NAIC SAO Instr (1) Title           |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <a href="#">Stat 400-A:36-a(I)</a> |
| Insurer must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <a href="#">Stat 400-A:36-a(I)</a> |
| Title insurers must maintain loss and LAE reserves                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <a href="#">Stat 416-A:11</a>      |
| Scope of opinion: Loss and loss expense reserves                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | NAIC SAO Instr (4) Title           |
| Statutory premium reserve:<br>Domestic: Initially, sum of <ul style="list-style-type: none"><li>• unearned premium reserve on Sept. 10, 1971 and</li><li>• \$1 per policy and 15 cents per \$1,000 net retained liability on risks written after Sept. 10, 1971; released 10 percent per year, first five years and 3.33 percent per year thereafter; (for reinsurer) if substantially entire liability is reinsured, unearned premium reserve cannot be less than two-thirds of reserve required for ceding company</li></ul> | <a href="#">Stat 416-A:10</a>      |
| Foreign: Must meet requirements for domestic company if domicile does not require substantially equivalent unearned premium reserve                                                                                                                                                                                                                                                                                                                                                                                            | <a href="#">Stat 416-A:9</a>       |

## **State – New Hampshire**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State – New Jersey**

### **Contact Information**

|                             |                                                                                                                                                                                                                             |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Acting</b> Commissioner: | Justin Zimmerman                                                                                                                                                                                                            |
| Regulatory Agency:          | Department of Banking and Insurance<br>20 West State Street<br>PO Box 325<br>Trenton, NJ 08625<br>(609) 292-7272                                                                                                            |
| P/C and Title SAO Contact:  | <u>Paul Lupo</u> <del>Herbert Bibbero, ACAS</del><br><u>Office of Solvency Regulation</u> <del>Assistant Actuary</del><br>(609) <u>292-7272</u> <del>940-7453</del><br><u>herbert.bibbero</u> <u>paul.lupo</u> @dobi.nj.gov |
| Captives* SAO Contact:      | Aileen Egan<br>Office of Captive Insurance<br>(609) 292-7272<br><u>aileen.egan</u> @dobi.nj.gov                                                                                                                             |

### **Website Information**

|                              |                                                                                             |
|------------------------------|---------------------------------------------------------------------------------------------|
| Related Website:             | <a href="http://www.state.nj.us/dobi/index.html">http://www.state.nj.us/dobi/index.html</a> |
| Statutes (Stat):             | <a href="#">New Jersey Legislative Statutes</a>                                             |
| Regulations (Reg):           | <a href="#">New Jersey Regulations, New Jersey Administrative Code, Title 11</a>            |
| Annual Statement Checklists: | <a href="#">Annual Statement Checklists</a>                                                 |

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\*Please refer to page A-5 for additional discussion of captives.

## **State – New Jersey**

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#### Title Insurer

#### SAO Exemptions

## State – New Jersey

### **Admitted P/C Insurer**

|                                                                                                                                                                                                                                                                                                   |                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | <a href="#">Reg 11:1-21.3(a)</a>                                            |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | Domestic: Yes<br>Foreign: No                                                |
| Filing deadline: March 1                                                                                                                                                                                                                                                                          | <a href="#">Stat 17:23-1</a>                                                |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1A)                                                         |
| Affiliation<br>Company employee permitted, except as noted in “Qualifications”                                                                                                                                                                                                                    | NAIC SAO Instr (1A)                                                         |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                          |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                     | NAIC SAO Instr (1)                                                          |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                        | <a href="#">Reg 11:1-21.3(b)</a><br><a href="#">Stat 17:23-1, 17:46B-55</a> |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                    | <a href="#">Stat 17:23-1, 17:46B-55</a>                                     |
| Reserve amounts:<br>Insurer must maintain reserves estimated in the aggregate to provide for the payment of loss and LAE on claims, for which the insurer may be liable                                                                                                                           | <a href="#">Stat 17:17-18</a>                                               |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                          |
| Actuarial report & workpapers<br>Must file by May 1, for domestic companies filing an opinion                                                                                                                                                                                                     | <a href="#">Reg 11:1-21.5</a>                                               |
| AOS Required                                                                                                                                                                                                                                                                                      | <a href="#">Reg 11:1-21.4</a>                                               |
| Confidentiality or Other Information                                                                                                                                                                                                                                                              | <a href="#">Reg 11:1-21.6</a>                                               |
| AOS Contact                                                                                                                                                                                                                                                                                       | Paul Lupo <del>Richard Schlesinger</del>                                    |

## State – New Jersey

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                           |                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">Stat 17:22D-3(a.-b)</a> |
| Filing deadline: April 1                                                                                                                                                                                  | <a href="#">Stat 17:22D-3(e)</a>    |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by the Casualty Practice Council</li> </ul>                      | <a href="#">Stat 17:22D-3(e)</a>    |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer; also satisfying <a href="#">Reg 11:1-21</a>                                                                                  | <a href="#">Stat 17:22D-3(e)</a>    |

### **Managing General Agent (MGA)**

|                                                                                                                                                                                      |                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 17:22C-1</a> (GWP $\geq$ 5 percent PHS last AnnStat)                                     | <a href="#">Stat 17:22C-7(b)</a> |
| Filing deadline: March 1                                                                                                                                                             | <a href="#">Stat 17:22C-7(b)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by the Casualty Practice Council</li> </ul> | <a href="#">Stat 17:22C-7(b)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA; also satisfying <a href="#">Reg 11:1-21</a>                                                                               | <a href="#">Stat 17:22C-7(b)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                                                                                                      |                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 17:22E-1</a> ) sets reserves                                                                                            | <a href="#">Stat 17:22E-16</a>   |
| Filing deadline: March 1                                                                                                                                                             | <a href="#">Stat 17:22C-7(b)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by the Casualty Practice Council</li> </ul> | <a href="#">Stat 17:22E-16</a>   |
| Scope of Opinion:<br>Loss reserves; business produced by RM; also satisfying <a href="#">Reg 11:1-21</a>                                                                             | <a href="#">Stat 17:22E-16</a>   |

## State – New Jersey

### Foreign Risk Retention Group (RRG)

|                                                                                                                                     |                                   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required                                                                                                                    | <a href="#">Stat 17:47A-4c(1)</a> |
| Filing deadline: June 1                                                                                                             | <a href="#">Reg 11:2-36.3(d)2</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified per Comm'r</li> </ul> | <a href="#">Stat 17:47A-4c(1)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                             | <a href="#">Stat 17:47A-4c(1)</a> |

### Group Self-Insurer

|                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hosp WC: Opinion required annually                                                                                                                                                                                                                                                                     | <a href="#">Reg 11:15-1.5(b)</a>                                                                                                                                                     |
| Local gov't <ul style="list-style-type: none"> <li>Opinion required annually</li> <li>Intertrust fund transfer</li> <li>Refund and interyear fund transfer</li> </ul>                                                                                                                                  | <a href="#">Reg 11:15-2.24(a)2</a><br><a href="#">Reg 11:15-2.13(a)1</a><br><a href="#">Reg 11:15-2.21(b), (c), (f)</a>                                                              |
| School board <ul style="list-style-type: none"> <li>Opinion required annually</li> <li>Intertrust fund transfer</li> <li>Refund and interyear fund transfer</li> </ul>                                                                                                                                 | <a href="#">Reg 11:15-4.24(a)2</a><br><a href="#">Reg 11:15-4.13(a)1</a><br><a href="#">Reg 11:15-4.21(b), (f)</a>                                                                   |
| Non-profit corp & Keys Amendment facility <ul style="list-style-type: none"> <li>Opinion required annually</li> <li>Intertrust fund transfer</li> <li>Refund and interyear fund transfer</li> </ul>                                                                                                    | <a href="#">Reg 11:15-6.23(a)2</a><br><a href="#">Reg 11:15-6.13(a)1</a><br><a href="#">Reg 11:15-6.20(b), (f)</a>                                                                   |
| State College <ul style="list-style-type: none"> <li>Opinion required annually</li> <li>Intertrust fund transfer</li> <li>Refund and interyear fund transfer</li> </ul>                                                                                                                                | <a href="#">Reg 11:15-7.24(a)2</a><br><a href="#">Reg 11:15-7.13(a)1</a><br><a href="#">Reg 11:15-7.21(b), (f)</a>                                                                   |
| Filing deadline <ul style="list-style-type: none"> <li>• Hosp WC: Six months after end of group's fiscal year</li> <li>• Local gov't: June 30</li> <li>• School board : December 31</li> <li>• Non-profit corp &amp; Keys Amendment facility: April 1</li> <li>• State College: December 31</li> </ul> | <a href="#">Reg 11:15-1.5(a)</a><br><a href="#">Reg 11:15-2.24(a)</a><br><a href="#">Reg 11:15-4.24(a)</a><br><a href="#">Reg 11:15-6.23(a)</a><br><a href="#">Reg 11:15-7.24(a)</a> |

## State – New Jersey

### **Group Self-Insured, continued**

|                                                                                                                                                                                                                                                           |                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Scope of opinion<br>Hosp WC: Loss and expense reserves including IBNR                                                                                                                                                                                     | <a href="#">Reg 11:15-1.5(b)</a>                                                                                  |
| Local gov't:<br>Reserves for unpaid losses, claims, and unearned assessments<br>Annual Intertrust fund transfer: Unpaid losses<br>Refund and interyear fund transfer: Unpaid claim reserves, including IBNR, loss, and ALAE                               | <a href="#">Reg 11:15-2.24(a)2</a><br><a href="#">Reg 11:15-2.13(a)1</a><br><a href="#">Reg 11:15-2.21(b)-(h)</a> |
| School boards:<br>Reserves for unpaid losses, claims, and unearned assessments<br>Annual Intertrust fund transfer: Unpaid losses<br>Refund and interyear fund transfer: Unpaid claim reserves, including IBNR, loss, and ALAE                             | <a href="#">Reg 11:15-4.24(a)2</a><br><a href="#">Reg 11:15-4.13(a)1</a><br><a href="#">Reg 11:15-4.21(b)-(f)</a> |
| Non-profit corp & Keys Amendment facility:<br>Reserves for unpaid losses, claims, and unearned assessments<br>Annual Intertrust fund transfer: Unpaid losses<br>Refund and interyear fund transfer: Unpaid claim reserves, including IBNR, loss, and ALAE | <a href="#">Reg 11:15-6.23(a)2</a><br><a href="#">Reg 11:15-6.13(a)1</a><br><a href="#">Reg 11:15-6.20(b)-(f)</a> |
| State College:<br>Reserves for unpaid losses, claims, and unearned assessments<br>Annual Intertrust fund transfer: Unpaid losses<br>Refund and interyear fund transfer: Unpaid claim reserves, including IBNR, loss, and ALAE                             | <a href="#">Reg 11:15-7.24(a)2</a><br><a href="#">Reg 11:15-7.13(a)1</a><br><a href="#">Reg 11:15-7.21(b)-(f)</a> |

## State – New Jersey

### **Title Insurer**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <a href="#">Stat 17:46B-55</a>                                              |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                                                                                  | Domestic: Yes<br>Foreign: No                                                |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <a href="#">Stat 17:46B-55</a>                                              |
| Actuary<br><br>Qualifications <ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li></ul>                                                                                                                                                                                                                                                                                                              | NAIC SAO Instr (1A) Title                                                   |
| Affiliation<br><br>Company employee permitted, except as noted in “Qualifications”                                                                                                                                                                                                                                                                                                                                                                                                          | NAIC SAO Instr (1A)                                                         |
| Appointment <ul style="list-style-type: none"><li>• by Board of Directors or equivalent</li><li>• by December 31</li><li>• reports to Board</li></ul>                                                                                                                                                                                                                                                                                                                                       | NAIC SAO Instr (1) Title                                                    |
| Change of Actuary<br><br>Company must: <ul style="list-style-type: none"><li>• notify Comm'r within 5 days</li><li>• provide separate letter within 10 days concerning disagreements</li></ul>                                                                                                                                                                                                                                                                                              | NAIC SAO Instr (1) Title                                                    |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <a href="#">Reg 11:1-21.3(b)</a><br><a href="#">Stat 17:23-1, 17:46B-55</a> |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                              | <a href="#">Stat 17:23-1, 17:46B-55</a>                                     |
| Insurer must maintain reserves estimated in the aggregate to provide for the payment of loss and LAE on claims, whether reported or unreported, for which the insurer may be liable                                                                                                                                                                                                                                                                                                         | <a href="#">Stat 17:17-18</a>                                               |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                                                                                                                                                                                                                                                                            | <a href="#">Stat 17:46B-18</a>                                              |
| Title-statutory premium reserve domestic<br><br>Initially, sum of <ul style="list-style-type: none"><li>• unearned premium reserve on June 30, 1975 and</li><li>• \$1.50 per policy and 12.5 cents per \$1,000 net retained liability on risks written after June 30, 1975; released 5 percent per year for 20 years thereafter; (for reinsurer) if substantially entire liability is reinsured, unearned premium reserve cannot be less than reserve required for ceding company</li></ul> | <a href="#">Stat 17:46B-14</a><br><a href="#">Stat 17:46B-15</a>            |
| Actuarial report & workpapers<br><br>Must file by May 1, for domestic companies filing an opinion                                                                                                                                                                                                                                                                                                                                                                                           | <a href="#">Reg 11.1-21.5</a>                                               |

## State – New Jersey

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State – New Mexico**

### **Contact Information**

Superintendent of Insurance: Alice T. Kane

Regulatory Agency: Office of Superintendent of Insurance  
1120 Paseo De Peralta  
Santa Fe, New Mexico 87501-1689  
(855) 427-5674

P/C and Title SAO Contact: Christian Myers  
Chief Actuary  
(505) 695-5198  
[christian.myers@osi.nm.gov](mailto:christian.myers@osi.nm.gov)

### **Website Information**

Related Website: <https://www.osi.state.nm.us>

Statutes (Stat): [Insurance Code, Chapter 59A, Chapter 52](#)

Regulations (Reg): [New Mexico Administrative Code \(NMAC\) Title 13](#)

Annual Statement Checklists: [Yearend & Quarterly Filing Checklists](#)

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- Reinsurance Intermediary-Manager
- Group Self-Insured (WC)

#### Title Insurer

#### SAO Exemptions

## State – New Mexico

### **Admitted P/C Insurer**

|                                                                      |                                                                  |
|----------------------------------------------------------------------|------------------------------------------------------------------|
| Opinion required                                                     | <a href="#">Stat 59A-5-29</a><br><a href="#">Reg 13.2.9.8(A)</a> |
| Original Signature (Handwritten on Paper) Required for SAO           | No                                                               |
| Filing deadline: March 1                                             | <a href="#">Stat 59A-5-29</a>                                    |
| Actuary                                                              |                                                                  |
| Qualifications                                                       | <a href="#">Reg 13.2.9.7(G)</a>                                  |
| • CAS member in good standing, or                                    |                                                                  |
| • Academy member approved by Casualty Practice Council               |                                                                  |
| Affiliation                                                          |                                                                  |
| Company employee: Permitted, except as noted in “Qualifications”     | NAIC SAO Instr (1A) <sup>1</sup>                                 |
| Appointment                                                          |                                                                  |
| • by Board of Directors or equivalent                                |                                                                  |
| • by December 31                                                     | <a href="#">Reg 13.2.9.7(E)</a>                                  |
| • reports to Board                                                   |                                                                  |
| Change of Actuary                                                    |                                                                  |
| Company must:                                                        |                                                                  |
| • notify Comm'r (Superintendent in NM) within 5 days                 |                                                                  |
| • provide separate letter within 10 days concerning disagreements    | NAIC SAO Instr (1)                                               |
| Insurers must follow NAIC SAO Instructions                           | <a href="#">Reg 13.2.9.8(A)</a>                                  |
| Insurers must follow NAIC AnnStat Instructions                       | <a href="#">Stat 59A-5-29</a>                                    |
| Reserve amounts:                                                     |                                                                  |
| Insurer must maintain adequate loss and LAE reserves                 | <a href="#">Stat 59A-8-8(B)</a>                                  |
| Scope of Opinion: Loss and LAE reserves                              | NAIC SAO Instr (4)                                               |
| • Surplus lines – as authorized by NAIC                              | <a href="#">Stat 59A-14-4</a>                                    |
| • Alien surplus lines – as required by domiciliary state             | <a href="#">Stat 59A-14-4</a>                                    |
| • Risk Retention Groups                                              |                                                                  |
| ▪ with NM Certificate of Authority, same as NM domestic insurer      | <a href="#">Stat 59A-55-4</a>                                    |
| ▪ without Certificate of Authority, as required by domiciliary state | <a href="#">Stat 59A-55-5</a>                                    |
| AOS Required                                                         | <a href="#">Reg 13.2.9.8(B)</a>                                  |
| Confidentiality or Other Information                                 |                                                                  |
| AOS, Actuarial Report, and work papers are confidential              | <a href="#">Reg 13.2.9.9</a>                                     |
| AOS Contact                                                          | Christian Myers                                                  |

<sup>1</sup>When reviewing a Statement of Actuarial Opinion, the New Mexico Office of Superintendent of Insurance refers to pertinent NAIC instructions and guidance. In preparing a Statement of Actuarial Opinion, actuaries may do likewise. If an NAIC instruction or guidance conflicts with an express provision of New Mexico law, the latter prevails and must be followed.

## State – New Mexico

### **Broker-Controlled Insurer**

|                                                                                                                                                                                                       |                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Opinion required if GWP placed by broker is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the broker and insurer work exclusively with each other | <a href="#">Stat 59A-12C-4(A)</a>    |
| Filing deadline: April 1                                                                                                                                                                              | <a href="#">Stat 59A-12C-4(E)(1)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"><li>• independent casualty actuary, or</li><li>• other independent loss reserve specialist approved by Superintendent</li></ul>        | <a href="#">Stat 59A-12C-4(E)(1)</a> |
| Scope of Opinion: Loss reserves including IBNR; business placed by broker                                                                                                                             | <a href="#">Stat 59A-12C-4(E)(1)</a> |

### **Managing General Agent (MGA)**

|                                                                                                                                                      |                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 59A-12B-2(C)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 59A-12B-5(B)</a> |
| Filing Deadline: No due date is listed in the Statutes                                                                                               |                                   |
| Qualified Actuary: Academy member in good standing                                                                                                   | <a href="#">Stat 59A-12B-2(A)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                            | <a href="#">Stat 59A-12B-5(B)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                 |                                   |
|-------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 59A-12(D)-2(G)</a> ) sets reserves | <a href="#">Stat 59A-12D-9(C)</a> |
| Filing Deadline: No due date is listed in the Statutes                                          |                                   |
| Qualified Actuary: Academy member in good standing                                              | <a href="#">Stat 59A-12D-2(A)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                        | <a href="#">Stat 59A-12D-9(C)</a> |

## State – New Mexico

### **Group Self-Insured (WC)**

|                                                                                                                                                                                        |                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required                                                                                                                                                                       | <a href="#">Stat 52-6-12(A)</a> |
| Filing Deadline:<br>Last day of the 6 <sup>th</sup> month after the end of the fiscal year                                                                                             | <a href="#">Stat 52-6-12(A)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• Qualified loss reserve specialist as defined in AnnStat adopted by NAIC</li> </ul> | <a href="#">Stat 52-6-12(A)</a> |
| Scope of Opinion:<br>Known claims and associated expenses; IBNR and associated expenses                                                                                                | <a href="#">Stat 52-6-12(A)</a> |

### **Title Insurer**

|                                                                                                                                                                                                                      |                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                     | <a href="#">Stat 59A-5-29, Stat 59A-30-14</a>                     |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                           | No                                                                |
| Filing deadline: March 1                                                                                                                                                                                             | <a href="#">Stat 59A-5-29</a>                                     |
| Actuary<br>Qualifications either <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul>                                 | NAIC SAO Instr (1A) Title                                         |
| Affiliation<br>Company employee: Permitted, except as noted in “Qualifications”                                                                                                                                      | NAIC SAO Instr (1A) Title                                         |
| Appointment <ul style="list-style-type: none"> <li>• by Board of Directors or equivalent</li> <li>• by December 31</li> <li>• reports to Board</li> </ul>                                                            | <a href="#">Reg 13.2.9.7(E)</a>                                   |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r (Superintendent in NM) within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul> | NAIC SAO Instr (1)                                                |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                           | <a href="#">Stat 59A-5-29</a><br><a href="#">Reg 13.2.9.8(A)</a>  |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                       | <a href="#">Stat 59A-5-29</a>                                     |
| Reserve amounts:<br>Insurer must maintain adequate loss and LAE reserves                                                                                                                                             | <a href="#">Stat 59A-8-8(B)</a><br><a href="#">Stat 59A-30-10</a> |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                     | NAIC SAO Instr (4) Title<br><a href="#">Stat 59A-30-10</a>        |

## **State – New Mexico**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r (Superintendent in NM)</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li><li>• <a href="#"><u>Request for exemption must be made in writing to New Mexico superintendent before December 31</u></a></li></ul> | <p>NAIC SAO Instr (1B)</p> <p><a href="#"><u>Reg 13.2.9.8(A)</u></a></p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|

## **State – New York**

### **Contact Information**

Acting Superintendent: [Kaitlin Asrow](#)~~Adrienne A. Harris~~

~~Executive Deputy Superintendent:~~ [Bhavna Agnihotri](#)

Department of Financial Services: New York State Department of Financial Services  
1 State Street  
New York, NY 10004  
(212) 837-7320

P/C SAO Contact: Ni Qin  
Chief Actuary  
(212) 480-5060  
[ni.qin@dfs.ny.gov](mailto:ni.qin@dfs.ny.gov)

Title SAO Contact: Bruno Bailo  
Principal Insurance Examiner  
[bruno.bailo@dfs.ny.gov](mailto:bruno.bailo@dfs.ny.gov)

Captives\* SAO Contact: Michael Campanelli  
Supervising Attorney  
(212) 480-5290  
[michael.campanelli@dfs.ny.gov](mailto:michael.campanelli@dfs.ny.gov)

### **Website Information**

Related Website: <http://www.dfs.ny.gov>

Statutes (Stat): [Consolidated Laws, Chapter 28, Insurance Law](#)

Regulations (Part): [New York Administrative Code, Title 11](#)

Circular Letters (CL): [Circular Letter No. 5 \(1994\)](#)

Annual Statement Checklists: [Annual Statement and Supplement Filing Instructions](#)

\*Please refer to page A-5 for additional discussion of captives.

## **State – New York**

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## State – New York

### **Admitted P/C Insurer**

|                                                                                                                                                                                                                                                                                                                                                                                                                              |                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                             | <a href="#">Part 111.2(a)</a>   |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                   | No                              |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                     | <a href="#">Part 111.2(a)</a>   |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                                                                                                                                                 | NAIC SAO Instr (1A)             |
| Affiliation<br>Company employee permitted, except as noted in “Qualifications”                                                                                                                                                                                                                                                                                                                                               | NAIC SAO Instr (1A)             |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul>                                                                                                                            | NAIC SAO Instr (1)              |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                                                                                                | NAIC SAO Instr (1)              |
| Independent loss reserve specialist<br>Independent opinion required when 2 of 3 ratios from last AnnStat fall outside acceptable range: <ul style="list-style-type: none"> <li>• 1 year reserve development to surplus <math>\geq</math> 25 percent;</li> <li>• 2 year reserve development to surplus <math>\geq</math> 25 percent;</li> <li>• current reserve deficiency to surplus <math>\geq</math> 25 percent</li> </ul> | <a href="#">Stat 4117(g)(1)</a> |
| Actuary must be independent of insurer and either: <ul style="list-style-type: none"> <li>• CAS member, or</li> <li>• approved by Superintendent</li> </ul>                                                                                                                                                                                                                                                                  | <a href="#">Stat 4117(g)(2)</a> |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                   | <a href="#">Part 111.2(a)</a>   |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                               | <a href="#">Part 111.2(a)</a>   |

## State – New York

### **Admitted P/C Insurer, continued**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Reserve amounts:</p> <p>Insurer must maintain reserves estimated in the aggregate to provide for the payment of loss and LAE on claims incurred on or prior to the statement date, whether reported or unreported, that are unpaid and for which the insurer may be liable.</p> <ul style="list-style-type: none"> <li>• A company's reserves must include amounts due or to become due for all loss and LAE incurred but not paid, including IBNR, estimated in accordance with prior experience, if any; otherwise, estimated in accordance with experience of similar companies under similar contracts.</li> <li>• Whenever it is in the judgment of the Superintendent that a company's reserves, calculated in accordance with the provisions of Stat 4117, are inadequate or excessive, he may prescribe any other basis that will produce adequate and reasonable reserves.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                              | <p><a href="#">Stat 1303</a></p> <p><a href="#">Stat 4117(b)(1) &amp; (2)</a></p> <p><a href="#">Stat 4117(e)</a></p>                                                                             |
| <p>Scope of Opinion: Loss and LAE reserves</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>NAIC SAO Instr (4)</p>                                                                                                                                                                         |
| <p>Discounting</p> <p>WC: Maximum discount rate is 5 percent per annum on case basis pure loss reserves; may not discount IBNR or LAE reserves</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p><a href="#">Stat 4117(d)</a></p>                                                                                                                                                               |
| <p>Reinsurance recoverable</p> <p>Reinsurance recoverable by a ceding insurer:</p> <ul style="list-style-type: none"> <li>• from authorized reinsurer, in full;</li> <li>• from accredited reinsurer, to the extent allowed by the Superintendent on the basis of the insurer's compliance with the conditions of any applicable regulation; or</li> <li>• from certified reinsurer, to the extent allowed by the Superintendent on the basis of the reinsurer's Secure financial strength rating from an approved rating agency and amount of funds withheld/collateral; or</li> <li>• from other reinsurers, to the extent funds under control of ceding insurer. Superintendent may by regulation prescribe the conditions under which a ceding insurer may be allowed credit, as an asset or as a deduction from loss and unearned premium reserves, for reinsurance recoverable from an accredited reinsurer or an insurer not authorized in this state</li> </ul> <p>Reinsurer must be liable, regardless of solvency of ceding insurer</p> <p>No domestic or alien insurer may, during any period of 12 consecutive months, cede an amount of its insurance on which the total gross reinsurance premium is &gt; 50 percent of the unearned premiums on the net amount of its insurance in force during that period</p> | <p><a href="#">Stat 1301(a)(9)</a></p> <p><a href="#">Part 125.4 (h)(1) &amp; (2)</a></p> <p><a href="#">Stat 1308(a)(2)(A) &amp; (B)</a></p> <p><a href="#">Stat 1308(a)(2)(A) &amp; (B)</a></p> |

## State – New York

### **Admitted P/C Insurer, continued**

|                                                                                                                                     |                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| Reports required to be made by independent actuary shall be kept confidential                                                       | <a href="#">Stat 4117(g)(4)</a>                       |
| Salvage and Subrogation<br>Reserves may be stated net of anticipated salvage and subrogation                                        | NAIC Sched P Instructions                             |
| IBNR<br>Use company's prior experience, if any; otherwise, use experience of similar companies under similar contracts              | <a href="#">Stat 4117(b)(2)</a>                       |
| Fidelity: At least 10 percent net premiums in force                                                                                 |                                                       |
| Surety: At least 5 percent net premiums in force                                                                                    |                                                       |
| Special Disability Fund<br>No carrier may assume liability for which it holds reserves beyond those permitted by the Superintendent | <a href="#">Part 151-4.1</a>                          |
| AOS Required                                                                                                                        | <a href="#">Part 111.2(b)(1)</a>                      |
| Confidentiality or Other Information<br>Insurers can request confidentiality                                                        | <a href="#">New York Public Officers Law 87(2)(d)</a> |
| AOS Contact                                                                                                                         | Hau Michael Ying                                      |

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                                                      |                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other                            | <a href="#">Part 80-2.2</a>       |
| Filing deadline:<br>If insurer files only one opinion, it must be received by March 1 and conform to Part 80-2.2.<br>If an additional opinion is filed, the deadline is April 1                                                      | <a href="#">Part 80-2.2(c)(1)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"><li>• independent casualty actuary and Academy member in active practice, or</li><li>• other independent loss reserve specialist approved by Superintendent</li></ul> | <a href="#">Part 80-2.2(c)(1)</a> |
| Scope of Opinion: Loss and LAE reserves for each AnnStat line of business; business placed by producer                                                                                                                               | <a href="#">Part 80-2.2(c)(1)</a> |

## State – New York

### Foreign Risk Retention Group (RRG)

|                                                                                                                                                                                                          |                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required                                                                                                                                                                                         | <a href="#">Stat 5904(b)(1)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member in good standing, or</li> <li>• qualified loss reserve specialist under criteria established by the NAIC</li> </ul> | <a href="#">Stat 5904(b)(1)</a> |

### Title Insurer

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <a href="#">Stat 307</a> ; NAIC SAO Instr Title |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                                                                   | No                                              |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <a href="#">Stat 307(a)(1)</a>                  |
| Actuary <ul style="list-style-type: none"> <li>Qualifications <ul style="list-style-type: none"> <li>Either: <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul> </li> </ul> </li> </ul>                                                                                                                                                                                     | NAIC SAO Instr (1A) Title                       |
| Affiliation <ul style="list-style-type: none"> <li>Company employee permitted, except as noted in “Qualifications”</li> </ul>                                                                                                                                                                                                                                                                                                                                                | NAIC SAO Instr (1A)                             |
| Appointment <ul style="list-style-type: none"> <li>• by Board of Directors or equivalent</li> <li>• by December 31</li> <li>• reports to Board</li> </ul>                                                                                                                                                                                                                                                                                                                    | NAIC SAO Instr (1) Title                        |
| Change of Actuary <ul style="list-style-type: none"> <li>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul> </li> </ul>                                                                                                                                                                                                                                | NAIC SAO Instr (1) Title                        |
| Independent loss reserve specialist <ul style="list-style-type: none"> <li>Independent opinion required when 2 of 3 ratios from last AnnStat fall outside acceptable range: <ul style="list-style-type: none"> <li>• 1 year reserve development to surplus <math>\geq</math> 25 percent;</li> <li>• 2 year reserve development to surplus <math>\geq</math> 25 percent;</li> <li>• current reserve deficiency to surplus <math>\geq</math> 25 percent</li> </ul> </li> </ul> | <a href="#">Stat 4117(g)(1)</a>                 |
| Actuary must be independent of insurer and either: <ul style="list-style-type: none"> <li>• CAS member, or</li> <li>• Approved by Superintendent</li> </ul>                                                                                                                                                                                                                                                                                                                  | <a href="#">Stat 4117(g)(2)</a>                 |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                   | <a href="#">Stat 307(a)(2)</a>                  |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                                                               | <a href="#">Stat 307(a)(2)</a>                  |

## State – New York

### **Title Insurer, continued**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Reserve amounts:</p> <p>Insurer must maintain reserves estimated in the aggregate to provide for the payment of loss and LAE on claims incurred on or prior to the statement date, whether reported or unreported, that are unpaid and for which the insurer may be liable.</p> <ul style="list-style-type: none"> <li>• A company's reserves must include amounts due or to become due for all loss and LAE incurred but not paid, including IBNR, estimated in accordance with prior experience, if any; otherwise, estimated in accordance with experience of similar companies under similar contracts.</li> <li>• Whenever it is in the judgment of the Superintendent that a company's reserves, calculated in accordance with the provisions of Stat 4117, are inadequate or excessive, he may prescribe any other basis that will produce adequate and reasonable reserves.</li> </ul>                                                                       | <p><a href="#">Stat 1303</a></p> <p><a href="#">Stat 4117(b)(1) &amp; (2)</a></p> <p><a href="#">Stat 4117(e)</a></p>                         |
| <p>Scope of Opinion: Loss and loss expense reserves</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>NAIC SAO Instr (4) Title</p>                                                                                                               |
| <p>Statutory premium reserve:</p> <p>On risks written after Jan. 1, 1986, sum of</p> <ul style="list-style-type: none"> <li>• \$1.50 per policy plus 1/80<sup>th</sup> of 1 percent of face amount and</li> <li>• 3 percent of gross fees and premium not included in (1); released 5 percent per year until entire amount added has been released</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p><a href="#">Stat 6405(a)(2)</a></p>                                                                                                        |
| <p>Reinsurance recoverable</p> <p>Reinsurance recoverable by a ceding insurer:</p> <ul style="list-style-type: none"> <li>• from authorized reinsurer, in full;</li> <li>• from accredited reinsurer, to the extent allowed by the Superintendent on the basis of the insurer's compliance with the conditions of any applicable regulation; or</li> <li>• from certified reinsurer, to the extent allowed by the Superintendent on the basis of the reinsurer's Secure financial strength rating from an approved rating agency and amount of funds withheld/collateral; or</li> <li>• from other reinsurers, to the extent funds under control of ceding insurer. Superintendent may by regulation prescribe the conditions under which a ceding insurer may be allowed credit, as an asset or as a deduction from loss and unearned premium reserves, for reinsurance recoverable from an accredited reinsurer or an insurer not authorized in this state</li> </ul> | <p><a href="#">Stat 1301(a)(9)</a></p> <p><a href="#">Part 125.4 (h)(1) &amp; (2)</a></p> <p><a href="#">Stat 1308(a)(2)(A) &amp; (B)</a></p> |
| <p>Reinsurer must be liable, regardless of solvency of ceding insurer</p> <p>No domestic or alien insurer may, during any period of 12 consecutive months, cede an amount of its insurance on which the total gross reinsurance premium is &gt; 50 percent of the unearned premiums on the net amount of its insurance in force during that period</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p><a href="#">Stat 1308(e)(1)(A) &amp; (B)</a></p>                                                                                           |

## State – New York

### **Title Insurer, continued**

|                                                                                                                                                                                                                                           |                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Reports required to be made by independent actuary shall be kept confidential                                                                                                                                                             | <a href="#">Stat 4117(g)(4)</a> |
| Salvage and Subrogation<br>Reserves may be stated net of anticipated salvage and subrogation                                                                                                                                              | NAIC Sched P Instructions       |
| IBNR<br>Use company's prior experience, if any; otherwise, use experience of similar companies under similar contracts<br><br>Fidelity: At least 10 percent net premiums in force<br><br>Surety: At least 5 percent net premiums in force | <a href="#">Stat 4117(b)(2)</a> |
| Special Disability Fund<br>No carrier may assume liability for which it holds reserves beyond those permitted by the Superintendent                                                                                                       | <a href="#">Part 151-4.1</a>    |

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| <ul style="list-style-type: none"> <li>• Small companies: <ul style="list-style-type: none"> <li>▪ less than \$1 million D&amp;A WP, and</li> <li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li> </ul> </li> <li>• Under supervision or conservatorship</li> <li>• Nature of business - submit to domiciliary Comm'r</li> <li>• Financial hardship – if cost of SAO exceeds either: <ul style="list-style-type: none"> <li>▪ 1 percent capital &amp; surplus, or</li> <li>▪ 3 percent D&amp;A WP</li> </ul> </li> <li>• File for exemption at least 30 days before due date</li> </ul> | <a href="#">Part 111.3(a)&amp;(b)</a> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|

## **State – North Carolina**

### **Contact Information**

|                                                  |                                                                                                                                                                                        |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commissioner:                                    | Mike Causey                                                                                                                                                                            |
| Regulatory Agency:                               | North Carolina Department of Insurance<br>1201 Mail Service Center<br>Raleigh, NC 27699-1201<br>1 (855) 408-1212                                                                       |
| P/C SAO Contact:                                 | <u>David Yetter</u><br><del>Richard Kohan, MAAA, FCAS<br/>Associate P&amp;C Chief Actuary<br/>(919) 807-6645</del><br><u>David.Yetter@ncdoi.gov</u> <del>richard.kohan@ncdoi.gov</del> |
| Captives (Including Domestic RRGs)* SAO Contact: | Lori Gorman, CPA<br>Deputy Commissioner<br>(919) 807-6172<br><u>lori.gorman@ncdoi.gov</u>                                                                                              |

### **Website Information**

|                              |                                                                                                                                                                   |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Related Website:             | <u><a href="http://www.ncdoi.gov/">www.ncdoi.gov/</a></u>                                                                                                         |
| Statutes (Stat):             | <u><a href="#">Insurance Code, Chapters 58 &amp; 97</a></u>                                                                                                       |
| Regulations (Reg):           | <u><a href="#">Insurance Dept., Title 11</a></u>                                                                                                                  |
| Bulletins:                   | <u><a href="#">Insurance Dept. Bulletins</a></u>                                                                                                                  |
| Annual Statement Checklists: | <u><a href="#">Annual Statement Checklists for P&amp;C and Title</a></u><br><u><a href="#">Risk Retention Groups and Captive Insurers Filing Requirements</a></u> |

\*Please refer to page A-5 for additional discussion of captives.

## **State – North Carolina**

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Special Cases:

- Producer-Controlled Insurer
- Managing General Agent
- Reinsurance Manager
- WC Self-Insurer
- Foreign Risk Retention Group
- Domestic Risk Retention Group
- Captive Insurer

#### Title Insurer

#### SAO Exemptions

## State – North Carolina

### **Admitted P/C Insurer**

|                                                                                                                                                                                                                                                                                                                 |                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                | <a href="#">Stat 58-10-150</a>                                     |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                      | Domestic: Yes<br>Foreign or Alien: No                              |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                        | <a href="#">Stat 58-2-165(a)</a>                                   |
| <p><b>Actuary</b></p> <p>Qualifications</p> <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• approved by Comm'r (insurer must request by December 1)</li> <li>• Company employee permitted except as noted</li> </ul>                                                        | <a href="#">Stat 58-2-171</a><br>Directive 90-11 3                 |
| <p><b>Appointment</b></p> <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                 |
| <p><b>Change of Actuary</b></p> <p>Company must:</p> <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                 | NAIC SAO Instr (1)                                                 |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                      | <a href="#">Stat 58-10-150</a>                                     |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                  | <a href="#">Stat 58-2-165(c)</a>                                   |
| <p><b>Reserve amounts:</b></p> <p>Insurer must maintain reserves estimated in the aggregate to provide for the payment of loss and LAE on claims for which the insurer may be liable</p>                                                                                                                        | <a href="#">Stat 58-3-81(b)(1)</a><br><a href="#">Stat 58-3-75</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                         | NAIC SAO Instr (4)                                                 |
| <p><b>Minimum reserves – WC</b></p> <p>Apply the appropriate pension table or other method approved by NAIC, whichever is greater</p>                                                                                                                                                                           | <a href="#">Stat 58-3-81(c)</a>                                    |
| <p><b>Subrogation and Salvage</b></p> <p>If company is impaired or insolvent, cannot recognize anticipated salvage and subrogation (not applicable to title or mortgage guaranty)</p>                                                                                                                           | <a href="#">11 NCAC 11C.0132</a><br>Expired Eff. January 1, 2016   |
| <p><b>Premium Deficiency Reserves (PDR)</b></p> <p>Minimum requirements for PDRs set forth.</p> <p>No reduction for anticipated investment income</p>                                                                                                                                                           | <a href="#">Stat 58-3-72</a>                                       |
| <p><b>Stay of deadlines in event of emergency</b></p> <p>In the event of an emergency, the Comm'r has the authority to stay the application of any deadlines or deemer provisions</p>                                                                                                                           | <a href="#">Stat 58-2-47</a>                                       |

## State – North Carolina

### **Admitted P/C Insurer, continued**

|                                      |                                                                                                                                                                                                                                       |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AOS Required                         | <a href="#">Stat 58-10-155</a>                                                                                                                                                                                                        |
| Confidentiality or Other Information | <a href="#">Stat 58-10-175</a><br><a href="#">Stat 58-10-415(c2)</a>                                                                                                                                                                  |
| AOS Contact                          | <a href="#">David Yetter</a><br><del>Richard Kohan</del><br><del>919-807-</del><br><a href="mailto:6645david.yetter@ncdoi.gov">6645david.yetter@ncdoi.gov</a><br><a href="mailto:richard.kohan@nedoi.gov">richard.kohan@nedoi.gov</a> |
| AOS Contact (Domestic RRGs only)     | Lori Gorman<br>919-807-6172<br><a href="mailto:lori.gorman@ncdoi.gov">lori.gorman@ncdoi.gov</a>                                                                                                                                       |

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                                                     |                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in most recent AnnStat or in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">Stat 58-3-165(d)</a><br><a href="#">Stat 58-3-165(g)</a> |
| Filing deadline: April 1                                                                                                                                                                                                            | <a href="#">Stat 58-3-165(g)</a>                                     |
| Qualified Actuary is either:<br>(a) independent casualty actuary, or<br>(b) other independent loss reserve specialist approved by Comm'r                                                                                            | <a href="#">Stat 58-3-165(g)</a>                                     |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                                                         | <a href="#">Stat 58-3-165(g)</a>                                     |

### **Managing General Agent (MGA)**

|                                                                                                                                                                                               |                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required with Annual Statement if MGA establishes loss reserves for an insurer and is an MGA as defined in <a href="#">Stat 58-34-2(a)(3)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 58-34-2(f)</a>    |
| Filing deadline: Same as NAIC SAO                                                                                                                                                             | <a href="#">Stat 58-34-2(f)</a>    |
| Qualified Actuary: Qualified per NAIC SAO Instr                                                                                                                                               | <a href="#">Stat 58-34-2(a)(4)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA; same form as AnnStat                                                                                                               | <a href="#">Stat 58-34-2(f)</a>    |

## State – North Carolina

### **Reinsurance Manager (RM)**

|                                                                                                      |                                   |
|------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 58-9-2(a)(6)</a> ) establishes reserves | <a href="#">Stat 58-9-21(b)</a>   |
| Filing deadline: No provision                                                                        |                                   |
| Qualified Actuary: Qualified per NAIC SAO Instr                                                      | <a href="#">Stat 58-9-2(a)(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                             | <a href="#">Stat 58-9-21(b)</a>   |

### **WC Self-Insurer**

|                                                                                                                                                                                  |                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                 | Self-Insured employers:<br><a href="#">Stat 97-180(b)</a><br>WC SI funds: <a href="#">Stat 58-47-75(b)</a> |
| Filing deadline: 120 days after end of fiscal year for self-insured employers; March 1 for funds                                                                                 | <a href="#">Stat 97-180(b)</a><br><a href="#">Stat 58-2-165(a)</a>                                         |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul> | <a href="#">Stat 58-47-60(11)</a><br><a href="#">Stat 97-165(9)</a>                                        |
| Scope of Opinion: Loss and loss expense reserves for each state, net of qualifying credits, including excess insurance                                                           | <a href="#">Stat 97-180(b)</a><br><a href="#">Stat 58-47-75(b)</a>                                         |
| Report: Annual report on opinion submitted within 120 days of end of fiscal year                                                                                                 | <a href="#">Stat 97-180(b)</a>                                                                             |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                           |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required with annual financial statement                                                                                                          | <a href="#">Stat 58-22-20(2)a</a> |
| Filing deadline: No provision                                                                                                                             |                                   |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• qualified loss reserve specialist per NAIC, or</li> <li>• Academy member</li> </ul> | <a href="#">Stat 58-22-20(2)a</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">Stat 58-22-20(2)a</a> |

## State – North Carolina

### **Domestic Risk Retention Group (RRG)**

|                                                                                                                                       |                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                      | <a href="#">Stat 58-22-15(a)</a><br><a href="#">Stat 58-10-340(37)</a><br><a href="#">Stat 58-10-150</a>                                                 |
| Filing deadline: March 1                                                                                                              | <a href="#">Stat 58-22-15(a)</a><br><a href="#">Stat 58-10-340(37)</a><br><a href="#">Stat 58-2-165(a)</a>                                               |
| Qualified Actuary has qualifications commensurate with the degree of complexity of the actuarial principles applicable to the Opinion | <a href="#">Stat 58-22-15(a)</a><br><a href="#">Stat 58-10-340(37)</a><br><a href="#">Stat 58-2-171</a>                                                  |
| Scope of Opinion: Loss and LAE reserves                                                                                               | <a href="#">Stat 58-22-15(a)</a><br><a href="#">Stat 58-10-340(37)</a><br><a href="#">Stat 58-2-165(c)</a><br><a href="#">Stat 58-3-81(b)(1) and (2)</a> |

### **Captive Insurer**

|                                                                                                                                                                                                                                  |                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                 | <a href="#">Stat 58-10-415(e)</a><br><a href="#">Stat 58-10-580(d)</a> |
| Filing deadline: June 30                                                                                                                                                                                                         | <a href="#">Stat 58-10-415(a)</a>                                      |
| Qualified Actuary:<br><br>The individual who prepares the SAO shall be a Fellow of the CAS, a member in good standing of the Academy, or an individual who has demonstrated competence in loss reserve evaluation to the Comm'r. | <a href="#">Stat 58-10-415(e)</a>                                      |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                 | <a href="#">Stat 58-10-415(e)</a><br><a href="#">Stat 58-10-580(d)</a> |

### **Title Insurer**

|                                                                                                                                                        |                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| Opinion required<br><br>Per <a href="#">Stat 58-26-10</a> and <a href="#">Stat 58-26-25</a> [Note that 58-26-25 was revised effective October 1, 2018] | <a href="#">Stat 58-10-150</a><br><a href="#">Stat 58-27-15</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                             | Domestic: Yes<br>Foreign or Alien: No                           |
| Filing deadline: March 1                                                                                                                               | <a href="#">Stat 58-27-15</a>                                   |

## State – North Carolina

### **Title Insurer, continued**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <p>Actuary</p> <p>Qualifications either</p> <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> <li>• Company employee permitted except as noted</li> </ul>                                                                                                                                                                                                                                                                         | NAIC SAO Instr (1A) Title                                                                              |
| <p>Appointment</p> <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                                                                                                                                                                                                                                                                                                                                              | NAIC SAO Instr (1) Title                                                                               |
| <p>Change of Actuary</p> <p>Company must:</p> <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                                                                                                                                                                                      | NAIC SAO Instr (1) Title                                                                               |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <a href="#">Stat 58-10-150</a>                                                                         |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <a href="#">Stat 58-2-165(c)</a>                                                                       |
| <p>Reserve amounts:</p> <p>Insurer must maintain reserves estimated in the aggregate to provide for the payment of loss and LAE on claims for which the insurer may be liable</p>                                                                                                                                                                                                                                                                                                                                             | <a href="#">Stat 58-3-81(b)(1)</a><br><a href="#">Stat 58-3-75</a><br><a href="#">Stat 58-26-25(e)</a> |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | NAIC SAO Instr (4) Title                                                                               |
| <p>Statutory premium reserve domestic:</p> <p>Initially, from most recent AnnStat, 0.17 per \$1000 of net retained liability of DWP and premiums for reins assumed less premiums for reins ceded; released over 20 years as follows: in the year following the year that the policy was effective, 30%; in the next year, 15%; in the next two years, 10% each year; in the next two years 5% each year; in the next two years, 3% each year; in the next seven years, 2% each year; in the next five years, 1% each year</p> | <a href="#">Stat 58-26-25</a> [revised effective October 1, 2018]                                      |
| <p>Subrogation and Salvage</p> <p>If company is impaired or insolvent, cannot recognize anticipated salvage and subrogation (not applicable to title or mortgage guaranty)</p>                                                                                                                                                                                                                                                                                                                                                | <a href="#">11 NCAC 11C.0132</a><br>Expired Eff. January 1, 2016                                       |
| <p>Premium Deficiency Reserves (PDR)</p> <p>Minimum requirements for PDRs set forth.</p> <p>No reduction for anticipated investment income</p>                                                                                                                                                                                                                                                                                                                                                                                | <a href="#">Stat 58-3-72</a>                                                                           |
| <p>Stay of deadlines in event of emergency</p> <p>In the event of an emergency, the Comm'r has the authority to stay the application of any deadlines or deemer provisions</p>                                                                                                                                                                                                                                                                                                                                                | <a href="#">Stat 58-2-47</a>                                                                           |

## State – North Carolina

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | <p><a href="#"><u>Stat 58-10-150</u></a><br/>NAIC SAO Instr (1B)</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|

## **State – North Carolina**

### ***Bulletins***

#### **North Carolina Miscellaneous Regulatory Material** **INSURANCE DEPARTMENT DIRECTIVES**

##### **90-11 Statement of actuarial opinion**

... 2. The Opinion must be filed by all insurers authorized to write property or casualty insurance in North Carolina. ...

3. The Opinion must now be signed by a “qualified actuary,” as opposed to the former requirement of signing by a “qualified loss reserve specialist.” “Qualified actuary” is defined within the Instructions. Note that North Carolina domestic insurers will only be permitted to utilize a “qualified actuary” as determined by Item 12. (2) (a), “A member in good standing of the Casualty Actuarial Society”; or by Item 12. (2) (c), a person who “has competency in loss reserve evaluations demonstrated to the satisfaction of the insurance regulatory official of [the] domiciliary state”. Requests by North Carolina domestic insurers that wish to qualify an individual under Item 12. (2) (c) must be made in writing and must be received by December 1 in accordance with the Instructions. ...

All North Carolina domestic insurers must comply with the Instructions as they apply to the Opinion. In addition, all other insurers authorized to do business in North Carolina must comply with the Instructions as they apply to the Opinion.

## **State – North Dakota**

### **Contact Information**

Commissioner: Jon Godfread

Regulatory Agency: North Dakota Insurance Department  
600 E. Boulevard Avenue, 5th Floor  
Bismarck, ND 58505-0320  
(701) 328-2440

P/C SAO Contact: Mike Andring  
P/C Actuary  
(701) 328-4937  
[mandring@nd.gov](mailto:mandring@nd.gov)

### **Website Information**

Related Website: [North Dakota Insurance Department](http://www.nd.gov/ndins/)

Statutes (Stat): [Insurance Code, Title 26.1](http://www.nd.gov/ndins/Regulations/Title26.1)

Regulations (Reg): [Administrative Code, Title 45](http://www.nd.gov/ndins/Regulations/Title45)

Bulletins (Bull): <https://www.nd.gov/ndins/Compliance/Bulletins/>

Annual Statement Checklists: [Filing Requirements for Licensed Companies | North Dakota Insurance Department \(nd.gov\)](http://www.nd.gov/ndins/Regulations/Title26.1#Section101)

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Special Cases:

- Broker-Controlled Insurer
- Managing General Agent
- Reinsurance Intermediary-Manager (RM)
- Foreign Risk Retention Group

#### Title Insurer

#### SAO Exemptions

## State – North Dakota

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                       |                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                      | <a href="#">Reg 45-03-19.1-01</a>                                    |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                            | No                                                                   |
| Filing deadline: March 1                                                                                                                                                                                                                                                              | <a href="#">Stat 26.1-03-11.1(1)</a>                                 |
| Actuary                                                                                                                                                                                                                                                                               |                                                                      |
| Qualifications                                                                                                                                                                                                                                                                        |                                                                      |
| <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                                    | NAIC SAO Instr (1A)                                                  |
| Appointment                                                                                                                                                                                                                                                                           |                                                                      |
| <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                   |
| Change of Actuary                                                                                                                                                                                                                                                                     |                                                                      |
| Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                              | NAIC SAO Instr (1)                                                   |
| Insurer must follow NAIC SAO Instructions                                                                                                                                                                                                                                             | <a href="#">Reg 45-03-15-01</a><br><a href="#">Reg 45-03-19.1-01</a> |
| Insurer must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                         | <a href="#">Reg 45-03-15-01</a><br><a href="#">Reg 45-03-19.1-01</a> |
| Scope of opinion: Loss and loss expense reserves                                                                                                                                                                                                                                      | NAIC SAO Instr (4)                                                   |
| Minimum reserves for medical malpractice<br>70 percent of earned premiums for latest eight years, less loss and LAE payments made                                                                                                                                                     | <a href="#">Stat 26.1-14-09</a>                                      |
| AOS Required                                                                                                                                                                                                                                                                          | <a href="#">Reg 45-03-19.1-01</a>                                    |
| Confidentiality or Other Information                                                                                                                                                                                                                                                  | <a href="#">Stat 26.1-03-11.3</a>                                    |
| AOS Contact                                                                                                                                                                                                                                                                           | Matt Fischer                                                         |

## State – North Dakota

### **Broker-Controlled Insurer**

|                                                                                                                                                                                                       |                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| Opinion required if GWP placed by broker is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the broker and insurer work exclusively with each other | <a href="#">Stat 26.1-26.5-03(1), (4)</a> |
| Filing deadline: April 1                                                                                                                                                                              | <a href="#">Stat 26.1-26.5-03(4)</a>      |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>             | <a href="#">Stat 26.1-26.5-03(4)</a>      |
| Scope of Opinion: Loss reserves including IBNR; business placed by broker                                                                                                                             | <a href="#">Stat 26.1-26.5-03(4)</a>      |

### **Managing General Agent (MGA)**

|                                                                                                                                                 |                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 26.1-26.3-01(3)</a> and <a href="#">Bull 2003-2</a> | <a href="#">Stat 26.1-26.3-04(2)</a> |
| SAO exemption – MGA adjusts claims below \$10,000                                                                                               | <a href="#">Bull 2003-2</a>          |
| Filing deadline: No provision                                                                                                                   |                                      |
| Qualified Actuary: Academy member in good standing                                                                                              | <a href="#">Stat 26.1-26.3-01(1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                       | <a href="#">Stat 26.1-26.3-04(2)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                  |                                      |
|--------------------------------------------------------------------------------------------------|--------------------------------------|
| Opinion required annually if RM (defined in Stat <a href="#">26.1-31.1-01(8)</a> ) sets reserves | <a href="#">Stat 26.1-31.1-08(3)</a> |
| Filing deadline: No provision                                                                    |                                      |
| Qualified Actuary: Academy member in good standing                                               | <a href="#">Stat 26.1-31.1-01(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                         | <a href="#">Stat 26.1-31.1-08(3)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                           |                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required if group has at least 26 resident members or insureds                                                                                    | <a href="#">Reg 45-05-05-02(4)</a> |
| Filing deadline: March 1                                                                                                                                  | <a href="#">Reg 45-05-05-02(1)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist per NAIC</li> </ul> | <a href="#">Reg 45-05-05-02(1)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">Reg 45-05-05-02(1)</a> |

## State – North Dakota

### **Title Insurer**

|                                                                                                                                                                                            |                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Opinion required<br><a href="#">Reg 45-13-01</a> – casualty insurance includes title insurance<br><a href="#">Title Insurers Annual Statement Checklist</a>                                | <a href="#">Stat 26.1-03-11.1(1)</a>                                 |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                 | No                                                                   |
| Filing deadline: March 1                                                                                                                                                                   | <a href="#">Stat 26.1-03-11.1(1)</a>                                 |
| Actuary<br>Qualifications<br>Either: <ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li></ul>      | NAIC SAO Instr (1A) Title                                            |
| Affiliation<br>Company employee: Permitted, except as noted in “Qualifications”                                                                                                            |                                                                      |
| Appointment <ul style="list-style-type: none"><li>• by Board of Directors or equivalent</li><li>• by December 31</li><li>• reports to Board</li></ul>                                      | NAIC SAO Instr (1) Title                                             |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"><li>• notify Comm'r within 5 days</li><li>• provide separate letter within 10 days concerning disagreements</li></ul> |                                                                      |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                 | <a href="#">Reg 45-03-15-01</a><br><a href="#">Reg 45-03-19.1-01</a> |
| Insurers must follow AnnStat Instructions                                                                                                                                                  | <a href="#">Reg 45-03-15-01</a><br><a href="#">Reg 45-03-19.1-01</a> |
| Scope of opinion: Loss and loss expense reserves                                                                                                                                           | NAIC SAO Instr (4) Title                                             |

## **State – North Dakota**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li><li>• MGA – adjusts claims below \$10,000</li></ul> | <p>NAIC SAO Instr (1B)</p> <p><a href="#">Bull 2003-2</a></p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|

## **State – Ohio**

### **Contact Information**

Director: Judith French

Regulatory Agency: Ohio Department of Insurance  
50 West Town St., Ste. 300, 3rd Floor  
Columbus, OH 43215  
(614) 644-2658

P/C SAO Contact: Brad Schroer  
(614) 728-1860  
[bradley.schroer@insurance.ohio.gov](mailto:bradley.schroer@insurance.ohio.gov)

Title SAO Contact: Thomas Botsko, ACAS, MAAA  
Chief P&C Actuary  
(614) 387-2819  
[thomas.botsko@insurance.ohio.gov](mailto:thomas.botsko@insurance.ohio.gov)

Captives\* SAO Contact: Tracy Snow  
Chief of Captive Insurance  
(614) 728-1263  
[tracy.snow@insurance.ohio.gov](mailto:tracy.snow@insurance.ohio.gov)

### **Website Information**

Related Website: [www.insurance.ohio.gov](http://www.insurance.ohio.gov)

Statutes (Stat): [Insurance Code, Title XXXIX](http://www.ohio.gov/legislature/legislative_code/insurance_code/title_XXXIX)

Regulations (Reg): [Ohio Administrative Code, Title 3901](http://www.ohio.gov/legislature/administrative_code/title_3901)

Annual Statement Checklists: [Insurers Annual Filing Requirements](http://www.ohio.gov/legislature/insurers_annual_filing_requirements)

\*Please refer to page A-5 for additional discussion of captives.

## **State – Ohio**

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## State – Ohio

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                                                                                       |                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                      | <a href="#">Stat 3901.42(B)</a><br><a href="#">Stat 3901.77</a>   |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                            | No                                                                |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                              | <a href="#">Stat 3901.42(B)</a>                                   |
| Actuary                                                                                                                                                                                                                                                                                                                                                               |                                                                   |
| Qualifications                                                                                                                                                                                                                                                                                                                                                        | NAIC SAO Instr (1A)<br><a href="#">Stat 3903.77(H)</a>            |
| <ul style="list-style-type: none"> <li>• Academy member and meet the requirements in the NAIC P&amp;C statement instructions</li> <li>• Company employee permitted except as noted below</li> </ul>                                                                                                                                                                   |                                                                   |
| Appointment                                                                                                                                                                                                                                                                                                                                                           | NAIC SAO Instr (1)                                                |
| <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul>                                                                                 |                                                                   |
| Change of Actuary                                                                                                                                                                                                                                                                                                                                                     |                                                                   |
| Company must:                                                                                                                                                                                                                                                                                                                                                         | NAIC SAO Instr (1)                                                |
| <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                                                                            |                                                                   |
| Insurer must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                             | <a href="#">Stat 3901.77(A)</a>                                   |
| Insurer must follow NAIC AnnStat Instructions<br><a href="#">Regulation was updated on 11/24/2024</a>                                                                                                                                                                                                                                                                 | <a href="#">Stat 3901.77(A)</a><br><a href="#">Reg 3901-3-18</a>  |
| Insurer must maintain reserves estimated to be sufficient to provide for the payment of loss and LAE on claims for which the insurer may be liable                                                                                                                                                                                                                    | <a href="#">Stat 3929.012(A)</a>                                  |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                                                                               | NAIC SAO Instr (4)                                                |
| Discounting – No med prof liab discounting allowed                                                                                                                                                                                                                                                                                                                    | SSAP 65, paragraph 10                                             |
| Subrogation and Salvage:                                                                                                                                                                                                                                                                                                                                              |                                                                   |
| Insurer must follow NAIC AnnStat instructions<br><a href="#">Regulation was updated on 11/24/2024</a>                                                                                                                                                                                                                                                                 | <a href="#">Stat 3901.77(A)</a><br><a href="#">Reg 3901-3-18</a>  |
| Special Purpose Financial Captive:                                                                                                                                                                                                                                                                                                                                    |                                                                   |
| Upon the captive's request, alternative reserve methodologies may be allowed by the superintendent. The superintendent can require (at the superintendent's option) the "affirmation of an independent qualified actuary that the alternative methodology is compliant with paragraph (E) of this" regulation<br><a href="#">Regulation was updated on 11/24/2024</a> | <a href="#">Stat 3964.03(E)</a><br><a href="#">Reg 3901-11-05</a> |
| AOS Required                                                                                                                                                                                                                                                                                                                                                          | <a href="#">Stat 3903.77(A)</a>                                   |
| Confidentiality or Other Information                                                                                                                                                                                                                                                                                                                                  | <a href="#">Stat 3903.77(E)-(G)</a>                               |
| AOS Contact                                                                                                                                                                                                                                                                                                                                                           | Brad Schroer                                                      |

## State – Ohio

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                                                                                                               |                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other and the producer receives no compensation based upon the amount of premiums written | <a href="#">Stat 3905.63(A)</a><br><a href="#">Stat 3905.63(B)</a> |
| Filing deadline: April 1                                                                                                                                                                                                                                                                      | <a href="#">Stat 3905.63(A)(3)</a>                                 |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>                                                                                                     | <a href="#">Stat 3905.63(A)(3)</a>                                 |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                                                                                                                   | <a href="#">Stat 3905.63(A)(3)</a>                                 |

### **Managing General Agent (MGA)**

|                                                                                                                                                     |                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 3905.71 (D)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 3905.74(B)</a> |
| Filing deadline: No provision                                                                                                                       |                                 |
| Qualified Actuary: Academy member in good standing                                                                                                  | <a href="#">Stat 3905.71(A)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                           | <a href="#">Stat 3905.74(B)</a> |

### **Reinsurance-Intermediary Manager (RM)**

|                                                                                                   |                                      |
|---------------------------------------------------------------------------------------------------|--------------------------------------|
| Opinion required annually if RM (defined in <a href="#">Reg 3901-3-09 (C) (6)</a> ) sets reserves | <a href="#">Reg 3901-3-09(F)(15)</a> |
| Filing deadline: No provision                                                                     |                                      |
| Qualified Actuary: Academy member in good standing                                                | <a href="#">Reg 3901-3-09(F)(15)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                          | <a href="#">Reg 3901-3-09(F)(15)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                           |                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required                                                                                                                                          | <a href="#">Stat 3960.03(B)(1)</a> |
| Filing deadline: No provision                                                                                                                             |                                    |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist per NAIC</li> </ul> | <a href="#">Stat 3960.03(B)(1)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">Stat 3960.03(B)(1)</a> |

## State – Ohio

### **Captive Insurer**

|                                                                                                                                                                    |                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Opinion required<br><a href="#">Regulation was updated on 11/24/2024</a>                                                                                           | <a href="#">Stat 3964.07(B)(1)</a><br><a href="#">Reg 3901-11-03(I)</a> |
| Qualified Actuary: Academy member and be qualified according to the Academy's U.S. Qualification standards<br><a href="#">Regulation was updated on 11/24/2024</a> | <a href="#">Stat 3964.01(F)</a><br><a href="#">Reg 3901-11-03(I)(1)</a> |
| Scope of Opinion: Loss and LAE reserves; Due March 1st                                                                                                             | <a href="#">Stat 3964.07(B)(1)</a><br><a href="#">Stat 3964.07(A)</a>   |

### **Title Insurer**

|                                                                                                                                                                                                                                                                              |                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                             | <a href="#">Stat 3901.42(B)</a>                                  |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                   | No                                                               |
| Filing deadline: March 1                                                                                                                                                                                                                                                     | <a href="#">Stat 3901.42(B)</a>                                  |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul>                                                                                             | NAIC SAO Instr (1A) Title<br><a href="#">Stat 3901.42</a>        |
| Insurer must follow NAIC SAO Instructions                                                                                                                                                                                                                                    | <a href="#">Stat 3901.77(A)</a>                                  |
| Insurer must follow NAIC AnnStat Instructions<br><a href="#">Regulation was updated on 11/24/2024</a>                                                                                                                                                                        | <a href="#">Stat 3901.77(A)</a><br><a href="#">Reg 3901-3-18</a> |
| Insurer must maintain reserves estimated to be sufficient to provide for the payment of loss and LAE on claims for which the insurer may be liable                                                                                                                           | <a href="#">Stat 3929.012(A)</a>                                 |
| Scope of opinion: Loss and loss expense reserves                                                                                                                                                                                                                             | NAIC SAO Instr (4) Title                                         |
| Statutory premium reserve:<br>Initially, sum of <ul style="list-style-type: none"> <li>• unearned premium reserve on Dec. 31, 1967 and</li> <li>• 10 percent of premium on risks written after Dec. 31, 1967; released 5 percent per year for 20 years thereafter</li> </ul> | <a href="#">Stat 3953.11</a>                                     |
| Subrogation and Salvage<br>Insurer must follow NAIC AnnStat instructions<br><a href="#">Regulation was updated on 11/24/2024</a>                                                                                                                                             | <a href="#">Stat 3901.77(A)</a><br><a href="#">Reg 3901-3-18</a> |

## **State – Ohio**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State – Oklahoma**

### **Contact Information**

Commissioner: Glen Mulready

Regulatory Agency: Oklahoma Insurance Department  
400 NE 50<sup>th</sup> Street  
Oklahoma City, OK 73105  
(405) 521-2828

P/C & Captives\* SAO Contact: Andy Schallhorn, MAAA, ASA  
Deputy Commissioner of Financial Regulation and Chief Actuary  
(405) 522-4969  
[Andrew.schallhorn@oid.ok.gov](mailto:Andrew.schallhorn@oid.ok.gov)

### **Website Information**

Related Website: <https://www.oid.ok.gov/>

Statutes (Stat): [Insurance Code, Title 36](#)

Regulations (Reg): [Oklahoma Administrative Code](#)

Annual Statement Checklists: [Annual Statement Checklists](#)

\*Please refer to page A-5 for additional discussion of captives.

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#### Title Insurer

#### SAO Exemptions

## State – Oklahoma

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                                                             |                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                            | <a href="#">36 O.S. §1125</a>                                        |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                  | No, <a href="#">Reg §365:1-1-7</a>                                   |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                    | <a href="#">36 O.S. §311(A)</a>                                      |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                                                                | NAIC SAO Instr (1A)                                                  |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul>                                           | NAIC SAO Instr (1)                                                   |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                               | NAIC SAO Instr (1)                                                   |
| Insurer must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                   | <a href="#">36 O.S. §1125</a>                                        |
| Insurer must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                               | <a href="#">36 O.S. §311(A)(3)</a>                                   |
| Reserve amounts:<br>Insurer must maintain adequate loss reserves<br><br>Med prof liab (domestic) - On July 1, 2004, moratorium granted on maintenance of adequate reserves until December 31, 2008                                                                                                                                          | <a href="#">36 O.S. §1509(B)</a><br><a href="#">36 O.S. §1509(F)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                                                     | NAIC SAO Instr (4)                                                   |
| Discounting:<br>Other - Discounting only allowed for WC and med prof liab (Hosp and physician professional liab) written on an occurrence basis. WC carriers may use a rate of 4 percent for disability and death claims. Interest rate shall not exceed the insurer's average yield on invested assets for the year, less one percent (1%) | <a href="#">36 O.S. §1509(C)(1)</a>                                  |
| AOS Required                                                                                                                                                                                                                                                                                                                                | <a href="#">36 O.S. §1125</a>                                        |
| Confidentiality or Other Information                                                                                                                                                                                                                                                                                                        | <a href="#">36 O.S. §1126</a>                                        |
| AOS Contact                                                                                                                                                                                                                                                                                                                                 | Andy Schallhorn                                                      |

## State – Oklahoma

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                           |                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">36 O.S. §1674(A)</a><br><a href="#">36 O.S. §1674(D)(1)</a> |
| Filing deadline: April 1                                                                                                                                                                                  | <a href="#">36 O.S. §1674(D)(1)</a>                                     |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>                 | <a href="#">36 O.S. §1674(D)(1)</a>                                     |
| Scope of Opinion: Loss ratios and loss reserves including IBNR; business placed by producer                                                                                                               | <a href="#">36 O.S. §1674(D)(1)</a>                                     |

### **Reinsurance-Intermediary Manager (RM)**

|                                                                                               |                                  |
|-----------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if RM (defined in <a href="#">36 O.S. §5102 (7)</a> ) sets reserves | <a href="#">36 O.S. §5109(C)</a> |
| Qualified Actuary: Academy member in good standing                                            | <a href="#">36 O.S. §5102(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                      | <a href="#">36 O.S. §5109(C)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                           |                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Opinion required                                                                                                                                          | <a href="#">36 O.S. §6455(B)(1)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist per NAIC</li> </ul> | <a href="#">36 O.S. §6455(B)(1)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">36 O.S. §6455(B)(1)</a> |

### **Discounted Med Prof Liability (Occurrence)**

|                                                                                                                                                                                                                                                           |                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Opinion required                                                                                                                                                                                                                                          | <a href="#">36 O.S. §1509(C)(1)</a> |
| Filing deadline: April 1                                                                                                                                                                                                                                  | <a href="#">36 O.S. §1509(C)(2)</a> |
| Qualified Actuary is independent actuary and either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• CAS member</li> </ul>                                                                                                         | <a href="#">36 O.S. §1509(C)(2)</a> |
| Scope of Opinion: Must provide assessments of: <ul style="list-style-type: none"> <li>• Adequacy of reserves</li> <li>• Appropriateness of payout patterns</li> <li>• Appropriateness of interest rates</li> <li>• Adequacy of insurer's rates</li> </ul> | <a href="#">36 O.S. §1509(C)(1)</a> |
| Shall consider quality and liquidity of insurer's assets, insurer's reinsurance program                                                                                                                                                                   |                                     |

## State – Oklahoma

### **Discounted Med Prof Liability, continued**

|                                                                                                                                                                                       |                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Interest Rate Limitation: The interest rate used to compute the discounted reserves cannot exceed the insurer's average yield on invested assets for the year, less one percent (1%). | <a href="#">36 O.S. §1509(C)(1)</a> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|

### **Captive Insurer**

|                                                                                                                                                       |                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Opinion required for a sponsored captive insurance company and a captive reinsurance company (defined in <a href="#">36 O.S. §6470.2(9),(29)</a> )    | <a href="#">36 O.S. §6470.12(B)</a> |
| Filing deadline: March 1                                                                                                                              | <a href="#">36 O.S. §6470.11(B)</a> |
| Qualified Actuary: Independent actuary                                                                                                                | <a href="#">36 O.S. §6470.12(B)</a> |
| Scope of opinion:<br>Sponsored and special purpose captive and any captive insurer:<br>Loss and LAE reserves                                          | <a href="#">36 O.S. §6470.12(B)</a> |
| Discounting: A sponsored captive insurance company and a special purpose captive company may discount using Treasury rates with Commissioner approval | <a href="#">36 O.S. §6470.12(A)</a> |

### **Title Insurer**

|                                                                                                                                                                                  |                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Opinion required                                                                                                                                                                 | <a href="#">36 O.S. §1125</a><br><a href="#">36 O.S. §5005</a>      |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                       | No, <a href="#">Reg §365:1-1-7</a>                                  |
| Filing deadline: <a href="#">Before</a> March 1                                                                                                                                  | <a href="#">36 O.S. §311(A)</a>                                     |
| Qualified Actuary is either:<br><ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li></ul> | NAIC SAO Instr (1A) Title                                           |
| Insurer must follow NAIC SAO Instructions                                                                                                                                        | <a href="#">36 O.S. §311(A)(3)</a><br><a href="#">36 O.S. §1125</a> |
| Insurer must follow NAIC AnnStat Instructions                                                                                                                                    | <a href="#">36 O.S. §311(A)</a><br><a href="#">36 O.S. §1125</a>    |
| Insurer must maintain adequate loss reserves                                                                                                                                     | <a href="#">36 O.S. §1509(B)</a>                                    |
| Scope of opinion: Loss and loss expense reserves                                                                                                                                 | NAIC SAO Instr (4) Title                                            |
| Statutory premium reserve: see statute                                                                                                                                           | <a href="#">36 O.S. § 5007</a>                                      |

## **State – Oklahoma**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State – Oregon**

### **Contact Information**

|                              |                                                                                                                                                                                                                                                                                                                                    |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Interim</u> Commissioner: | <u>TK Keen</u> <del>Andrew Stolfi</del>                                                                                                                                                                                                                                                                                            |
| Regulatory Agency:           | Oregon Division of Financial Regulation<br>350 Winter Street, NE<br>Room 440<br>Salem, OR 97301<br>or<br>PO Box 14480<br>Salem, OR 97309<br>(503) 947-7980                                                                                                                                                                         |
| P/C SAO Contact:             | Ryan Keeling, CFE<br>Senior Financial Analyst<br>Oregon Division of Financial Regulation<br>350 Winter Street, NE<br>Room 440<br>Salem, OR 97301<br>or<br>PO Box 14480<br>Salem, OR 97309<br><u>(971) 599-9434</u> <del>(503) 947-7252</del><br><a href="mailto:ryan.w.keeling@dcbs.oregon.gov">ryan.w.keeling@dcbs.oregon.gov</a> |
| Captives* SAO Contact:       | <u>Laurence Verga</u> <del>Dennis Ault, AFE</del><br>Financial Analyst<br><u>(971) 600-4291</u> <del>(503) 947-7279</del><br><a href="mailto:dennis.m.ault@dcbs.oregon.gov">dennis.m.ault@dcbs.oregon.gov</a><br><a href="mailto:Laurence.P.Verga@dcbs.oregon.gov">Laurence.P.Verga@dcbs.oregon.gov</a>                            |

### **Website Information**

|                              |                                                                                                                   |
|------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Related Website:             | <a href="http://dfr.oregon.gov/laws-rules/Pages/index.aspx">http://dfr.oregon.gov/laws-rules/Pages/index.aspx</a> |
| Statutes (Stat):             | <a href="#">Oregon Revised Statute, Volume 18, Title 56, Chapters 731-750</a>                                     |
| Regulations (Reg):           | <a href="#">Oregon Administrative Rules, Chapter 836</a>                                                          |
| Bulletins (Bull):            | <a href="#">2007-5</a>                                                                                            |
| Annual Statement Checklists: | <a href="#">Annual Statement Instructions</a>                                                                     |

\*Please refer to page A-5 for additional discussion of captives.

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#### Title Insurer

#### SAO Exemptions

## State – Oregon

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                   |                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | <a href="#">Stat 731.574</a><br><a href="#">Reg 836-011-0015</a>                                                                    |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | No                                                                                                                                  |
| Filing deadline: March 1                                                                                                                                                                                                                                                                          | <a href="#">Stat 731.730(1)</a><br><a href="#">Stat 731.574</a>                                                                     |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1A)                                                                                                                 |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                                                                                  |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Commissioner within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                               | NAIC SAO Instr (1)                                                                                                                  |
| Insurer must follow NAIC SAO Instructions                                                                                                                                                                                                                                                         | <a href="#">Stat 733.210</a><br><a href="#">Bull 2007-5</a><br><a href="#">Reg 836-011-0000</a><br><a href="#">Reg 836-011-0015</a> |
| Insurer must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                     | <a href="#">Stat 731.574</a><br><a href="#">Bull 2007-5</a><br><a href="#">Reg 836-011-0000</a><br><a href="#">Reg 836-011-0015</a> |
| Reserve amounts:<br>Insurer must maintain adequate loss and LAE reserves                                                                                                                                                                                                                          | <a href="#">Stat 733.030</a><br><a href="#">Stat 733.050</a>                                                                        |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                                                                                  |
| AOS Required                                                                                                                                                                                                                                                                                      | Domestic Insurers:<br><a href="#">Reg 836-011-0015</a><br>Non-domestics: If requested                                               |
| Confidentiality or Other Information                                                                                                                                                                                                                                                              | <a href="#">Stat 731.312(6)</a><br><a href="#">Reg 836-011-0015</a>                                                                 |
| AOS Contact                                                                                                                                                                                                                                                                                       | Ryan Keeling                                                                                                                        |

## State – Oregon

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                                                                                               |                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other. This opinion is in addition to any other insurer-required opinion. | <a href="#">Stat 732.812(2), (3), (6)</a> |
| Filing deadline: April 1                                                                                                                                                                                                                                                      | <a href="#">Stat 732.812(6)</a>           |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Director</li> </ul>                                                                                   | <a href="#">Stat 732.812(6)</a>           |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                                                                                                   | <a href="#">Stat 732.812(6)</a>           |

### **Managing General Agent (MGA)**

|                                                                                                                                                                           |                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Opinion required annually if MGA (as defined in <a href="#">Stat 744.300(3)</a> ) calculates reserves. This opinion is in addition to any other insurer-required opinion. | <a href="#">Stat 744.313(2)</a>                                     |
| Qualified Actuary: Member in good standing of actuarial organization approved by Director                                                                                 | <a href="#">Stat 744.313(2)</a><br><a href="#">Reg 836-071-0320</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                                                 | <a href="#">Stat 744.313(2)</a>                                     |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                                                                                 |                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 744.800(1)</a> ) sets reserves. This opinion is in addition to any other insurer-required opinion. | <a href="#">Stat 744.814(3)</a> |
| Qualified Actuary: Academy member in good standing                                                                                                              | <a href="#">Stat 744.814(3)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                                                                                        | <a href="#">Stat 744.814(3)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                  |                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Opinion required                                                                                                                                 | <a href="#">Stat 735.315(2)</a>     |
| Filing deadline: Date due in state of domicile                                                                                                   | <a href="#">Reg 836-028-0045(1)</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist</li> </ul> | <a href="#">Stat 735.315 (2)(a)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                          | <a href="#">Stat 735.315(2)(a)</a>  |

## State – Oregon

### **Captive Insurer**

|                                                                                                                                                                                                                                                |                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                               | <a href="#">Stat 735.176</a> ,<br><a href="#">Reg 836-029-0025(3)</a>                                         |
| Filing deadline: June 30                                                                                                                                                                                                                       | <a href="#">Reg 836-029-0025(1)</a>                                                                           |
| Qualified Actuary must be: <ul style="list-style-type: none"> <li>• independent, and</li> <li>• Fellow or Associate of CAS, and</li> <li>• Academy member in good standing, and</li> <li>• selected from list of approved actuaries</li> </ul> | <a href="#">Reg 836-029-0025(3)</a><br><a href="#">Reg 836-029-0040(5)</a><br><a href="#">Stat 735.168(4)</a> |
| Change of actuary: Company must notify Comm'r within 90 days                                                                                                                                                                                   | <a href="#">Reg 836-029-0040(6)</a>                                                                           |
| Scope of opinion: Loss and LAE reserves                                                                                                                                                                                                        | <a href="#">Reg 836-029-0025(3)</a><br><a href="#">Stat 735.168(4)</a>                                        |
| Ceded risks:<br>May take credit for reserves on risks ceded to reinsurer                                                                                                                                                                       | <a href="#">Stat 735.168(2)</a>                                                                               |
| Discounting:<br>Loss and LAE reserves may be discounted only as allowed in rules adopted by Commissioner                                                                                                                                       | <a href="#">Stat 735.168(5),(6)</a>                                                                           |

### **Title Insurer**

|                                                                                                                                                                                                                                                                   |                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                  | <a href="#">Stat 731.574</a><br><a href="#">Reg 836-011-0015</a>                                                  |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                        | No                                                                                                                |
| Filing deadline: March 1                                                                                                                                                                                                                                          | <a href="#">Stat 731.574</a>                                                                                      |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul>                                                                                  | NAIC SAO Instr (1A) Title                                                                                         |
| Insurer must follow NAIC SAO Instructions                                                                                                                                                                                                                         | <a href="#">Stat 733.210, Bull 2007-5</a><br><a href="#">Reg 836-011-0000</a><br><a href="#">Reg 836-011-0015</a> |
| Insurer must follow NAIC AnnStat Instructions                                                                                                                                                                                                                     | <a href="#">Stat 731.574, Bull 2007-5</a><br><a href="#">Reg 836-011-0000</a><br><a href="#">Reg 836-011-0015</a> |
| Insurer must maintain adequate loss and LAE reserves                                                                                                                                                                                                              | <a href="#">Stat 733.030</a><br><a href="#">Stat 733.050</a>                                                      |
| Scope of opinion: Loss and loss expense reserves                                                                                                                                                                                                                  | NAIC SAO Instr (4) Title                                                                                          |
| Statutory premium reserve:<br>Domestic - Determined according to accounting procedures approved or required by the Director<br>Foreign - Determined according to accounting procedures approved or required by the Director for policies insuring Oregon property | <a href="#">Stat 733.090</a><br><a href="#">Reg 836-031-0410</a>                                                  |

## **State – Oregon**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Pennsylvania**

### **Contact Information**

Insurance Commissioner: Michael Humphreys

Regulatory Agency: Pennsylvania Insurance Department  
1326 Strawberry Square  
Harrisburg, PA 17120  
(717) 787-7000

P/C SAO Contact: Diana Sherman  
Deputy Insurance Commissioner  
(717) ~~503-5462~~  
[787-9069  
disherman@pa.gov](mailto:disherman@pa.gov)

### **Website Information**

Related Website: [www.insurance.pa.gov](http://www.insurance.pa.gov)

Statutes (Stat): [Statutes Annotated, Title 40, Insurance](http://www.legis.state.pa.us/Statutes/Title40/Title40.html)

Regulations (Pa.Code): [Title 31, Insurance](http://www.pabill.com/Title31/Title31.html)

Annual Statement Checklists: [Financial Filing Requirements](http://www.pabill.com/FinancialFilingRequirements/FinancialFilingRequirements.html)

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## State - Pennsylvania

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                    |                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                   | <a href="#">Stat 443 (a)</a><br><a href="#">31 Pa. Code § 118a.3</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                         | <a href="#">No</a> <a href="#">Yes</a>                               |
| Filing deadline: March 1                                                                                                                                                                                                                                                           | <a href="#">Stat 443 (a)</a><br><a href="#">31 Pa. Code § 118a.3</a> |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member in good standing approved by Casualty Practice Council</li> <li>• approved by Comm'r</li> <li>• Company employee permitted except as noted</li> </ul> | NAIC SAO Instr (1A)<br><a href="#">31 Pa. Code § 118a.2</a>          |
| Appointment <ul style="list-style-type: none"> <li>• by Board of Directors or equivalent</li> <li>• by December 31 of Opinion's calendar year</li> <li>• reports to Board</li> </ul>                                                                                               | NAIC SAO Instr (1)<br><a href="#">31 Pa. Code § 118a.4</a>           |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Department in writing within 5 business days and provide separate written notice within 10 business days concerning disagreements</li> </ul>                                                    | NAIC SAO Instr (1)<br><a href="#">31 Pa. Code § 118a.4</a>           |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                         | <a href="#">Stat 443 (a)</a>                                         |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                     | <a href="#">Stat 443 (a)</a>                                         |
| Insurer must maintain adequate loss reserves                                                                                                                                                                                                                                       | <a href="#">Stat 115</a><br><a href="#">Stat 112</a>                 |
| Reserve amounts:<br>Discounted WC - Insurer must maintain adequate loss reserves and LAE reserves                                                                                                                                                                                  | <a href="#">31 Pa. Code § 116.8</a>                                  |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                            | NAIC SAO Instr (4)                                                   |
| Discounted WC:<br>Opinion must provide assessment of: <ul style="list-style-type: none"> <li>• adequacy of undiscounted losses</li> <li>• sufficiency of yield on invested assets</li> <li>• asset liability matching</li> </ul>                                                   | <a href="#">31 Pa. Code § 116.5</a>                                  |

## State - Pennsylvania

### **Admitted P/C Insurer, continued**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Discounting                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <a href="#">31 Pa. Code § 118.3</a>                                                                                                                      |
| Discounted med prof liab:<br>May not discount loss reserves or LAE reserves for policies with an effective date on or after June 16, 2001<br>May not discount loss reserves or LAE reserves after Dec. 31, 2010<br>Maximum rate 6 percent, unless justified to Comm'r<br>Discounted reserves may not be less than Sched P reserves                                                                                                                             | <a href="#">31 Pa. Code § 118.3</a><br><a href="#">31 Pa. Code § 118.3</a><br><a href="#">31 Pa. Code § 118.3</a><br><a href="#">31 Pa. Code § 118.3</a> |
| Discounted WC:<br>Discounted loss reserves may not be less than Sched P reserves<br><br>Unless otherwise permitted, maximum interest rate is the current yield to maturity in U.S. Treasury debt instrument<br><br>Insurers having used maximum discount of 6 percent may continue to use the discount factors previously allowed for accident years 2001 and prior; pertaining to policies issued on or prior to Aug. 11, 2001, if sufficient assets are held | <a href="#">31 Pa. Code § 116.4</a><br><a href="#">31 Pa. Code § 116.4</a><br><a href="#">31 Pa. Code § 116.4</a>                                        |
| Cannot discount LAE reserves unless: <ul style="list-style-type: none"><li>• allocated to specific claims,</li><li>• validity of underlying assumptions demonstrated to Comm'r, and</li><li>• covered by SAO</li></ul> Comm'r will consider company's specific LAE pattern and interest rate assumption when evaluating company's request to discount ALAE                                                                                                     | <a href="#">31 Pa. Code § 116.6</a><br><a href="#">31 Pa. Code § 116.6</a>                                                                               |
| AOS Required                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <a href="#">31 Pa. Code § 118a</a>                                                                                                                       |
| Confidentiality or Other Information                                                                                                                                                                                                                                                                                                                                                                                                                           | <a href="#">Stat 443 (d)</a><br><a href="#">31 Pa. Code § 118a</a>                                                                                       |
| AOS Contact                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Diana Sherman                                                                                                                                            |

## State - Pennsylvania

### **Broker-Controlled Insurer**

|                                                                                       |                                   |
|---------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required (control defined in <a href="#">Stat 991.1401</a> )                  | <a href="#">Stat 991.1302 (b)</a> |
| Filing deadline: April 1                                                              | <a href="#">Stat 991.1302 (b)</a> |
| Qualified Actuary: Academy member in good standing; independent of insurer and broker | <a href="#">Stat 991.1301</a>     |
| Scope of Opinion: Loss reserves including IBNR; business placed by broker             | <a href="#">Stat 991.1302 (b)</a> |

### **Managing General Agent (MGA)**

|                                                                                                                                               |                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 322.1</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 322.5 (b)</a> |
| Filing deadline: No provision                                                                                                                 |                                |
| Qualified Actuary: Academy member in good standing                                                                                            | <a href="#">Stat 322.1</a>     |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                     | <a href="#">Stat 322.5 (b)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                        |                                |
|----------------------------------------------------------------------------------------|--------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 321.1</a> ) sets reserves | <a href="#">Stat 321.8 (c)</a> |
| Filing deadline: No provision                                                          |                                |
| Qualified Actuary: Academy member in good standing                                     | <a href="#">Stat 321.1</a>     |
| Scope of Opinion: Loss reserves; business produced by RM                               | <a href="#">Stat 321.8 (c)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                               |                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Opinion required                                                                                                                              | <a href="#">Stat 991.1504 (d)(1)</a> |
| Filing deadline: March 1                                                                                                                      | <a href="#">Stat 991.1504 (d)</a>    |
| Qualified Actuary is either: <ul style="list-style-type: none"><li>• qualified loss reserve specialist, or</li><li>• Academy member</li></ul> | <a href="#">Stat 991.1504 (d)(1)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                       | <a href="#">Stat 991.1504 (d)(1)</a> |

## State - Pennsylvania

### Title Insurer

|                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                                         | <a href="#">Stat 443 (a)</a>                                     |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                               | <a href="#">No</a> <a href="#">Yes</a>                           |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                                 | <a href="#">Stat 443 (a)</a>                                     |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> <li>• Company employee permitted except as noted</li> </ul>                                                                                                                                                                                                      | NAIC SAO Instr (1A) Title                                        |
| Appointment <ul style="list-style-type: none"> <li>• by Board of Directors or equivalent</li> <li>• by December 31</li> <li>• reports to Board</li> </ul>                                                                                                                                                                                                                                                                                | NAIC SAO Instr (1) Title<br><a href="#">31 Pa. Code § 118a.4</a> |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Department in writing within 5 business days and provide separate written notice within 10 business days concerning disagreements</li> </ul>                                                                                                                                                                                                          | NAIC SAO Instr (1) Title<br><a href="#">31 Pa. Code § 118a.4</a> |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                               | <a href="#">Stat 443 (a)</a>                                     |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                           | <a href="#">Stat 443 (a)</a>                                     |
| Insurer must maintain adequate loss reserves                                                                                                                                                                                                                                                                                                                                                                                             | <a href="#">Stat 115</a><br><a href="#">Stat 112</a>             |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                                                                                                                                                                                                                         | NAIC SAO Instr (4) Title                                         |
| Statutory premium reserve <ul style="list-style-type: none"> <li>• initially, sum of unearned premium reserve on Aug. 14, 1963, and</li> <li>• \$1 per policy and 10 cents per \$1,000 net retained liability on risks written after Aug. 14, 1963; released after 20 years; (for reinsurer) if substantially entire outstanding liability is reinsured, unearned premium reserve shall be equal to reserve of ceding company</li> </ul> | <a href="#">Stat 910-14</a><br><a href="#">Stat 910-15</a>       |

## State - Pennsylvania

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r (property only)</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by November 30</li></ul> | <p>NAIC SAO Instr (1B)<br/><a href="https://www.acts.psu.edu/acts/acts-regulations/naic-sao-instruction-1b">31 Pa. Code § 118a.6</a></p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|

## **Jurisdiction – Puerto Rico**

### **Contact Information**

Commissioner: [Suzette Del Valle](#)~~Alexander S. Adams Vega~~

Regulatory Agency: Office of the Commissioner of Insurance  
PO Box 195415  
San Juan, PR 00919-5415  
(787) 304-8686; Toll Free: 1 (888) 722-8686

P/C SAO Contact: Glorimar Santiago-Rivera  
Deputy Commissioner of Supervision and Compliance  
(787) 304-8686 exts. 1003 and 1005  
[gsantiago@ocs.pr.gov](mailto:gsantiago@ocs.pr.gov)

### **Website Information**

Related Website: <https://www.ocs.pr.gov/en-us>

Statutes (Stat): [State Rev Code, Title 11; Title 26](#)

Regulations (Reg): [Puerto Rico Insurance Rules](#)

General Instructions: P&C, Title, International Insurance Center (IIC)

Annual Statement Checklists: [Property & Casualty Insurers](#)

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### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                   |                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | General Instructions-P&C<br><a href="#">Rule 96</a><br><a href="#">Stat Title 26 § 523 b</a>     |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | Yes                                                                                              |
| Filing deadline: March 30                                                                                                                                                                                                                                                                         | General Instructions-P&C<br><a href="#">Stat Title 26 § 331</a><br>and <a href="#">Rule 14-A</a> |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1A)                                                                              |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                                               |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                     | NAIC SAO Instr (1)                                                                               |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                        | General Instructions-P&C<br><a href="#">Rule 96</a>                                              |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                    | <a href="#">Stat Title 26 § 331(1), Rule 14-A, Rule 96</a>                                       |
| Insurer must maintain adequate loss reserves                                                                                                                                                                                                                                                      | <a href="#">Stat Title 26 § 520</a>                                                              |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                                               |
| Minimum reserves:<br>Aggregate not less than that determined by qualified actuary                                                                                                                                                                                                                 | <a href="#">Stat Title 26 § 523a</a>                                                             |
| Catastrophe reserve:<br>Domestic insurers underwriting catastrophic insurance must establish and accrue a reserve for catastrophic losses                                                                                                                                                         | <a href="#">Stat Title 26 § 2503</a><br><a href="#">Ruling Letter CN-2024-355-EX (Amended)</a>   |
| Tax exemption: Actuary is required to visit insurer's main office                                                                                                                                                                                                                                 | <a href="#">Rule 66 4(C)(1)</a>                                                                  |
| AOS Required                                                                                                                                                                                                                                                                                      | <a href="#">Rule 96</a>                                                                          |
| Confidentiality or Other Information                                                                                                                                                                                                                                                              | <a href="#">Rule 96</a>                                                                          |
| AOS Contact                                                                                                                                                                                                                                                                                       | Not available                                                                                    |

## Jurisdiction – Puerto Rico

### **International Insurers/Reinsurers**

|                                                                                                                                                                                |                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Class 2: Opinion required every 2 years<br>Class 3 or 4: Opinion required annually<br>Class 5: Certification required                                                          | <a href="#">General Instructions-IIC</a><br><a href="#">Stat Title 26 § 4310</a> |
| Filing deadline: April 30 or before the last day of the fourth month following the International Insurer and/or Reinsurer's preceding fiscal year, if approved by Commissioner | <a href="#">General Instructions-IIC</a>                                         |
| Discounting: May discount reserves with approval of Comm'r                                                                                                                     | <a href="#">General Instructions-IIC</a>                                         |

### **State Insurance Fund Corporation**

|                                         |                                         |
|-----------------------------------------|-----------------------------------------|
| Opinion required                        | <a href="#">Stat Title 11 § 1b-3(p)</a> |
| Scope of Opinion: Loss and LAE reserves | NAIC SAO Instr (4)                      |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                                                                                                                    |                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Opinion required annually if RM sets reserves                                                                                                                                                      | <a href="#">Rule 97</a> |
| Qualified Actuary: <ul style="list-style-type: none"><li>• accredited member of the American Academy of Actuaries; or</li><li>• person with accreditation acceptable to the Commissioner</li></ul> | <a href="#">Rule 97</a> |

## Jurisdiction – Puerto Rico

### **Title Insurer**

|                                                                                                                                                                                                                                    |                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                   | General Instructions-Title                                 |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                         | Yes                                                        |
| Filing deadline: March 30                                                                                                                                                                                                          | General Instructions-Title                                 |
| Actuary<br>Qualifications<br><ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li><li>• Company employee permitted except as noted</li></ul> | NAIC SAO Instr (1A) Title                                  |
| Appointment<br><ul style="list-style-type: none"><li>• by Board of Directors or equivalent</li><li>• by December 31</li><li>• reports to Board</li></ul>                                                                           | NAIC SAO Instr (1) Title                                   |
| Change of Actuary<br>Company must:<br><ul style="list-style-type: none"><li>• notify Comm'r within 5 days</li><li>• provide separate letter within 10 days concerning disagreements</li></ul>                                      | NAIC SAO Instr (1) Title                                   |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                         | General Instructions-P&C<br><a href="#">Rule 96</a>        |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                     | <a href="#">Stat Title 26 § 331(1), Rule 14-A, Rule 96</a> |
| Insurer must maintain adequate loss reserves                                                                                                                                                                                       | <a href="#">Stat Title 26 § 520</a>                        |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                   | NAIC SAO Instr (4) Title                                   |
| Unearned premium reserves:<br>May be reduced in first five years of operation                                                                                                                                                      | <a href="#">Stat Title 26 § 519, 520</a>                   |
| Minimum reserves:<br>Aggregate not less than that determined by qualified actuary                                                                                                                                                  | <a href="#">Stat Title 26 § 523a</a>                       |
| Catastrophe reserve:<br>Domestic insurers underwriting catastrophic insurance must establish and accrue a reserve for catastrophic losses                                                                                          | <a href="#">Stat Title 26 § 2503</a>                       |
| Tax exemption: Actuary is required to visit insurer's main office                                                                                                                                                                  | <a href="#">Rule 66 4(C)(1)</a>                            |

## **Jurisdiction – Puerto Rico**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r (property insurance only)</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **Jurisdiction – Puerto Rico**

### **2008 GENERAL INSTRUCTIONS**

#### **TO ALL DOMESTIC INSURERS AUTHORIZED TO TRANSACT PROPERTY AND CASUALTY INSURANCE BUSINESS IN PUERTO RICO**

#### **2008 ANNUAL STATEMENT AND RELATED ITEMS**

##### **GENERAL INSTRUCTIONS**

Section 3.310 (1) of the Insurance Code of Puerto Rico, 26 L.P.R.A. section 331 (1) stipulates the following:

“(1) Each authorized insurer shall annually, **before the thirty-first day of March**, file with the Commissioner a true statement of its financial condition, transactions, and affairs as of the December 31st preceding. The statement shall be on forms as prescribed by the Commissioner, shall contain information as required by this Code and by the Commissioner, and shall be verified by the oath of at least two of the insurer’s principal officers.” (Emphasis supplied). . .

All domestic insurers must also include and submit with their annual statement within the filing due date a hard copy of the following reports:

- (a) Certificate of Investments in Puerto Rico Securities
- (b) Statement of Actuarial Opinion

Annual filings must follow all established instructions as specified in the *NAIC Annual Statement Instructions*. For more information regarding annual filings, please visit the NAIC web site. . .

## **Jurisdiction – Puerto Rico**

### **TO ALL FOREIGN INSURERS AUTHORIZED TO TRANSACT PROPERTY AND CASUALTY INSURANCE BUSINESS IN PUERTO RICO**

#### **2008 Annual Statement and Related Items**

#### **GENERAL INSTRUCTIONS**

Section 3.310(1) and (2) of the Insurance Code of Puerto Rico, 26 L.P.R.A. Section 33l(1) and (2), stipulates the following:

"(1) Each authorized insurer shall annually, **before the thirty-first day of March**, file with the Commissioner a true statement of its financial condition, transactions, and affairs as of the December 31st preceding. The statement shall be on forms as prescribed by the Commissioner, shall contain information as required by this Code and by the Commissioner, and shall be verified by the oath of at least two of the insurer's principal officers. The annual statement of a reciprocal or Lloyd's insurer shall be verified by his attorney-in-fact.

(2) The annual statement of a foreign insurer not formed in the United States but authorized to transact insurance in a state of the United States, may relate only to its assets, transactions, and affairs in the United States and Puerto Rico (and including, at the insurer's option, the Virgin Islands and the Canal Zone) unless the Commissioner requires otherwise. The statement may be verified by the insurer's United States manager or by its officers duly authorized." (Emphasis supplied).

Pursuant to the aforesaid section, the annual statement for calendar year ending December 31, 2008, must be filed in this Office **on or before March 30, 2009**. The same must be presented in the official form approved by the National Association of Insurance Commissioners with all the schedules, supplements and reports, including the Management's Discussions and Analysis, as required by the 2008 Property & Casualty Insurers checklist issued by NAIC and modified by this Office.

Foreign insurers **organized** in the United States, or with port of entry in one of the states of the United States, do not have to submit to this Office the hard copy and electronic filing of the annual statement. Nevertheless, in order to comply with the aforementioned provisions, instead of said filing, these foreign insurers shall submit a hard copy of the following filings:

1. Affidavit of Filing and Financial Statement Attestation
2. Certificate of Deposit
3. Certificate of Investments in Puerto Rico Securities
4. State Page for the Commonwealth of Puerto Rico
5. Certificate of Compliance

Foreign insurers **not organized** in the United States that do not file electronically to the NAIC, must submit a hardcopy of their annual statements. In accordance with the provisions of Section 3.310(2), cited above, all such foreign insurers that elect to file an annual statement pertaining only to their United States business, must also include the information regarding their Puerto Rico affairs and transactions.

## **Jurisdiction – Puerto Rico**

Every insurer that does not maintain with the Secretary of the Treasury of Puerto Rico, through this Office, the deposit requested in Section 3.130 of the Insurance Code of Puerto Rico for the protection of all its policyholders and creditors in Puerto Rico and whose State of domicile is a reciprocal state concerning such deposit requirement, shall submit a certification issued by the public official invested with the authority to supervise the insurance business in such State, showing that a deposit from such insurer is being held in trust by the State for said purposes.

Annual filings must follow all established instructions as specified in the *NAIC Annual Statement Instructions*. For more information regarding annual filings, please visit the NAIC web site.

A copy of the State Page must also be sent to the Puerto Rico Property and Casualty Insurance Guaranty Association, to the following address:

Puerto Rico Property and Casualty  
Insurance Guaranty Association  
P. O. Box 364967  
San Juan, Puerto Rico 00936-4967

## **Jurisdiction – Puerto Rico**

### **TO ALL FOREIGN INSURERS AUTHORIZED TO TRANSACT TITLE INSURANCE BUSINESS IN PUERTO RICO**

#### **2008 ANNUAL STATEMENT AND RELATED ITEMS**

##### **GENERAL INSTRUCTIONS**

Section 3.310(1) and (2) of the Insurance Code of Puerto Rico, 26 L.P.R.A. Section 331 (1) and (2), stipulates the following:

"(1) Each authorized insurer shall annually, **before the thirty-first day of March**, file with the Commissioner a true statement of its financial condition, transactions, and affairs as of the December 31st preceding. The statement shall be on forms as prescribed by the Commissioner, shall contain information as required by this Code and by the Commissioner, and shall be verified by the oath of at least two of the insurer's principal officers. The annual statement of a reciprocal or Lloyd's insurer shall be verified by his attorney-in-fact.

(2) The annual statement of a foreign insurer not formed in the United States but authorized to transact insurance in a state of the United States, may relate only to its assets, transactions, and affairs in the United States and Puerto Rico (and including, at the insurer's option, the Virgin Islands and the Canal Zone) unless the Commissioner requires otherwise. The statement may be verified by the insurer's United States manager or by its officers duly authorized." (Emphasis supplied).

Pursuant to the aforesaid section, the annual statement for calendar year ending December 31, 2008, must be filed in this Office **on or before March 30, 2009**. The same must be presented in the official form approved by the National Association of Insurance Commissioners with all the schedules, supplements and reports, including the Management's Discussions and Analysis, as required by the 2008 Title Companies Checklist issued by NAIC and modified by this Office.

Foreign companies **organized** in the United States, or with port of entry in one of the states of the United States, do not have to submit to this Office the hard copy and electronic filing of the annual statement. Nevertheless, in order to comply with the aforementioned provisions, instead of said filing, these foreign insurers shall submit a hard copy of the following filings:

1. Affidavit of Filing and Financial Statement Attestation
2. Certificate of Deposit
3. Certificate of Investments in Puerto Rico Securities
4. State Page for the Commonwealth of Puerto Rico
5. Certificate of Compliance

Foreign entities **not organized** in the United States that do not file electronically to the NAIC, must submit a hardcopy of their annual statements. In accordance with the provisions of Section 3.310(2), cited above, all such foreign insurers that elect to file an annual statement pertaining only to their United States business, must also include the information regarding their Puerto Rico affairs and transactions.

## **Jurisdiction – Puerto Rico**

Every entity that does not maintain with the Secretary of the Treasury of Puerto Rico, through this Office, the deposit requested in Section 3.130 of the Insurance Code of Puerto Rico for the protection of all its policyholders and creditors in Puerto Rico and whose State of domicile is a reciprocal state concerning such deposit requirement, shall submit a certification issued by the public official invested with the authority to supervise the insurance business in such State, showing that a deposit from such insurer is being held in trust by the State for said purposes.

Annual filings must follow all established instructions as specified in the *NAIC Annual Statement Instructions*. For more information regarding annual filings, please visit the NAIC web site.

## **State – Rhode Island**

### **Contact Information**

|                                |                                                                                                                                           |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Director:                      | Elizabeth Kelleher Dwyer                                                                                                                  |
| Superintendent:                | Elizabeth Kelleher Dwyer, Director & Superintendent of Financial Services (Insurance, Banking & Securities)                               |
| Regulatory Agency:             | Department of Business Regulation<br>Insurance Division<br>State of Rhode Island<br>1511 Pontiac Avenue, Bldg. 69-2<br>Cranston, RI 02920 |
| P/C and Captives* SAO Contact: | Ted Hurley, CPA, CFE<br>Chief Insurance Examiner<br>(401) 462-9624<br><a href="mailto:ted.hurley@dbr.ri.gov">ted.hurley@dbr.ri.gov</a>    |

### **Website Information**

|                                   |                                                                                                                                                                                                                                                                                           |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Related Website:                  | <a href="https://dbr.ri.gov/insurance-overview">https://dbr.ri.gov/insurance-overview</a>                                                                                                                                                                                                 |
| Division of Insurance Regulation: | <a href="#">Legal Information</a>                                                                                                                                                                                                                                                         |
| Statutes (Stat):                  | <a href="#">R.I. Gen. Laws Title 27 (Insurance Laws)</a> ,<br><a href="#">R.I. Gen. Laws Chapters 28-29 through 28-38 (Workers Compensation)</a> ,<br><a href="#">R.I. Gen. Laws Chapter 42-14 (General Administration)</a> ;<br><a href="#">R.I. Gen. Laws Title 38 (Public Records)</a> |
| Annual Statement Checklists:      | <a href="#">Instructions and Forms for Insurance Companies</a>                                                                                                                                                                                                                            |

\*Please refer to page A-5 for additional discussion of captives.

## **State – Rhode Island**

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## State – Rhode Island

### **Admitted P/C Insurer**

|                                                                                                                                                                                                                                                                                                   |                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | <a href="#">Stat 27-12.3-2</a>                                                        |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | No                                                                                    |
| Filing deadline: March 1                                                                                                                                                                                                                                                                          | <a href="#">Stat 27-12-1</a>                                                          |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1A)                                                                   |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                                    |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                     | NAIC SAO Instr (1)                                                                    |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                        | <a href="#">Stat 27-12-1</a>                                                          |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                    | <a href="#">Stat 27-12-1</a>                                                          |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                                    |
| AOS Required                                                                                                                                                                                                                                                                                      | <a href="#">Stat 27-12.3-2</a>                                                        |
| Confidentiality or Other Information                                                                                                                                                                                                                                                              | <a href="#">Stat 27-12.3-3</a> and<br><a href="#">Stat 38-2-2(4)(B), (S), and (W)</a> |
| AOS Contact                                                                                                                                                                                                                                                                                       | Ted Hurley                                                                            |

## State – Rhode Island

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                                                                                                               |                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other and the producer receives no compensation based upon the amount of premiums written | <a href="#">Stat 27-48-4(a)</a><br><a href="#">Stat 27-48-4(d)(1)</a> |
| Filing deadline: April 1                                                                                                                                                                                                                                                                      | <a href="#">Stat 27-48-4(d)(1)</a>                                    |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist acceptable to Comm'r</li> </ul>                                                                                                   | <a href="#">Stat 27-48-4(d)(1)</a>                                    |
| Scope of Opinion: Loss reserves including IBNR; business produced by producer                                                                                                                                                                                                                 | <a href="#">Stat 27-48-4(d)(1)</a>                                    |

### **Managing General Agent (MGA)**

|                                                                                                                                                       |                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 27-51-2(3)(i)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 27-51-5(b)</a> |
| Filing deadline: March 1                                                                                                                              | <a href="#">Stat 27-12-1</a>    |
| Qualified actuary: Academy member in good standing                                                                                                    | <a href="#">Stat 27-51-2(1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                             | <a href="#">Stat 27-51-5(b)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                             |                                 |
|---------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 27-52-2(8)</a> ) sets reserves | <a href="#">Stat 27-52-9(c)</a> |
| Filing deadline: March 1                                                                    | <a href="#">Stat 27-12-1</a>    |
| Qualified actuary: Academy member in good standing                                          | <a href="#">Stat 27-52-2(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                    | <a href="#">Stat 27-52-9(c)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                           |                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required                                                                                                                                          | <a href="#">Stat 27-46-4(2)(i)</a> |
| Filing deadline: March 1                                                                                                                                  | <a href="#">Stat 27-12-1</a>       |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist per NAIC</li> </ul> | <a href="#">Stat 27-46-4(2)(i)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">Stat 27-46-4(2)(i)</a> |

## State – Rhode Island

### **Captive Insurer**

|                           |                                                                 |
|---------------------------|-----------------------------------------------------------------|
| Opinion required annually | <a href="#">Stat 27-43-6(a)</a>                                 |
| Filing deadline: March 1  | <a href="#">Stat 27-43-6(a)</a><br><a href="#">Stat 27-12-1</a> |

### **Title Insurer**

|                                                                                                                                                                                               |                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| Opinion required                                                                                                                                                                              | <a href="#">Stat 27-12-1, Stat 27-2.6-2</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                    | No                                          |
| Filing deadline: March 1                                                                                                                                                                      | <a href="#">Stat 27-12-1, Stat 27-2.6-2</a> |
| Actuary<br>Qualifications<br><ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li></ul>                 | NAIC SAO Instr (1A) Title                   |
| Appointment<br><ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports to Board</li></ul>                                      | NAIC SAO Instr (1) Title                    |
| Change of Actuary<br>Company must:<br><ul style="list-style-type: none"><li>• notify Comm'r within 5 days</li><li>• provide separate letter within 10 days concerning disagreements</li></ul> | NAIC SAO Instr (1) Title                    |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                    | <a href="#">Stat 27-12-1, Stat 27-2.6-2</a> |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                | <a href="#">Stat 27-12-1, Stat 27-2.6-2</a> |
| Scope of Opinion: All known and unknown liabilities including allocated and unallocated loss adjustment expense                                                                               | <a href="#">Stat 27-2.6-9</a>               |

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Small companies: <ul style="list-style-type: none"> <li>▪ less than \$1 million D&amp;A WP, or</li> <li>▪ less than 1,000 policyholders</li> </ul> </li> <li>• Under supervision or conservatorship</li> <li>• Nature of business - apply to domiciliary Comm'r</li> <li>• Financial hardship – if cost of SAO exceeds either: <ul style="list-style-type: none"> <li>▪ 1 percent capital &amp; surplus, or</li> <li>▪ 3 percent D&amp;A WP</li> </ul> </li> <li>• File for exemption by December 1</li> </ul> | <a href="#">Stat 27-12-1</a><br><br>NAIC SAO Instr (1B) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|

## **State – South Carolina**

### **Contact Information**

|                        |                                                                                                                                                                                                                               |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director:              | Michael Wise, ACAS, MAAA                                                                                                                                                                                                      |
| Regulatory Agency:     | South Carolina Department of Insurance<br>1201 Main Street<br>Suite 1000<br>Columbia, SC 29201<br>(803) 737-6160                                                                                                              |
| P/C SAO Contact:       | Will Davis, MAAA, FCAS<br>P&C Actuary<br>(803) 737-1152<br><a href="mailto:wdavis@doi.sc.gov">wdavis@doi.sc.gov</a>                                                                                                           |
| Captives* SAO Contact: | <b>Ryan Basnett</b> <a href="#">Andrew Noga</a><br><b>AuditCaptives</b> s Director<br><a href="#">(803) 737-6114</a> <a href="#">(843) 577-3413</a><br><a href="mailto:rbasnettanoga@doi.sc.gov">rbasnettanoga@doi.sc.gov</a> |

### **Website Information**

|                              |                                                    |
|------------------------------|----------------------------------------------------|
| Related Website:             | <a href="http://www.doi.sc.gov">www.doi.sc.gov</a> |
| Statutes (Stat):             | <a href="#">Insurance Code, Title 38</a>           |
| Regulations (Reg):           | <a href="#">Chapter 69-53 and 69-60</a>            |
| Annual Statement Checklists: | <a href="#">State Filing Checklists</a>            |

\*Please refer to page A-5 for additional discussion of captives.

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#### Title Insurer

#### SAO Exemptions

## State – South Carolina

### **Admitted P/C Insurer**

|                                                                                                                                                                                                                                                                                                                 |                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                | <a href="#">Stat 38-9-225 (A)</a>                                                           |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                      | Domestic: Yes<br>Foreign: No                                                                |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                        | <a href="#">Stat 38-13-85 (a)</a>                                                           |
| <p><b>Actuary</b></p> <p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>           | NAIC SAO Instr (1A)                                                                         |
| <p><b>Appointment</b></p> <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                                          |
| <p><b>Change of Actuary</b></p> <p>Company must:</p> <ul style="list-style-type: none"> <li>• notify Director within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                               | NAIC SAO Instr (1)                                                                          |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                      | <a href="#">Stat 38-9-225 (A)</a>                                                           |
| Insurer must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                   | <a href="#">Stat 38-13-85 (A)</a>                                                           |
| Scope of opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                         | NAIC SAO Instr (4)                                                                          |
| <p><b>Reserve amounts:</b></p> <p>Insurer must maintain reserves estimated in the aggregate to provide for the payment of loss and LAE on claims for which the insurer may be liable</p>                                                                                                                        | <a href="#">Stat 38-9-190</a>                                                               |
| <p><b>Credit for Reinsurance:</b></p> <p>Updated in 2020 for NAIC Model Law and Regulation</p>                                                                                                                                                                                                                  | <a href="#">Stat 38-9-200</a><br><a href="#">Stat 38-9-210</a><br><a href="#">Reg 69-53</a> |
| AOS Required                                                                                                                                                                                                                                                                                                    | <a href="#">Stat 38-9-225</a>                                                               |
| Confidentiality or Other Information                                                                                                                                                                                                                                                                            | <a href="#">Stat 38-9-230</a>                                                               |
| AOS Contact                                                                                                                                                                                                                                                                                                     | Ryan Basnett                                                                                |

## State – South Carolina

### **Producer-Controlled Insurer**

|                                                                                                                                                                                             |                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq 5$ percent of the insurer's admitted assets (as rep'd in September qtrly statement)                                                     | <a href="#">Stat 38-21-95 (B)(3)(a)</a><br><a href="#">Stat 38-21-95 (A)(3)</a> |
| Filing deadline: April 1                                                                                                                                                                    | <a href="#">Stat 38-21-95 (B)(3)(a)</a>                                         |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Director</li> </ul> | <a href="#">Stat 38-21-95 (B)(3)(a)</a>                                         |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                 | <a href="#">Stat 38-21-95 (B)(3)(a)</a>                                         |

### **Managing General Agent (MGA)**

|                                                                                                                                                      |                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 38-44-20 (3)</a> (GWP $\geq 5$ percent PHS last AnnStat) | <a href="#">Stat 38-44-50 (B)</a> |
| Filing deadline: March 1                                                                                                                             | <a href="#">Stat 38-44-50 (B)</a> |
| Qualified actuary: Academy member in good standing                                                                                                   | <a href="#">Stat 38-44-20 (1)</a> |
| Scope of opinion: Loss reserves; business produced by MGA                                                                                            | <a href="#">Stat 38-44-50 (B)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                               |                                   |
|-----------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 38-46-20 (7)</a> ) sets reserves | <a href="#">Stat 38-46-90 (C)</a> |
| Filing deadline: June 1                                                                       | <a href="#">Stat 38-46-90 (C)</a> |
| Qualified actuary: Academy member in good standing                                            | <a href="#">Stat 38-46-20 (1)</a> |
| Scope of opinion: Loss reserves; business produced by RM                                      | <a href="#">Stat 38-46-90 (C)</a> |

### **Foreign/Domestic (Captive) Risk Retention Group (RRG)**

|                                                                                                                                                                               |                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Opinion required                                                                                                                                                              | <a href="#">Stat 38-87-40 (2)(a)</a><br><a href="#">Stat 38-90-160</a> |
| Filing deadline: March 1                                                                                                                                                      | <a href="#">Stat 38-13-85 (a)</a><br><a href="#">Stat 38-90-70 (B)</a> |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• qualified loss reserve specialist per Director or his designee, or</li> <li>• Academy member</li> </ul> | <a href="#">Stat 38-87-40 (2)(a)</a>                                   |
| Scope of opinion: Loss and LAE reserves                                                                                                                                       | <a href="#">Stat 38-87-40 (2)(a)</a>                                   |

## State – South Carolina

### **Captive Insurer**

|                                                                                                                                                                                                                          |                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| Opinion required                                                                                                                                                                                                         | <a href="#">Reg 69-60 Section 3 (E)</a> |
| Filing deadline: June 30                                                                                                                                                                                                 | <a href="#">Reg 69-60 Section 3</a>     |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• CAS Fellow, or</li> <li>• Academy member in good standing, or</li> <li>• qualified loss reserve specialist per Director or his designee</li> </ul> | <a href="#">Reg 69-60 Section 3 (E)</a> |
| Scope of opinion: Loss and loss expense reserves                                                                                                                                                                         | <a href="#">Reg 69-60 Section 3 (E)</a> |

### **Sponsored Captive Insurance and Captive Reinsurance Company**

|                                                                                                       |                                   |
|-------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required (defined in <a href="#">Stat 38-90-10</a> )                                          | <a href="#">Stat 38-90-75 (A)</a> |
| Filing deadline: March 1                                                                              | <a href="#">Stat 38-90-70 (B)</a> |
| Qualified actuary: Independent actuary; not an employee of captive or its affiliates                  | <a href="#">Stat 38-90-75 (A)</a> |
| Scope of opinion: Loss and LAE reserves                                                               | <a href="#">Stat 38-90-75 (A)</a> |
| Discounting<br>May discount loss and LAE reserves with prior approval by the Director or his designee | <a href="#">Stat 38-90-75</a>     |

### **Special Purpose Financial Captive (SPFC)**

|                                                                    |                                       |
|--------------------------------------------------------------------|---------------------------------------|
| Opinion required (SPFC defined in <a href="#">Stat 38-90-420</a> ) | <a href="#">Stat 38-90-470 (D)(2)</a> |
| Filing deadline: March 1                                           | <a href="#">Stat 38-90-550 (C)</a>    |
| Qualified actuary: Approved independent actuary                    | <a href="#">Stat 38-90-470 (D)(2)</a> |
| Scope of Opinion: Reserves                                         | <a href="#">Stat 38-90-470 (D)(2)</a> |
| Discounting<br>May discount reserves as approved by Director       | <a href="#">Stat 38-90-470 (D)(1)</a> |

## State – South Carolina

### **Title Insurer**

|                                                                                                                                                                                                                                                                                                                                                                       |                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                      | <a href="#">Stat 38-9-225 (A)</a>                                                           |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                            | Domestic: Yes<br>Foreign: No                                                                |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                              | <a href="#">Stat 38-13-85 (a)</a>                                                           |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul>                                                                                                                                                                                         | NAIC SAO Instr (1A) Title                                                                   |
| Appointment <ul style="list-style-type: none"> <li>• by Board of Directors or equivalent</li> <li>• by December 31</li> <li>• reports to Board</li> </ul>                                                                                                                                                                                                             | NAIC SAO Instr (1) Title                                                                    |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Director within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                                       | NAIC SAO Instr (1) Title                                                                    |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                            | <a href="#">Stat 38-9-225 (A)</a>                                                           |
| Insurer must follow NAIC AnnStat instructions                                                                                                                                                                                                                                                                                                                         | <a href="#">Stat 38-13-85 (A)</a>                                                           |
| Scope of opinion: Loss and loss expense reserves                                                                                                                                                                                                                                                                                                                      | NAIC SAO Instr (4) Title<br><a href="#">Stat 38-75-940</a>                                  |
| Reserve amounts:<br>Insurer must maintain reserves estimated in the aggregate to provide for the payment of loss and LAE on claims for which the insurer may be liable                                                                                                                                                                                                | <a href="#">Stat 38-9-190</a>                                                               |
| Credit for Reinsurance:<br>Updated in 2020 for NAIC Model Law and Regulation                                                                                                                                                                                                                                                                                          | <a href="#">Stat 38-9-200</a><br><a href="#">Stat 38-9-210</a><br><a href="#">Reg 69-53</a> |
| Statutory premium reserve:<br>Initially, sum of <ul style="list-style-type: none"> <li>• unearned premium reserve on June 30, 1988</li> <li>• \$1.50 per policy and 12.5 cents per \$1,000 net retained liability on risks written after June 30, 1988;</li> <li>• released 10 percent per year for first five years, and 3.33 percent per year thereafter</li> </ul> | <a href="#">Stat 38-75-920</a>                                                              |
| Foreign: No lower than amount required of domestics                                                                                                                                                                                                                                                                                                                   | <a href="#">Stat 38-75-920 (C)</a>                                                          |

## State – South Carolina

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State – South Dakota**

### **Contact Information**

|                                |                                                                                                                                                                                     |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commissioner:                  | Larry Deiter                                                                                                                                                                        |
| Regulatory Agency:             | Division of Insurance<br>Department of Labor & Regulation<br>124 South Euclid Ave., Second Floor<br>Pierre, SD 57501<br>(605) 773-3563                                              |
| P/C and Captives* SAO Contact: | Johanna Nickelson, CPA<br>Assistant Director – Solvency and Company Licensing<br>(605) 773-3563<br><a href="mailto:johanna.nickelson@state.sd.us">johanna.nickelson@state.sd.us</a> |

### **Website Information**

|                              |                                                             |
|------------------------------|-------------------------------------------------------------|
| Related Website:             | <a href="#">South Dakota Dept of Labor &amp; Regulation</a> |
| Statutes (Stat):             | <a href="#">Insurance Code, Title 58</a>                    |
| Annual Statement Checklists: | <a href="#">Company Filings and Forms</a>                   |

\*Please refer to page A-5 for additional discussion of captives.

## **State – South Dakota**

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## State – South Dakota

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                              | <a href="#">Stat 58-6-75</a><br><a href="#">Stat 58-26-13.1</a><br><a href="#">Stat 58-26-89</a>               |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                    | No                                                                                                             |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                      | <a href="#">Stat 58-6-75</a>                                                                                   |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member in good standing of the American Academy of Actuaries</li> </ul>                                                                    | NAIC SAO Instr (1A)                                                                                            |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul>                                                             | NAIC SAO Instr (1)                                                                                             |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Director within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                               | NAIC SAO Instr (1)                                                                                             |
| NAIC<br>Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                            | <a href="#">Stat 58-26-13.1</a><br><a href="#">Stat 58-26-89</a>                                               |
| Supporting actuarial report or workpapers:<br>Insurers must provide an actuarial report and workpapers when requested by the Director                                                                                                                                                                                                                         | <a href="#">Stats 58-26-87; 58-26-88;</a><br>and <a href="#">58-26-90</a>                                      |
| NAIC AnnStat: Insurer must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                   | <a href="#">Stat 58-6-75</a>                                                                                   |
| Insurer must maintain adequate loss reserves                                                                                                                                                                                                                                                                                                                  | <a href="#">Stat 58-26-43</a>                                                                                  |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                                                                       | NAIC SAO Instr (4)                                                                                             |
| Minimum reserves <ul style="list-style-type: none"> <li>• WC: Same as NAIC method, but not less than present value at 4 percent of unpaid claims</li> <li>• Liability: Same as NAIC method, but not less than estimated unpaid claims for three years</li> <li>• Credit insurance: NAIC method, but not less than estimated claims on all policies</li> </ul> | <a href="#">Stat 58-26-32; Stat 58-26-33</a><br><a href="#">Stat 58-26-34</a><br><a href="#">Stat 58-26-35</a> |
| Discounting<br>WC: Permitted at not more than 4 percent interest                                                                                                                                                                                                                                                                                              | <a href="#">Stat 58-26-32</a><br><a href="#">Stat 58-26-33</a>                                                 |

## State – South Dakota

### **Admitted P/C Insurer, continued**

|                                      |                               |
|--------------------------------------|-------------------------------|
| AOS Required                         | <a href="#">Stat 58-26-86</a> |
| Confidentiality or Other Information | <a href="#">Stat 58-26-90</a> |
| AOS Contact                          | Johanna Nickelson             |

### **Broker-Controlled Insurer**

|                                                                                                                                                                        |                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Opinion required                                                                                                                                                       | <a href="#">Stat 58-44-7</a> |
| Filing deadline: April 1                                                                                                                                               | <a href="#">Stat 58-44-7</a> |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist</li> </ul> | <a href="#">Stat 58-44-7</a> |
| Scope of Opinion: Loss reserves including IBNR; business placed by broker                                                                                              | <a href="#">Stat 58-44-7</a> |

### **Managing General Agent (MGA)**

|                                                                                                                                             |                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required if MGA sets reserves and is an MGA as defined in <a href="#">Stat 58-30-124(2)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 58-30-131(2)</a> |
| Filing deadline: No provision                                                                                                               |                                   |
| Qualified actuary: Academy member in good standing                                                                                          | <a href="#">Stat 58-30-124(1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                   | <a href="#">Stat 58-30-131(2)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                |                                  |
|------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 58-14-24(3,4)</a> ) sets reserves | <a href="#">Stat 58-14-36</a>    |
| Filing deadline: No provision                                                                  |                                  |
| Qualified actuary: Academy member in good standing                                             | <a href="#">Stat 58-14-24(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                       | <a href="#">Stat 58-14-36</a>    |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                                                             |                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required                                                                                                                                                                            | <a href="#">Stat 58-6A-4(1)</a> |
| Filing deadline: No provision                                                                                                                                                               |                                 |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist under the criteria established by the NAIC</li> </ul> | <a href="#">Stat 58-6A-4(1)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                     | <a href="#">Stat 58-6A-4(1)</a> |

## State – South Dakota

### **Captive Insurer**

|                                                                         |                               |
|-------------------------------------------------------------------------|-------------------------------|
| Opinion required                                                        | <a href="#">Stat 58-46-15</a> |
| Filing deadline: No later than six months after close of financial year | <a href="#">Stat 58-46-15</a> |

### **Title Insurer**

|                                                                                                                                                                                                                                    |                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                   | <a href="#">Stat 58-6-75</a><br><a href="#">Stat 58-26-13.1</a>                                   |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                         | No                                                                                                |
| Filing deadline: March 1                                                                                                                                                                                                           | <a href="#">Stat 58-6-75</a>                                                                      |
| Actuary<br>Qualifications<br><ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li><li>• Company employee permitted except as noted</li></ul> | NAIC SAO Instr (1A) Title                                                                         |
| Appointment<br><ul style="list-style-type: none"><li>• by Board of Directors or equivalent</li><li>• by December 31</li><li>• reports to Board</li></ul>                                                                           | NAIC SAO Instr (1) Title                                                                          |
| Change of Actuary<br>Company must:<br><ul style="list-style-type: none"><li>• notify Comm'r within 5 days</li><li>• provide separate letter within 10 days concerning disagreements</li></ul>                                      | NAIC SAO Instr (1) Title                                                                          |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                         | <a href="#">Stat 58-26-13.1</a><br><a href="#">Stat 58-26-89</a>                                  |
| Supporting actuarial report or workpapers<br>Insurers must provide an actuarial report and workpapers when requested by the Director                                                                                               | <a href="#">Stat 58-26-87</a> ; <a href="#">Stat 58-26-88</a> ; and <a href="#">Stat 58-26-90</a> |
| Insurer must follow NAIC AnnStat Instructions                                                                                                                                                                                      | <a href="#">Stat 58-6-75</a>                                                                      |
| Insurer must maintain adequate loss reserves                                                                                                                                                                                       | <a href="#">Stat 58-26-43</a>                                                                     |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                   | NAIC SAO Instr (4) Title                                                                          |
| Statutory premium reserve<br>12 or 24 cents per thousand dollars of coverage released over 20 years at rates set forth in Stat 58-25-23                                                                                            | <a href="#">Stat 58-25-22 through Stat 58-25-27</a>                                               |

## State – South Dakota

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## State - Tennessee

### Contact Information

|                        |                                                                                                                                                                                               |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commissioner:          | Carter Lawrence                                                                                                                                                                               |
| Regulatory Agency:     | Tennessee Department of Commerce and Insurance<br>500 James Robertson Parkway<br>Nashville, TN 37243-0565<br>(615) 741-2241                                                                   |
| P/C SAO Contact:       | Trey Hancock, CFE<br><a href="#">Director, Financial Affairs</a> /Insurance Analysis <del>Director</del><br>(615) 741-1504633<br><a href="mailto:trey.hancock@tn.gov">trey.hancock@tn.gov</a> |
| Captives* SAO Contact: | Mark Wiedeman<br>Director, Captive Insurance Section<br>(615) 507-6723<br><a href="mailto:mark.wiedeman@tn.gov">mark.wiedeman@tn.gov</a>                                                      |

### Website Information

|                              |                                                                                                                                          |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Related Website:             | <a href="http://www.tn.gov/commerce/section/insurance">http://www.tn.gov/commerce/section/insurance</a>                                  |
| **Statutes (Stat):           | <a href="#">Insurance Code, Title 56</a> (must allow cookies to access code)                                                             |
| Regulations (Reg):           | <a href="#">Rules of the Department of Commerce and Insurance, Chapter 0780</a>                                                          |
| Annual Statement Checklists: | <a href="#">Property &amp; Casualty Insurers Annual Statement Checklist</a><br><a href="#">Title Insurers Annual Statement Checklist</a> |

\*Please refer to page A-5 for additional discussion of captives.

\*\*Before you can view the statutes, you must click a button that says you agree to terms and conditions.

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#### Title Insurer

#### SAO Exemptions

## State - Tennessee

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                   |                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | <a href="#">Stat 56-1-501(d)</a><br><a href="#">Stat 56-1-419(a)</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | <a href="#">Domestic: Yes</a><br><a href="#">Foreign: No</a>         |
| Filing deadline: March 1                                                                                                                                                                                                                                                                          | <a href="#">Stat 56-1-501(b)</a><br><a href="#">Stat 56-1-419(a)</a> |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1)                                                   |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                   |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                     | NAIC SAO Instr (1)                                                   |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                        | <a href="#">Stat 56-1-501(g)</a><br><a href="#">Stat 56-1-419(a)</a> |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                    | <a href="#">Stat 56-1-501(g)</a><br><a href="#">Stat 56-1-419(a)</a> |
| Reserve amounts:<br>Insurer must maintain adequate loss and LAE reserves                                                                                                                                                                                                                          | NAIC SAO Instr (5)                                                   |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                   |
| AOS Required                                                                                                                                                                                                                                                                                      | <a href="#">Stat 56-1-419(b)</a>                                     |
| Confidentiality or Other Information                                                                                                                                                                                                                                                              | <a href="#">Stat 56-1-420</a>                                        |
| AOS Contact                                                                                                                                                                                                                                                                                       | Trey Hancock                                                         |

## State - Tennessee

### **Producer-Controlled Insurer**

|                                                                                                                                                                                             |                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Opinion required                                                                                                                                                                            | <a href="#">Stat 56-6-603(4)</a>                                     |
| Filing deadline: April 1                                                                                                                                                                    | <a href="#">Stat 56-6-603(4)</a>                                     |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist acceptable to Comm'r</li> </ul> | <a href="#">Stat 56-6-602(2)</a><br><a href="#">Stat 56-6-603(4)</a> |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                 | <a href="#">Stat 56-6-603(4)</a>                                     |

### **Managing General Agent (MGA)**

|                                                                                                                                                     |                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 56-6-502(3)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 56-6-505(b)</a> |
| Filing deadline: No provision                                                                                                                       |                                  |
| Actuary Qualifications: Academy member in good standing                                                                                             | <a href="#">Stat 56-6-502(1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                           | <a href="#">Stat 56-6-505(b)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                              |                                  |
|----------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 56-6-802(8)</a> ) sets reserves | <a href="#">Stat 56-6-809(c)</a> |
| Filing deadline: No provision                                                                |                                  |
| Actuary Qualifications: Academy member in good standing                                      | <a href="#">Stat 56-6-802(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                     | <a href="#">Stat 56-6-809(c)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                           |                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Opinion required                                                                                                                                          | <a href="#">Stat 56-45-104(b)(1)</a> |
| Filing deadline: No provision                                                                                                                             |                                      |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist per NAIC</li> </ul> | <a href="#">Stat 56-45-104(b)(1)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">Stat 56-45-104(b)(1)</a> |

## State - Tennessee

### **Government Tort Pool**

|                                                      |                                   |
|------------------------------------------------------|-----------------------------------|
| Opinion required                                     | <a href="#">Reg 0780-1-49-.05</a> |
| Filing deadline: 60 days after fiscal year end       | <a href="#">Reg 0780-1-49-.05</a> |
| Actuary Qualifications: independent casualty actuary | <a href="#">Reg 0780-1-49-.05</a> |
| Scope of Opinion: Loss and LAE reserves              | <a href="#">Reg 0780-1-49-.05</a> |

### **Captive Insurer**

|                                                                                                                                                                                              |                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Opinion required                                                                                                                                                                             | <a href="#">Reg 0780-01-41-.03(5)(e)</a> |
| Filing deadline: June 30 or 180 days after fiscal year end                                                                                                                                   | <a href="#">Reg 0780-01-41.03(1)</a>     |
| Qualified Actuary is either:<br><ul style="list-style-type: none"><li>• FCAS or</li><li>• Academy member in good standing, or</li><li>• loss reserve specialist approved by Comm'r</li></ul> | <a href="#">Reg 0780-01-41-.03(5)(e)</a> |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                             | <a href="#">Reg 0780-01-41-.03(5)(e)</a> |

### **Special Purpose Financial Captive (SPFC)**

|                                                                 |                                      |
|-----------------------------------------------------------------|--------------------------------------|
| Opinion required                                                | <a href="#">Stat 56-13-407(d)(3)</a> |
| Actuary Qualifications: Approved independent actuary            | <a href="#">Stat 56-13-407(d)(3)</a> |
| Shall discount reserves at discount rates as approved by Comm'r | <a href="#">Stat 56-13-407(d)(1)</a> |

## State - Tennessee

### Title Insurer

|                                                                                                                                                                                               |                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Opinion required                                                                                                                                                                              | <a href="#">Stat 56-1-501(d)</a>                             |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                    | <a href="#">Domestic: Yes</a><br><a href="#">Foreign: No</a> |
| Filing deadline: March 1                                                                                                                                                                      | <a href="#">Stat 56-1-501(b)</a>                             |
| Actuary<br>Qualifications either <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul>          | NAIC SAO Instr (1A) Title                                    |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                     | NAIC SAO Instr (1) Title                                     |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul> | NAIC SAO Instr (1) Title                                     |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                    | <a href="#">Stat 56-1-501(g)</a>                             |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                | <a href="#">Stat 56-1-501(g)</a>                             |
| Insurer must maintain adequate loss and LAE reserves                                                                                                                                          | NAIC SAO Instr (5) Title                                     |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                              | NAIC SAO Instr (4) Title                                     |
| Title Insurance Reserve fund<br>Domestic insurers shall annually set apart 10 percent of risk rates collected, until the fund totals \$100,000.                                               | <a href="#">Stat 56-35-114</a>                               |

## State - Tennessee

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Texas**

### **Contact Information**

|                                |                                                                                                                                                                     |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commissioner:                  | Cassie Brown                                                                                                                                                        |
| Regulatory Agency:             | Texas Department of Insurance<br>P.O. Box 12030<br>Austin, TX 78711-2030<br>(512) 676-6000                                                                          |
| P/C and Captives* SAO Contact: | Miriam Fisk, MAAA, ASA, FCAS<br><u>P&amp;C Director/Chief Actuary</u><br>(512) 676-6849<br><a href="mailto:Miriam.Fisk@tdi.texas.gov">Miriam.Fisk@tdi.texas.gov</a> |

### **Website Information**

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Related Website:             | <a href="http://www.tdi.texas.gov">www.tdi.texas.gov</a>                                                                                                                                                                                                                                                                                                                                                           |
| Statutes (Stat):             | <a href="http://www.tdi.texas.gov/tic">Texas Insurance Code</a><br><a href="http://www.tdi.texas.gov/tlct5">Texas Labor Code, Title 5</a>                                                                                                                                                                                                                                                                          |
| Regulations (Reg):           | <a href="http://www.tdi.texas.gov/tac">Texas Administrative Code, Title 28</a>                                                                                                                                                                                                                                                                                                                                     |
| Annual Statement Checklists: | <a href="http://www.tdi.texas.gov/property-casualty-insurers-annual-statement-checklist">Property &amp; Casualty Insurers Annual Statement Checklist</a><br><a href="http://www.tdi.texas.gov/title-insurers-annual-statement-checklist">Title Insurers Annual Statement Checklist</a><br><a href="http://www.tdi.texas.gov/annual-and-quarterly-filing-requirements">Annual and Quarterly Filing Requirements</a> |

\*Please refer to page A-5 for additional discussion of captives.

## **State - Texas**

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## State - Texas

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                             |                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                            | <a href="#">Stat 802.002</a><br><a href="#">Reg 7.68(f)(4)</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                  | No                                                             |
| Filing deadline: March 1                                                                                                                                                                                                                                                                    | <a href="#">Reg 7.68(f)(4)</a>                                 |
| Actuary                                                                                                                                                                                                                                                                                     |                                                                |
| Qualifications                                                                                                                                                                                                                                                                              | <a href="#">Stat 802.002</a>                                   |
| <ul style="list-style-type: none"> <li>• member in good standing of Academy, or</li> <li>• a person who has otherwise demonstrated actuarial competence to the satisfaction of the Comm'r of insurance or other insurance regulatory official of the insurer's domiciliary state</li> </ul> |                                                                |
| Affiliation: Company employee permitted except as noted                                                                                                                                                                                                                                     | NAIC SAO Instr (1A)                                            |
| Appointment                                                                                                                                                                                                                                                                                 |                                                                |
| <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul>       | NAIC SAO Instr (1)                                             |
| Change of Actuary                                                                                                                                                                                                                                                                           |                                                                |
| Company must:                                                                                                                                                                                                                                                                               |                                                                |
| <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                  | NAIC SAO Instr (1)                                             |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                  | <a href="#">Reg 7.68(d)</a>                                    |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                              | <a href="#">Reg 7.68(d)</a>                                    |
| Reserve amounts:                                                                                                                                                                                                                                                                            |                                                                |
| Insurer must maintain reserves estimated in the aggregate to provide for the payment of loss and LAE on claims for which the insurer may be liable                                                                                                                                          | <a href="#">Stat 421.001</a>                                   |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                     | NAIC SAO Instr (4)                                             |
| Discounting:                                                                                                                                                                                                                                                                                |                                                                |
| Permitted for fixed and determinable payments such as those for WC and long-term disability. Comm'r has authority to approve discounts.                                                                                                                                                     | Codification                                                   |
| Salvage and Subrogation: Comm'r has authority to approve anticipated salvage and subrogation                                                                                                                                                                                                | Codification                                                   |
| AOS Required: Submit directly to Actuarial Division                                                                                                                                                                                                                                         | <a href="#">Reg 7.9</a> and <a href="#">7.68(j)(2)</a>         |
| Confidentiality or Other Information                                                                                                                                                                                                                                                        | <a href="#">Stat 401.058</a> , <a href="#">Reg 7.9(f)</a>      |
| AOS Contact                                                                                                                                                                                                                                                                                 | Miriam Fisk,<br><a href="#">P&amp;C Director/Chief</a> Actuary |

## State - Texas

### **Farm Mutuals**

|                                                                                               |                                                                                              |
|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| If filing an AnnStat form adopted by the Comm'r, opinion required if D&A WP $\geq$ \$750,000. | <a href="#">Reg 7.31</a><br><a href="#">Reg 7.68(f)(4)</a><br><a href="#">Reg 7.68(n)(3)</a> |
|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|

### **Producer-Controlled Insurer**

|                                                                                                                                                                                    |                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if controlling producer (defined in <a href="#">Reg 7.202(a)(8)</a> ) is in another state.                                                               | <a href="#">Reg 7.205(o)(1)</a> |
| Filing deadline: April 1                                                                                                                                                           | <a href="#">Reg 7.205(o)(1)</a> |
| Qualified actuary is either: <ul style="list-style-type: none"><li>independent casualty actuary, or</li><li>other independent loss reserve specialist approved by Comm'r</li></ul> | <a href="#">Reg 7.205(o)(1)</a> |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                        | <a href="#">Reg 7.205(o)(1)</a> |

### **Reinsurance-Intermediary Manager (RM)**

|                                                                                            |                               |
|--------------------------------------------------------------------------------------------|-------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 4152.001</a> ) sets reserves. | <a href="#">Stat 4152.213</a> |
| Filing deadline: No provision                                                              |                               |
| Qualified actuary: Academy member in good standing                                         | <a href="#">Stat 4152.001</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                   | <a href="#">Stat 4152.213</a> |

### **Workers' Comp Self-Insured Groups**

|                                                                                                                                                  |                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Opinion required annually                                                                                                                        | <a href="#">Labor Code 407A.251(a), (d)</a>                                                                  |
| Filing deadline: within six months after end of fiscal year                                                                                      | <a href="#">Labor Code 407A.251(a), (d)</a>                                                                  |
| Qualified actuary:<br>Member in good standing of Academy approved for signing casualty opinions by Academy and/or member in good standing of CAS | <a href="#">Reg 5.6402(a)(1)</a><br><a href="#">Labor Code 407A.251(d)</a><br>(conflict with "and" and "or") |
| Insurer must maintain adequate reserves but not greater than reasonably required                                                                 | <a href="#">Stat 426.001-003</a>                                                                             |

## State - Texas

### **Captive Insurer**

|                                                                                                                                                                                                                                        |                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                       | <a href="#">Reg 6.401(b)</a><br><a href="#">Reg 6.1(b)(2)(B)</a><br><a href="#">Reg 6.304(d), Reg 6.406(e)</a> |
| Filing deadline: March 1                                                                                                                                                                                                               | <a href="#">Reg 6.401(b)</a>                                                                                   |
| Qualified actuary:<br>A person who meets the U.S. Qualification Standards promulgated by Academy, and is either member of CAS or a member of Academy who has demonstrated actuarial competence to the satisfaction of the Commissioner | <a href="#">Reg 6.1(b)(11)</a>                                                                                 |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                | <a href="#">Stat 964.054</a>                                                                                   |
| Ceded Risks:<br>May take credit for reserves on risks ceded to reinsurer                                                                                                                                                               | <a href="#">Stat 964.052(d)</a>                                                                                |

### **Title Insurer**

|                                                                                                                                                                        |                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Opinion required                                                                                                                                                       | <a href="#">Stat 2551.256</a>                                |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                             | No                                                           |
| Filing deadline: March 1                                                                                                                                               | <a href="#">Reg 7.68(f)(1)</a>                               |
| Qualified actuary: a member in good standing of Academy                                                                                                                | <a href="#">Stat 2551.256</a>                                |
| Insurers must follow NAIC SAO Instructions                                                                                                                             | <a href="#">Reg 7.68(d)</a>                                  |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                         | <a href="#">Reg 7.68(d)</a>                                  |
| Reserve amounts:<br>Insurer must maintain reserves estimated in the aggregate to provide for the payment of loss and LAE on claims for which the insurer may be liable | <a href="#">Stat 421.001</a>                                 |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                       | NAIC SAO Instr (4) Title<br><a href="#">Stat 2551.256(c)</a> |
| Statutory premium reserve<br>Domestic - statutory premium reserve accrued and released according to the formula in the insurance code.                                 | <a href="#">Stat 2551.251-260</a>                            |
| Discounting:<br>Permitted for fixed and determinable payments such as those for WC and long-term disability. Comm'r has authority to approve discounts.                | Codification                                                 |
| Salvage and Subrogation:<br>Comm'r has authority to approve anticipated salvage and subrogation                                                                        | Codification                                                 |

## State - Texas

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B)             |
| Farm Mutuals:<br>If filing an AnnStat form adopted by the Comm'r, D&A WP < \$750,000, unless required by Comm'r                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <a href="#">Reg 7.31</a>        |
| Foreign insurers:<br>If Comm'r believes information is not useful                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <a href="#">Stat 802.053</a>    |
| Mexican casualty cos. - No opinion required                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <a href="#">Reg 7.68(q)</a>     |
| Non-profit legal service corps. - No opinion required                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <a href="#">Reg 7.68(p)</a>     |
| Captives:<br>If net written premium or reinsurance assumed is less than \$1 million or the Company has been in operation for less than six months as of the end of the previous calendar year.                                                                                                                                                                                                                                                                                                                                                                                    | <a href="#">Stat 964.060(d)</a> |

## **State - Utah**

### **Contact Information**

Commissioner: Jon Pike

Regulatory Agency: Utah Insurance Department  
4315 S. 2700 West, Ste. 2300  
Taylorsville, UT 84129  
(801) 957-9200

P/C SAO Contact: Tomasz Serbinowski, PhD, MAAA, FSA  
Actuary  
(801) 957-9324  
[tserbinowski@utah.gov](mailto:tserbinowski@utah.gov)

Title SAO Contact: [Jake Garn](#)  
[Director, Chief Financial Examiner](#)  
[\(801\) 957-9220](#)  
[jwgarn@utah.gov](mailto:jwgarn@utah.gov)

Captives\* SAO Contact: Travis Wegkamp  
Captive Insurance Division Director  
(801) 957-9235  
[twekamp@utah.gov](mailto:twekamp@utah.gov)

### **Website Information**

Related Website: [insurance.utah.gov](http://insurance.utah.gov)

Statutes (Stat): [Insurance Code, Title 31A](#)

Regulations (Rule): [Administrative Rules - Title R590](#)

Annual Statement Checklist: [Checklist - State Filing Instructions](#)

\*Please refer to page A-5 for additional discussion of captives.

## **State - Utah**

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## State - Utah

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                   |                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Opinion required (to be filed with the NAIC)                                                                                                                                                                                                                                                      | <a href="#">Stat 31A-4-113.5</a><br><a href="#">Stat 31A-4-113</a><br><a href="#">Rule R590-147-4</a>                                   |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | Domestic: <u>No</u> <u>Yes</u><br>Foreign: No                                                                                           |
| Filing deadline: March 1                                                                                                                                                                                                                                                                          | <a href="#">Stat 31A-4-113</a><br>NAIC SAO Instr (1)                                                                                    |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | <a href="#">Rule R590-264-3</a>                                                                                                         |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                                                                                      |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                     | NAIC SAO Instr (1)                                                                                                                      |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                        | <a href="#">Stat 31A-4-113.5</a><br><a href="#">Stat 31A-4-113</a><br><a href="#">Rule R590-147-4</a>                                   |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                    | <a href="#">Stat 31A-4-113.5</a><br><a href="#">Stat 31A-4-113</a><br><a href="#">Rule R590-147-4</a>                                   |
| Reserve amounts:<br>Insurer must reserve amount necessary to pay loss and LAE                                                                                                                                                                                                                     | <a href="#">Stat 31A-17-402(4)(a)</a><br><a href="#">Rule R590-117-4</a>                                                                |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                                                                                      |
| AOS Required: for domestic; foreign: upon request                                                                                                                                                                                                                                                 | <a href="#">Rule R590-264-4</a>                                                                                                         |
| Confidentiality or Other Information<br>Confidentiality may be requested at the time of filing                                                                                                                                                                                                    | <a href="#">Rule R590-264-6</a>                                                                                                         |
| AOS Contact                                                                                                                                                                                                                                                                                       | Jake Garn, Financial Regulation & Licensing Division Director<br>(801) 957-9257<br><a href="mailto:jwgarn@utah.gov">jwgarn@utah.gov</a> |

## State - Utah

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                           |                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">Stat 31A-23a-702(1)</a><br><a href="#">Stat 31A-23a-702(5)</a> |
| Filing deadline: April 1                                                                                                                                                                                  | <a href="#">Stat 31A-23a-702(5)(a)</a>                                     |
| Qualified actuary is either: <ul style="list-style-type: none"><li>• independent casualty actuary, or</li><li>• other independent loss reserve specialist approved by Comm'r</li></ul>                    | <a href="#">Stat 31A-23a-702(5)(a)</a>                                     |
| Scope of Opinion: Loss ratios for each LOB; Loss reserves including IBNR; business placed by producer                                                                                                     | <a href="#">Stat 31A-23a-702(5)(a)</a>                                     |

### **Managing General Agent (MGA)**

|                                                                                                                                                        |                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 31A-23a-102(6)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 31A-23a-603(2)</a> |
| Filing deadline: No provision                                                                                                                          |                                     |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                              | <a href="#">Stat 31A-23a-603(2)</a> |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                  |                                     |
|--------------------------------------------------------------------------------------------------|-------------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 31A-23a-102(10)</a> ) sets reserves | <a href="#">Stat 31A-23a-807(3)</a> |
| Filing deadline: No provision                                                                    |                                     |
| Scope of Opinion: Loss reserves; business produced by RM                                         | <a href="#">Stat 31A-23a-807(3)</a> |

### **All Risk Retention Groups (RRG)**

|                                                                                                                                                                                         |                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Opinion required                                                                                                                                                                        | <a href="#">Stat 31A-15-204(2)(a)</a> |
| Filing deadline: No provision                                                                                                                                                           |                                       |
| Qualified actuary is either: <ul style="list-style-type: none"><li>• a member of the American Academy of Actuaries, or</li><li>• a loss reserve specialist approved by Comm'r</li></ul> | <a href="#">Stat 31A-15-204(2)(a)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                 | <a href="#">Stat 31A-15-204(2)(a)</a> |

## State - Utah

### **Captive Insurer**

|                                                                                                                                                                                        |                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Opinion required                                                                                                                                                                       | <a href="#">Rule R590-238-4</a>                                     |
| Filing deadline: March 1                                                                                                                                                               | <a href="#">Stat 31A-37-501(2)(a)</a>                               |
| Branch Captive: 60 days after fiscal year-end                                                                                                                                          | <a href="#">Stat 31A-37-501(4)(a)</a>                               |
| Qualified actuary: <ul style="list-style-type: none"><li>• Fellow or Associate of CAS, and</li><li>• Academy member in good standing, and</li><li>• approved by Commissioner</li></ul> | <a href="#">Rule R590-238-5(4)</a>                                  |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                       | <a href="#">Rule R590-238-5(3)(e)</a>                               |
| May take credit for reserves on risks to reinsurer, if captive complies with requirements                                                                                              | <a href="#">Stat 31A-37-303</a><br><a href="#">Rule R590-238-11</a> |

### **Sponsored Captive**

|                                                                                                                                                                                                       |                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Opinion required                                                                                                                                                                                      | <a href="#">Stat 31A-37-404(2)(a)</a> |
| Qualified actuary is an independent actuary who is not an employee of: <ul style="list-style-type: none"><li>• company filing the SAO, or</li><li>• affiliate of the Company filing the SAO</li></ul> | <a href="#">Stat 31A-37-404(2)(b)</a> |
| Scope of Opinion: Loss and loss adjustment expense reserves                                                                                                                                           | <a href="#">Stat 31A-37-404(2)(a)</a> |
| Discounting:<br>Loss and LAE reserves may be discounted at treasury rates                                                                                                                             | <a href="#">Stat 31A-37-404</a>       |

## State - Utah

### Title Insurer

|                                                                                                                                                                                                                           |                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                          | <a href="#">Stat 31A-4-113.5</a><br><a href="#">Stat 31A-4-113</a><br><a href="#">Rule R590-147-4</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                | Domestic: <u>No</u> <u>Yes</u><br>Foreign: No                                                         |
| Filing deadline: March 1                                                                                                                                                                                                  | <a href="#">Stat 31A-4-113</a><br>NAIC SAO Instr (1)                                                  |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul>                                             | NAIC SAO Instr (1A) Title                                                                             |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                                                 | NAIC SAO Instr (1) Title                                                                              |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                             | NAIC SAO Instr (1) Title                                                                              |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                | <a href="#">Stat 31A-4-113.5</a><br><a href="#">Stat 31A-4-113</a><br><a href="#">Rule R590-147-4</a> |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                            | <a href="#">Stat 31A-4-113.5</a><br><a href="#">Stat 31A-4-113</a><br><a href="#">Rule R590-147-4</a> |
| Insurer must reserve amount necessary to pay loss and LAE                                                                                                                                                                 | <a href="#">Stat 31A-17-402(4)(a)</a><br><a href="#">Rule R590-117-4</a>                              |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                          | NAIC SAO Instr (4) Title                                                                              |
| Title-statutory premium reserve:<br>10 cents per \$1,000 net retained liability or<br>Have commissioner review and approve reinsurance contract which covers exposure or risk<br>Release consistent with NAIC AP&P Manual | <a href="#">Stat 31A-17-408</a><br><a href="#">Stat 31A-17-402</a><br><a href="#">Rule R590-117-4</a> |

## **State - Utah**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Vermont**

### **Contact Information**

|                                   |                                                                                                                                                                                                            |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commissioner:                     | <a href="#">Kaj Samsom</a> <a href="#">Kevin Gaffney</a>                                                                                                                                                   |
| Deputy Commissioner of Captives:  | Sandy Bigglestone                                                                                                                                                                                          |
| Deputy Commissioner of Insurance: | <a href="#">Mary Block</a> <a href="#">Emily Brown</a>                                                                                                                                                     |
| Regulatory Agency:                | State of Vermont<br>Department of Financial Regulation<br>89 Main Street<br>Montpelier, VT 05620-3101<br>(802) 828-3301                                                                                    |
| P/C SAO Contact:                  | <a href="#">Mary Block</a> <a href="#">Emily Brown</a><br>(802) <del>622-4146</del> <a href="#">828-4871</a><br><a href="mailto:emily.brown@mary.block@vermont.gov">emily.brown@mary.block@vermont.gov</a> |
| Captives* SAO Contact:            | Dan Petterson, CPA, CFE, APIR<br>Director of Captive Examinations<br>(802) 828-3304<br><a href="mailto:dan.petterson@vermont.gov">dan.petterson@vermont.gov</a>                                            |

### **Website Information**

|                              |                                                                                       |
|------------------------------|---------------------------------------------------------------------------------------|
| Related Website:             | <a href="#">State of Vermont - Department of Financial Regulation</a>                 |
| Statutes (Stat):             | <a href="#">Vermont Statutes, Title 8</a>                                             |
| Regulations (Reg T):         | <a href="#">Vermont Regulations, Regulation I-90-1</a>                                |
| Regulations (Reg C):         | <a href="#">Captive Ins. Financial Regulation, Regulation 81-2</a>                    |
| Memo 1:                      | Captive Insurance #90/15                                                              |
| Memo 2:                      | Captive Insurance #91/11                                                              |
| Memo 3:                      | Captive Insurance #2000/07                                                            |
| Memo 4:                      | Captive Insurance #2005/02                                                            |
| Memo 5:                      | Captive Insurance #2005/03                                                            |
| Memo 6:                      | Captive Insurance #2016/01                                                            |
| Memo 7:                      | <a href="#">Appointed Actuary Guidance</a> <a href="#">Captive Insurance #2020/01</a> |
| Annual Statement Checklists: | <a href="#">Domestic Captive Annual Statement Filing Instructions</a>                 |

\*Please refer to page A-5 for additional discussion of captives.

## **State - Vermont**

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## State - Vermont

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <a href="#">Stat 3577 (a)</a>                                      |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                                                                                       | Domestic: <u>No</u> <u>Yes</u><br>Foreign: No<br>Captives: No      |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <a href="#">Stat 3562</a>                                          |
| <p><b>Actuary</b></p> <p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>• CAS member in good standing,</li> <li>• qualified to sign opinions for property and casualty ins companies in accordance with CAS qualification standards, and</li> <li>• familiar with valuation requirements for property and casualty ins companies</li> <li>• the Comm'r may disqualify an actuary under specific circumstances</li> <li>• Company employee permitted except as noted</li> </ul> | <a href="#">Stat 3577 (i)</a><br><br><a href="#">Stat 3577 (j)</a> |
| <p><b>Appointment</b></p> <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul>                                                                                                                                                                                  | NAIC SAO Instr (1)                                                 |
| <p><b>Change of Actuary</b></p> <p>Company must:</p> <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                                                                                                                                                  | NAIC SAO Instr (1)                                                 |
| Insurer must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <a href="#">Stat 3561 (a)</a>                                      |
| Insurer must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <a href="#">Stat 3561 (a)</a>                                      |
| <p><b>Reserve amounts:</b></p> <p>Insurer must maintain sound loss and LAE reserves</p>                                                                                                                                                                                                                                                                                                                                                                                                          | <a href="#">Stat 3502</a>                                          |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                                                                                                                                                                                                          | NAIC SAO Instr (4)                                                 |
| Reconciliation: Data to Sched P Pt. 1                                                                                                                                                                                                                                                                                                                                                                                                                                                            | NAIC SAO Instr (4) and (7)                                         |
| <p><b>Material change in assumption:</b></p> <p>Describe change from prior year and impact</p>                                                                                                                                                                                                                                                                                                                                                                                                   | NAIC SAO Instr (6e)                                                |
| <p><b>Other:</b></p> <p>Explain significant changes in reserves set in prior years</p>                                                                                                                                                                                                                                                                                                                                                                                                           | Memo 90/15(5)                                                      |

## State - Vermont

### **Admitted P/C insurer, continued**

|              |                                                                          |
|--------------|--------------------------------------------------------------------------|
| AOS Required | <a href="#">Stat 3577(c)(1)<br/>Domestic Captive Filing Requirements</a> |
| AOS Contact  | Karen Ducharme (Insurance)<br>Dan Petterson(Captives)                    |

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                           |                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">Stat 4816</a><br><a href="#">Stat 4824 (b)(6)</a> |
| Filing deadline: April 1                                                                                                                                                                                  | <a href="#">Stat 4824 (b)(6)</a>                              |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>                 | <a href="#">Stat 4824 (b)(6)</a>                              |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                               | <a href="#">Stat 4824 (b)(6)</a>                              |

### **Managing General Agent (MGA)**

|                                                                                                                                                                                                                                                                                                                                       |                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 4815</a> (GWP $\geq$ 5 percent PHS last AnnStat)                                                                                                                                                                                          | <a href="#">Stat 4819 (a)(2)</a>                               |
| Filing deadline: No provision                                                                                                                                                                                                                                                                                                         |                                                                |
| Qualified Actuary must be: <ul style="list-style-type: none"> <li>• CAS member in good standing,</li> <li>• qualified to sign opinions for property and casualty ins companies in accordance with CAS qualification standards, and</li> <li>• familiar with valuation requirements for property and casualty ins companies</li> </ul> | <a href="#">Stat 4815 (1)</a><br><a href="#">Stat 3577 (i)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                                                                                                                                                                                                             | <a href="#">Stat 4819 (a)(2)</a>                               |

## State - Vermont

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                                                                                                                                                                                                                                                       |                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 4815</a> ) sets reserves                                                                                                                                                                                                                                                 | <a href="#">Stat 4819 (c)(3)</a>                               |
| Filing deadline: No provision                                                                                                                                                                                                                                                                                                         |                                                                |
| Qualified Actuary must be: <ul style="list-style-type: none"> <li>• CAS member in good standing,</li> <li>• qualified to sign opinions for property and casualty ins companies in accordance with CAS qualification standards, and</li> <li>• familiar with valuation requirements for property and casualty ins companies</li> </ul> | <a href="#">Stat 4815 (1)</a><br><a href="#">Stat 3577 (i)</a> |
| Scope of Opinion: Loss reserves; business produces by RM                                                                                                                                                                                                                                                                              | <a href="#">Stat 4819 (c)(3)</a>                               |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                  |                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Opinion required                                                                                                                                 | <a href="#">Stat 6053 (2)(A)</a>      |
| Filing deadline: March 1                                                                                                                         | <a href="#">Foreign RRG checklist</a> |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• qualified loss reserve specialist, or</li> <li>• Academy member</li> </ul> | <a href="#">Stat 6053 (2)(A)</a>      |
| Scope of Opinion: Loss and LAE reserves                                                                                                          | <a href="#">Stat 6053 (2)(A)</a>      |

### **Risk Retention Groups Chartered in Vermont**

|                                                                                                                                                                                                                                                                                             |                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Opinion and Opinion Summary required annually                                                                                                                                                                                                                                               | <a href="#">Reg C-81-2 (rev.), Sect.4</a>                                                                               |
| Original Signature (Handwritten on Paper) Required                                                                                                                                                                                                                                          | No                                                                                                                      |
| Filing deadline: Opinion = March 1; AOS = March 15                                                                                                                                                                                                                                          | <a href="#">Reg C-81-2 (rev.), Sect.4</a>                                                                               |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Approved by Comm'r and:</li> <li>• FCAS, or</li> <li>• Academy member in good standing, or</li> <li>• SOA member in good standing, or</li> <li>• Demonstrated competence in loss reserve evaluation to Comm'r</li> </ul> | <a href="#">Reg C-81-2 (rev.), Sect.4</a><br><a href="#">Appointed Actuary</a><br><a href="#">Guidance Memo 2020/01</a> |

## State - Vermont

### **Risk Retention Groups Chartered in Vermont, continued**

|                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Actuary Appointment</p> <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | <a href="#">Reg C-81-2 (rev.), Sect.4</a><br><a href="#">Appointed Actuary</a><br><a href="#">Guidance</a> <del>Memo 2020/01</del>                                                                   |
| <p>Change of Actuary</p> <p>Company must:</p> <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                         | <a href="#">Appointed Actuary</a><br><a href="#">Guidance</a> <del>Memo 2020/01</del><br><a href="#">Memo 2005/02</a><br><a href="#">Memo 2005/03</a>                                                |
| <p>Insurer must follow NAIC SAO Instructions</p>                                                                                                                                                                                                                                                                 | <a href="#">Reg C-81-2 (rev.), Sect.4</a><br><a href="#">Appointed Actuary</a><br><a href="#">Guidance</a> <del>Memo 2020/01</del><br><a href="#">Memo 2005/02</a><br><a href="#">Memo 2005/03</a>   |
| <p>Insurer must follow NAIC Ann Stat Instructions</p>                                                                                                                                                                                                                                                            | <a href="#">Reg C-81-2 (rev.), Sect.4</a><br><a href="#">Appointed Actuary</a><br><a href="#">Guidance</a> <del>Memo 2020/01</del><br><a href="#">Memo 2005/02</a><br><a href="#">Memo 2005/03</a>   |
| <p>Scope of Opinion: Loss and LAE reserves, gross and net reserves separately</p>                                                                                                                                                                                                                                | <a href="#">Reg C-81-2 (rev.), Sect. 4</a><br><a href="#">Appointed Actuary</a><br><a href="#">Guidance</a> <del>Memo 2020/01</del><br><a href="#">Memo 2000/07</a><br><a href="#">Memo 90/15(3)</a> |
| <p>Reconciliation: Data to Sched P Part 1</p>                                                                                                                                                                                                                                                                    | <a href="#">Memo 2005/02</a><br><a href="#">Memo 2005/03</a><br><a href="#">Memo 90/15(6)</a>                                                                                                        |
| <p>Material change in assumption:<br/>Describe change from prior year and impact</p>                                                                                                                                                                                                                             | <a href="#">Memo 90/15(4)</a>                                                                                                                                                                        |
| <p>Other:<br/>Explain significant changes in reserves set in prior years</p>                                                                                                                                                                                                                                     | <a href="#">Memo 90/15(5)</a>                                                                                                                                                                        |
| <p>Opinion must:</p> <ul style="list-style-type: none"> <li>• be addressed to Deputy Commissioner of Captive Insurance</li> <li>• contain name of approved individual who certifies reserves</li> <li>• be submitted electronically</li> </ul>                                                                   | <a href="#">Memo 90/15(1)</a><br><a href="#">Memo 90/15(2)</a><br><a href="#">Filing Requirements</a>                                                                                                |

## State - Vermont

### **Captive Insurer**

|                                                                                                                                                                                                                                                                                                |                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Opinion required annually                                                                                                                                                                                                                                                                      | <a href="#">Reg C-81-2 (rev.), Sect. 4</a>                                                           |
| Filing deadline: June 30 or 180 days after fiscal year end                                                                                                                                                                                                                                     | <a href="#">Reg C-81-2 (rev.), Sect. 4</a>                                                           |
| Qualified Actuary is approved by Comm'r and: <ul style="list-style-type: none"> <li>• FCAS, or</li> <li>• Academy member in good standing, or</li> <li>• SOA member in good standing, or</li> <li>• individual who has demonstrated competence in loss reserve evaluation to Comm'r</li> </ul> | <a href="#">Reg C-81-2 (rev.), Sect.4</a><br><a href="#">Appointed Actuary Guidance Memo 2020/01</a> |
| Scope of Opinion: Loss and LAE reserves; gross and net reserves separately                                                                                                                                                                                                                     | <a href="#">Reg C-81-2 (rev.), Sect. 4</a><br>Memo 90/15(3)<br>Memo 2000/07                          |
| Reconciliation:<br>Explain significant changes to reserves shown in Annual Report                                                                                                                                                                                                              | Memo 90/15(6)                                                                                        |
| Material change in assumption:<br>Captive Insurer - Explain change from prior year                                                                                                                                                                                                             | Memo 90/15(4)                                                                                        |
| State total o/s loss and LAE reserves.                                                                                                                                                                                                                                                         | Memo 90/15(3)<br>Memo 2000/07                                                                        |
| Opinion must: <ul style="list-style-type: none"> <li>• be addressed to Deputy Commissioner of Captive Insurance</li> <li>• contain name of approved individual who certifies reserves</li> <li>• be submitted electronically</li> </ul>                                                        | Memo 90/15(1)<br>Memo 90/15(2)<br><a href="#">Filing Requirements</a>                                |
| AOS Contact                                                                                                                                                                                                                                                                                    | Dan Petterson                                                                                        |

### **Intermunicipal Association (Assn)**

|                                                                                                                                                                                                                                       |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Opinion required (assn defined in <a href="#">Reg T 2 D</a> )                                                                                                                                                                         | <a href="#">Reg T 12 D</a>   |
| Filing deadline: 120 days after end of fiscal year                                                                                                                                                                                    | <a href="#">Reg T 12 A</a>   |
| Qualified Actuary must be: <ul style="list-style-type: none"> <li>• not an employee of the assn,</li> <li>• meets Academy qualification standards, and</li> <li>• experienced in the area of self-insured programs</li> </ul>         | <a href="#">Reg T 2 B</a>    |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                               | <a href="#">Reg T 12 D</a>   |
| Discounting: Not allowed unless approved by Comm'r. Actuary must certify that discounting is in accordance with "customary practice of the traditional insurance industry and will not adversely affect the fiscal integrity" of assn | <a href="#">Reg T 12 C.1</a> |

## State - Vermont

### **Title Insurer**

|                                                                                                                                                                                               |                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Opinion required                                                                                                                                                                              | <a href="#">Stat 3577 (a)</a>                                 |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                    | Domestic: <u>No</u> <u>Yes</u><br>Foreign: No<br>Captives: No |
| Filing deadline: March 1                                                                                                                                                                      | <a href="#">Stat 3562</a>                                     |
| Actuary<br>Qualifications either <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul>          | NAIC SAO Instr (1A) Title                                     |
| Appointment <ul style="list-style-type: none"> <li>• by Board of Directors or equivalent</li> <li>• by December 31</li> <li>• reports to Board</li> </ul>                                     | NAIC SAO Instr (1) Title                                      |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul> | NAIC SAO Instr (1) Title                                      |
| Insurer must follow NAIC SAO Instructions                                                                                                                                                     | <a href="#">Stat 3561 (a)</a>                                 |
| Insurer must follow NAIC AnnStat Instructions                                                                                                                                                 | <a href="#">Stat 3561 (a)</a>                                 |
| Insurer must maintain sound loss and LAE reserves                                                                                                                                             | <a href="#">Stat 3502</a>                                     |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                              | NAIC SAO Instr (4) Title                                      |

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Small companies: <ul style="list-style-type: none"> <li>▪ less than \$1 million D&amp;A WP, and</li> <li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li> </ul> </li> <li>• Under supervision or conservatorship</li> <li>• Nature of business - submit to domiciliary Comm'r</li> <li>• Financial hardship <ul style="list-style-type: none"> <li>▪ submit to comm'r. Exemption may be granted at any time and from time to time for specified period(s)</li> </ul> </li> <li>• File for exemption by December 1</li> </ul> | NAIC SAO Instr (1B)<br><a href="#">Stat 3577 (k)</a> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|

## **State - Vermont**

### ***Memos***

#### **MEMO #90/15**

TO: All Captive Actuaries Doing Business in Vermont

FROM: Leonard D. Crouse, Director of Captive Insurance

DATE: December 7, 1990

SUBJECT: Certification of Loss Reserves and Loss Expense Reserves

In addition to the requirements stated in Captive Insurance Financial Regulation 81-2, Section 3 (E), the following information is required to be included in all Loss Reserve Certifications for the year ended December 31, 1990.

- 1) Certification should be addressed to Leonard D. Crouse, Director of Captives.
- 2) Certifications must include the name of the approved individual who certifies the adequacy of the reserves.
- 3) Certifications must state the amount of the total outstanding loss reserves, and the loss expense reserves, as of December 31, 1990.
- 4) Certifications should include an explanation of any changes in the methodology used to determine the reserves from the previous year.
- 5) Certifications should include an explanation of any significant changes to reserves set in prior years.
- 6) Certifications should include an explanation of any significant changes to the reserves as shown in the Annual Report filed with this Department.

Thank you for your cooperation.

cc: All Captive Managers

## **State - Vermont**

### **MEMO #2000/07**

TO: All Captive Insurance Actuaries Doing Business in Vermont

FROM: Leonard L. Crouse, Director of Captive Insurance

DATE: August 18, 2000

SUBJECT: Certification of Loss Reserves and Loss Expense Reserves

In addition to the requirements stated in Captive Insurance Financial Regulation 81-2, Section 3 (E), the following information is required to be included in all Actuarial Opinions beginning with the year ended December 31, 2000:

Certifications must state a separate amount for the following net and gross reserves:

- Reserve for Unpaid Losses and Loss Adjustment Expenses – Direct and Assumed
- Net Reserve for Unpaid Losses and Loss Adjustment Expenses (less reinsurance recoverable)

Thank you for your cooperation.

cc: All Captive Managers

## **State - Vermont**

### **MEMO #2005/02**

TO:                   Captive Managers

FROM:                Len Crouse, Deputy Commissioner of Captive Insurance

DATE:                February 7, 2005

SUBJECT:            Actuarial Opinions

Please be advised that the NAIC has made changes to the Statement of Actuarial Opinion instructions effective for loss reserves as of December 31, 2004. This Department requires that the changes be implemented for all Risk Retention Group and Association captive insurance companies domiciled in Vermont.

The new instructions include additional required disclosures, and a new “data testing requirement.” Under the new data testing requirements, company management is required to instruct the independent CPA to subject the data used by the appointed actuary to testing procedures.

The Department has always felt, that for any captive, the independent CPA is required to test the data used by the appointed actuary. Although this may be the case, there are now formal rules in place which are required for all Risk Retention Group and Association captives.

cc:                Approved Actuaries  
                      Approved CPA's

## **State - Vermont**

### **MEMO #2005/03**

TO:                   Captive Managers

FROM:               Peter Raymond, Director of Financial Examinations

DATE:               May 20, 2005

SUBJECT:           Actuarial Opinions

As you already know, the NAIC has made changes to the Statement of Actuarial Opinion instructions. Some of the changes are effective for loss reserves as of December 31, 2004 and some are effective as of December 31, 2005. This Department requires that the changes be implemented for all Risk Retention group and Association captive insurance companies domiciled in Vermont.

In summary, the NACI has made the following recent changes:

- Revamped the Statement of Actuarial Opinion instructions.
- Implemented a new data testing rule.
- Requires companies to disclose previous disputes when they replace their actuary.
- Introduced a new Actuarial Opinion Summary for regulators.
- Developed a new model law to protect the confidentiality of the Actuarial Opinion Summary.

...

## **State - Vermont**

### **MEMO #2016/01**

TO: Vermont Captive Managers

FROM: Sandy Bigglestone, Director of Captive Insurance

DATE: January 13, 2016

SUBJECT: Annual Filings – Updates & Reminders (with attachments)

For your information and assistance in preparing the 2015 year-end and other annual filings, please note the Department website includes comprehensive listings of filing requirements by type of captive:

<http://www.dfr.vermont.gov/captives/annual-filing-instructions-vermont-domestic-captives>

New –

Specific to risk retention groups, and in accordance with NAIC standards, the Department requires the Actuarial Opinion to be filed on or before March 1 and the Actuarial Opinion Summary to be filed on or before March 15. The Department is in the process of drafting revisions to Regulation C-81-2 to correspond with the change.

The change in the Actuarial Opinion and Actuarial Opinion summary filing dates will bring risk retention groups into alignment with NAIC filing timeframes and further, to acknowledge the actuary is opinion on the year-end balances contained within the NAIC Annual Statement. We find that the majority of risk retention groups do file these documents by March 1, even though Regulation C-81-2 imposes a filing date of June 30. Risk retention groups are encouraged to file the December 31, 2015 opinions in accordance with the new requirements; however, given the short notice, the Department will allow, by individual request, another year to come into compliance with the new requirement. ...

## State - Vermont

### MEMO #2020-01

**TO:** Vermont Approved Actuaries

**CC:** Vermont Captive Manager Contacts; Direct Company Contacts; RRG Contacts; Legal Contacts; Other Industry Contacts; Service Provider Industry Contacts

**FROM:** David Provost, Deputy Commissioner of Captive Insurance

**DATE:** January 16, 2020

**SUBJECT:** Guidance on Appointed P&C Actuaries effective 12/31/2019

~~There are now competing property/casualty actuarial educational organizations, and no specific standards setting the minimum level of education expected for an Appointed Actuary in the United States insurance industry. The NAIC has developed new minimum standards designed to avoid any potential development of lower educational standards in a competitive environment, to ensure Appointed Actuaries can be expected to have a minimum level of education to perform the duties of an Appointed Actuary, and to provide regulatory expectations of a profession that provides a vital service for regulators and the public by issuance of the financial statement actuarial opinion. The new standards are incorporated into the P&C annual statement instructions and are to be implemented commencing with the 2019 annual statement.~~

~~The NAIC's updated "2019 Property/Casualty Annual Statement Instructions" changed the definition of "Qualified Actuary" and requires each company's Appointed Actuary to provide documentation of how their Appointed Actuary meets that definition. Vermont Risk Retention Groups should ensure their Appointed Actuary follows this guidance beginning with reserve opinions as of December 31, 2019.~~

~~The Appointed Actuary shall provide the qualification documentation on occasion of their appointment, and annually thereafter. To allow some transition for Vermont companies, actuaries that were appointed prior to 12/31/2019 can deliver the qualifications communication to the companies when the 2019 opinions are issued. When the Board of Directors meets sometime during 2020, they can formally accept the documentation for 2019 year end opinions. For the avoidance of doubt, we are not requiring special meetings of the Board to implement this change. Subsequent annual qualification documents can then be part of regularly scheduled meetings. New appointees after 1/1/2020 should provide their qualifications upon appointment. Like the actuary appointment itself, we will expect the qualifications acknowledgement to be documented in the Company's Board of Director meeting minutes.~~

~~Here are some helpful links:~~

- ~~NAIC annual statement instructions changes: [NAIC Instructions](#)~~
- ~~The American Academy of Actuaries website: [www.actuary.org](http://www.actuary.org), look for the 2019 practice note. Some content is available only to members of the Academy.~~
- ~~Regulatory Guidance from the NAIC, including sample communications template: [https://content.naic.org/sites/default/files/inline\\_files/Regulatory%20Guidance%202019%2010-25-19\\_0.pdf](https://content.naic.org/sites/default/files/inline_files/Regulatory%20Guidance%202019%2010-25-19_0.pdf)~~

## **State - Vermont**

These new requirements are the ~~de facto industry standard, required for all companies that file with the NAIC, including Vermont-domiciled risk retention groups. We plan to update Vermont Regulation C-1981-02 to implement the new standards for all captives in the near future and will revise our Approved Actuary application accordingly.~~

Thank you

## **State – Virginia**

### **Contact Information**

|                              |                                                                                                                                                                                                   |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commissioner:                | Scott A. White                                                                                                                                                                                    |
| Regulatory Agency:           | Virginia State Corporation Commission<br>Bureau of Insurance<br>(Mail Delivery) (Hand Delivery)<br>P.O. Box 1157 1300 East Main Street<br>Richmond, VA 23218 Richmond, VA 23219<br>(804) 371-9741 |
| Captives* & P/C SAO Contact: | Connie Duong, CPA, MHP<br>Supervisor, Financial Analysis Section<br>(804) 371-9901<br><a href="mailto:connie.duong@scc.virginia.gov">connie.duong@scc.virginia.gov</a>                            |

### **Website Information**

|                              |                                                                                                                                                                                   |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Related Website:             | <a href="https://scc.virginia.gov/pages/Administration-of-Insurance-Regulation-in-Virginia">https://scc.virginia.gov/pages/Administration-of-Insurance-Regulation-in-Virginia</a> |
| Statutes (Stat):             | <a href="#">Code of Virginia, Title 38.2</a>                                                                                                                                      |
| Regulations (Reg):           | <a href="#">Virginia Administrative Code, Bureau of Insurance, Title 14</a>                                                                                                       |
| Admin Letters (AL):          | <a href="#">Bureau of Insurance, Administrative Letters</a>                                                                                                                       |
| Annual Statement Checklists: | <a href="#">Property &amp; Casualty Insurers Annual Statement Checklist</a><br><a href="#">Title Insurers Annual Statement Checklist</a>                                          |

\*Please refer to page A-5 for additional discussion of captives.

## **State – Virginia**

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#### Title Insurer

#### SAO Exemptions

## State – Virginia

### **Admitted P/C Insurer**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <a href="#">Stat 38.2-1315.1</a><br><a href="#">AL 1999-8</a>                                         |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | No                                                                                                    |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <a href="#">Stat 38.2-1315.1(E)</a><br><a href="#">Stat 38.2-1300(A)</a><br><a href="#">AL 1999-8</a> |
| <p><b>Actuary</b><br/> <b>Qualifications</b><br/> Meets basic education, experience, and continuing education requirements of the Specific Qualification Standard for Statements of Actuarial Opinion, NAIC Property and Casualty Annual Statement, as set forth in the <i>Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States</i> and is either:</p> <ul style="list-style-type: none"> <li>• Academy member in good standing qualified to sign SAO in accordance with Academy Qualification Standards, or</li> <li>• Individual acceptable to the Commission who is either a Fellow or an Associate of the SOA or CAS</li> <li>• Company employee permitted except as noted</li> </ul> | NAIC SAO Inst. (1A)<br><a href="#">AL 1999-8</a>                                                      |
| <p><b>Appointment</b></p> <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <a href="#">AL 1999-8</a>                                                                             |
| <p><b>Change of Actuary</b><br/> Company must:</p> <ul style="list-style-type: none"> <li>• Notify Comm'r within 5 days</li> <li>• Provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | NAIC SAO Instr (1)<br><a href="#">AL 1999-8</a>                                                       |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <a href="#">Stat 38.2-1315.1(A)</a><br><a href="#">AL 1999-8</a>                                      |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <a href="#">Stat 38.2-1315.1(A)</a><br><a href="#">Stat 38.2-1300(C)</a>                              |
| Reserve amounts:<br>Insurer must maintain reserves estimated to be sufficient to provide for the payment of loss and LAE on claims for which the insurer may be liable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <a href="#">Stat 38.2-1314</a>                                                                        |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | NAIC SAO Instr (4)                                                                                    |

## State – Virginia

### **Admitted P/C Insurer, continued**

|                                                                                                                                                                                                     |                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Minimum reserves:<br>Home protection companies - Reserves shall equal at least 50 percent of premiums received from all contracts in force in Virginia, less applicable reinsurance and paid losses | <a href="#">Stat 38.2-2606</a>      |
| Data Evaluation:<br>If actuary relies on another person to determine accuracy of underlying records, that person must submit statement certifying accuracy of records                               | <a href="#">AL 1999-8</a>           |
| AOS Required                                                                                                                                                                                        | <a href="#">Stat 38.2-1315.1(B)</a> |
| Confidentiality or Other Information                                                                                                                                                                | <a href="#">Stat 38.2-1315.1(F)</a> |
| AOS Contact                                                                                                                                                                                         | Connie Duong                        |

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                           |                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">Stat 38.2-1343(A)</a><br><a href="#">Stat 38.2-1343(E)(1)</a> |
| Filing deadline: Last day of February                                                                                                                                                                     | <a href="#">Stat 38.2-1343(E)(1)</a>                                      |
| Qualified Actuary: independent casualty actuary                                                                                                                                                           | <a href="#">Stat 38.2-1343(E)(1)</a>                                      |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                               | <a href="#">Stat 38.2-1343(E)(1)</a>                                      |

### **Managing General Agent (MGA)**

|                                                                                                                                                   |                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 38.2-1358</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 38.2-1361(B)</a> |
| Filing deadline: No provision                                                                                                                     |                                   |
| Qualified Actuary: Academy member in good standing                                                                                                | <a href="#">Stat 38.2-1358</a>    |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                         | <a href="#">Stat 38.2-1361(B)</a> |

## State – Virginia

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                            |                                   |
|--------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 38.2-1347</a> ) sets reserves | <a href="#">Stat 38.2-1354(C)</a> |
| Filing deadline: No provision                                                              |                                   |
| Qualified Actuary: Academy member in good standing                                         | <a href="#">Stat 38.2-1347</a>    |
| Scope of Opinion: Loss reserves; business produced by RM                                   | <a href="#">Stat 38.2-1354(C)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                        |                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Opinion required                                                                                                                                       | <a href="#">Stat 38.2-5103(2)(a)</a> |
| Filing deadline: No provision                                                                                                                          |                                      |
| Qualified Actuary is either: <ul style="list-style-type: none"><li>• Qualified loss reserve specialist per NAIC, or</li><li>• Academy member</li></ul> | <a href="#">Stat 38.2-5103(2)(a)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                | <a href="#">Stat 38.2-5103(2)(a)</a> |

### **Captives, Reciprocals, Home Protection Companies, Legal Service Plans**

|                                                                                                                                                                                                     |                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Opinion required                                                                                                                                                                                    | <a href="#">Stat 38.2-1315.1</a><br><a href="#">AL 1999-8</a> |
| Minimum reserves - Home protection companies:<br>Reserves shall equal at least 50 percent of premiums received from all contracts in force in Virginia, less applicable reinsurance and paid losses | <a href="#">Stat 38.2-2606</a>                                |

### **Mutual Assessment Property & Casualty Insurers**

|                                                                                                   |                                                               |
|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Opinion required if company has at least 500 members and \$500,000 in annual assessments received | <a href="#">Stat 38.2-1315.1</a><br><a href="#">AL 1999-8</a> |
|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------|

## State – Virginia

### Title Insurer

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <a href="#">Stat 38.2-1315.1</a><br><a href="#">Stat 38.2-4610.2(A)</a><br><a href="#">AL 1999-8</a>                                                                                                        |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | No                                                                                                                                                                                                          |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <a href="#">AL 1999-8</a>                                                                                                                                                                                   |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> <li>• Company employee permitted except as noted</li> </ul>                                                                                                                                                                                                                                                                                                                                           | NAIC SAO Instr (1A) Title                                                                                                                                                                                   |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                     | NAIC SAO Instr (1) Title<br><a href="#">AL 1999-8</a>                                                                                                                                                       |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• Notify Comm'r within 5 days</li> <li>• Provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                 | NAIC SAO Instr (1) Title<br><a href="#">AL 1999-8</a>                                                                                                                                                       |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <a href="#">Stat 38.2-1315.1(A)</a><br><a href="#">AL 1999-8</a>                                                                                                                                            |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <a href="#">Stat 38.2-4610.2(A)</a>                                                                                                                                                                         |
| Reserve amounts:<br>Must evaluate reserves for both losses and unearned premiums<br><br>Must be used when calculating the release of the unearned premium reserve<br><br>Insurer must maintain reserves estimated to be sufficient to provide for the payment of loss and LAE on claims for which it has received notice<br><br>Domestic - Must include excess of qualified actuary's projection over held reserves; may be discounted (see below)<br><br>Foreign or alien title insurance company - Must include excess of qualified actuary's projection over held reserves | <a href="#">Stat 38.2-4610.2(A)</a><br><br><a href="#">Stat. 38.2-4610.1(F)</a><br><br><a href="#">Stat 38.2-4609</a><br><br><a href="#">Stat 38.2-4610.2(B)</a><br><br><a href="#">Stat 38.2-4610.2(C)</a> |
| Scope of Opinion:<br>Includes unearned premium reserves and loss reserves                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <a href="#">Stat 38.2-4610.2(A)</a>                                                                                                                                                                         |

## State – Virginia

### **Title Insurer, continued**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <p>Statutory premium reserve</p> <p>Domestic - Initially, sum of</p> <p>(1) unearned premium reserve on June 30, 1986</p> <p>(2) \$1.50 per policy and 12.5 cents per \$1,000 net retained liability on risks written after June 30, 1986;</p> <p>released 10 percent per year for first five years, and 3.33 percent per year thereafter</p> <p>Other - Pursuant to the reserving laws of that foreign title insurance company's domiciliary regulator, so long as domiciliary regulator is accredited by NAIC's Accreditation Program</p> | <p><a href="#">Stat 38.2-4610.1(D)</a></p> <p><a href="#">Stat 38.2-4610.1(F)</a></p> <p><a href="#">Stat 38.2-4610.1:1</a></p> |
| <p>Discounting – domestic:</p> <p>For excess of qualified actuary's projection over held reserves, may discount; interest rate shall be</p> <p>(1) based on portfolio interest rate approach with provision for risk margins, and</p> <p>(2) subject to actuarial standards for discounting</p>                                                                                                                                                                                                                                             | <p><a href="#">Stat 38.2-4610.2(B)</a></p>                                                                                      |
| <p>Data Evaluation:</p> <p>If actuary relies on another person to determine accuracy of underlying records, that person must submit statement certifying accuracy of records</p>                                                                                                                                                                                                                                                                                                                                                            | <p><a href="#">AL 1999-8</a></p>                                                                                                |

### **SAO Exemptions**

|                                                                                                                                                                       |                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <p>Filing deadline: December 1</p> <p>Under supervision: Submit to Comm'r</p> <p>Nature of business: Submit to Comm'r</p> <p>Financial hardship: Submit to Comm'r</p> | <p><a href="#">Stat 38.2-1315.1</a></p> <p><a href="#">AL 1999-8</a></p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|

## **State - Washington**

### **Contact Information**

|                    |                                                                                                                                              |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Commissioner:      | Patricia Kuderer                                                                                                                             |
| Regulatory Agency: | Office of Insurance Commissioner                                                                                                             |
| Mailing Address:   | Washington State<br>P.O. Box 40255<br>Olympia, Washington 98504-0255                                                                         |
| Street Address:    | 5000 Capitol Boulevard, SE<br>Tumwater, WA 98501<br>(360) 725-7000                                                                           |
| P/C SAO Contact:   | Steven E. Drutz, CPA, CFE<br>Chief Financial Analyst<br>(360) 725-7209<br><a href="mailto:Steve.Drutz@oic.wa.gov">Steve.Drutz@oic.wa.gov</a> |

### **Website Information**

|                              |                                                                                 |
|------------------------------|---------------------------------------------------------------------------------|
| Related Website:             | <a href="http://www.insurance.wa.gov">www.insurance.wa.gov</a>                  |
| Statutes (Stat):             | Revised Code of Washington, <a href="#">Title 42</a> , <a href="#">Title 48</a> |
| Regulations (Reg):           | Washington Administrative Code, <a href="#">Title 284</a>                       |
| Annual Statement Checklists: | <a href="#">Financial Filing Checklists</a>                                     |

## **State - Washington**

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## State - Washington

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <a href="#">Stat 48.05.383</a><br><a href="#">Reg 284-07-060 (2)</a>   |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                                                                                                                                        | No [ <a href="#">Reg 284-07-060 (2)(c)</a> ]                           |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <a href="#">Stat 48.05.250(1)</a><br><a href="#">Stat 48.05.400(1)</a> |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains accepted actuarial designation</li> <li>• Is a member of a professional actuarial association, or</li> <li>• Academy member approved by Casualty Practice Council, or</li> <li>• Person with documented experience, skill, and knowledge equivalent to CAS or AAA member, and with approval of Comm'r</li> </ul> | <a href="#">Reg 284-07-060 (4)</a>                                     |
| Affiliation<br>Company employee permitted, except as noted                                                                                                                                                                                                                                                                                                                                                                                                                        | NAIC SAO Instr (1A)                                                    |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul>                                                                                                                                                                                 | NAIC SAO Instr (1)                                                     |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                                                                                                                                                     | NAIC SAO Instr (1)                                                     |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                        | <a href="#">Stat 48.05.383</a><br><a href="#">Reg 284-07-060 (2)</a>   |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                    | <a href="#">Stat 48.05.383</a><br><a href="#">Reg 284-07-060 (2)</a>   |
| Reserve amounts:<br>Insurer must maintain adequate loss reserves                                                                                                                                                                                                                                                                                                                                                                                                                  | <a href="#">Stat 48.12.080(2)</a>                                      |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                     |

## State - Washington

### **Admitted P/C Insurer, continued**

|                                                                                                                                                                                                                                                                                                                                                                                            |                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Personal injury liab & employer's liab insurance <ul style="list-style-type: none"> <li>• shall be computed in accordance with accepted loss reserving standards and principles</li> <li>• liability policies written during the 3 years immediately preceding the date of determination shall include any additional reserves required by the AnnStat Instructions of the NAIC</li> </ul> | <a href="#">Stat 48.12.090</a>                                     |
| AOS Required                                                                                                                                                                                                                                                                                                                                                                               | <a href="#">Stat 48.05.383(2) and (3)</a>                          |
| Confidentiality or Other Information                                                                                                                                                                                                                                                                                                                                                       | <a href="#">Stat 48.05.385</a> ,<br><a href="#">Stat 42.56.403</a> |
| AOS Contact                                                                                                                                                                                                                                                                                                                                                                                | Steven Drutz                                                       |

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                           |                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">Stat 48.97.015(1)</a><br><a href="#">Stat 48.97.015(4)(a)</a> |
| Filing deadline: April 1                                                                                                                                                                                  | <a href="#">Stat 48.97.015(4)(a)</a>                                      |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>                 | <a href="#">Stat 48.97.015(4)(a)</a>                                      |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                               | <a href="#">Stat 48.97.015(4)(a)</a>                                      |

### **Managing General Agent (MGA)**

|                                                                                                   |                                   |
|---------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if MGA (as defined in <a href="#">Stat 48.98.005(3)</a> ) sets reserves | <a href="#">Stat 48.98.020(2)</a> |
| Filing deadline: No provision                                                                     |                                   |
| Qualified actuary: Academy member in good standing                                                | <a href="#">Stat 48.98.005(1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                         | <a href="#">Stat 48.98.020(2)</a> |

## State - Washington

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                   |                                   |
|---------------------------------------------------------------------------------------------------|-----------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 48.94.005(5,6,7)</a> ) sets reserves | <a href="#">Stat 48.94.040(3)</a> |
| Filing deadline: No provision                                                                     |                                   |
| Qualified Actuary: Academy member in good standing                                                | <a href="#">Stat 48.94.005(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                          | <a href="#">Stat 48.94.040(3)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                                    |                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Opinion required                                                                                                                                                   | <a href="#">Stat 48.92.040(2)(a)</a> |
| Filing deadline: No provision                                                                                                                                      |                                      |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• Academy member, or</li> <li>• qualified loss reserve specialist per NAIC criteria</li> </ul> | <a href="#">Stat 48.92.040(2)(a)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                            | <a href="#">Stat 48.92.040(2)(a)</a> |

### **Title Insurer**

|                                                                                                                                                                                                                                     |                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                    | <a href="#">Stat 48.05.400(1)</a><br><a href="#">Reg 284-07-060 (2)</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                          | No [ <a href="#">Reg 284-07-060 (2)(c)</a> ]                            |
| Filing deadline: March 1                                                                                                                                                                                                            | <a href="#">Stat 48.05.400(1)</a><br><a href="#">Reg 284-07-060</a>     |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> <li>• Company employee permitted except as noted</li> </ul> | NAIC SAO Instr (1A) Title                                               |
| Appointment <ul style="list-style-type: none"> <li>• by Board of Directors or equivalent</li> <li>• by December 31</li> <li>• reports to Board</li> </ul>                                                                           | NAIC SAO Instr (1) Title                                                |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                       | NAIC SAO Instr (1) Title                                                |

## State - Washington

### **Title Insurer, continued**

|                                                |                                    |
|------------------------------------------------|------------------------------------|
| Insurers must follow NAIC SAO Instructions     | <a href="#">Reg 284-07-060 (2)</a> |
| Insurers must follow NAIC AnnStat Instructions | <a href="#">Reg 284-07-060 (2)</a> |
| Insurer must maintain adequate loss reserves   | <a href="#">Stat 48.12.080(2)</a>  |
| Scope of Opinion: Loss and LAE reserves        | NAIC SAO Instr (4)                 |
| Unearned premium reserve: See statute          | <a href="#">Stat 48.29.120</a>     |
| Special reserve: See statute                   | <a href="#">Stat 48.29.120</a>     |

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under rehabilitation or liquidation</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds the lesser of:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State – West Virginia**

### **Contact Information**

Commissioner: Allan L. McVey

Regulatory Agency: West Virginia Offices of the Insurance Commissioner

Mailing Address: P.O. Box 50540  
Charleston, WV 25305-0540

Physical Address: West Virginia Lottery Building  
900 Pennsylvania Avenue  
Charleston, WV 25302  
General Consumer Service: (304) 558-3386  
Executive Offices: (304) 558-3354

P/C and Captives\* SAO Contact: [Justin Parr](#)  
[Melinda Kiss](#)  
[Insurance Director, Financial Conditions Assistant](#)  
[Commissioner](#)  
[\(304\) 414-8493](#)  
[558-2100](#)  
[melinda.a.kiss](#)[Justin.E.Parr@wv.gov](mailto:Justin.E.Parr@wv.gov)

### **Website Information**

Related Website: <http://www.wvinsurance.gov/>

Statutes (Stat): [Insurance Code, Chapter 33](#)

Regulations (Reg): [West Virginia Code of State Rules](#)

Company Information: [State Filing Instructions](#)  
[P&C Checklist](#)  
[Title Checklist](#)

\*Please refer to page A-5 for additional discussion of captives.

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Reinsurance Intermediary-Manager

Foreign Risk Retention Group

#### Title Insurer

#### SAO Exemptions

## State – West Virginia

### **Admitted P/C Insurer and Captive Risk Retention Group (RRG)**

|                                                                                                                                                                                                                                                                                                   |                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | <a href="#">Stat 33-4-14(a)</a><br><a href="#">Stat 33-31-16a</a>      |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | No                                                                     |
| Filing deadline: March 1                                                                                                                                                                                                                                                                          | <a href="#">Stat 33-4-14(a)</a>                                        |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1A)                                                    |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                     |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                     | NAIC SAO Instr (1)                                                     |
| Insurer must follow NAIC SAO Instructions                                                                                                                                                                                                                                                         | <a href="#">Stat 33-4-14(a)</a><br><a href="#">Reg Title 114-41A-2</a> |
| Insurer must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                     | <a href="#">Stat 33-4-14(a)</a>                                        |
| Insurer must maintain adequate loss and LAE reserves                                                                                                                                                                                                                                              | <a href="#">Stat 33-7-5(b)</a><br><a href="#">Stat 33-7-8(b)</a>       |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)<br><a href="#">Stat 33-7-5</a>                      |
| AOS Required                                                                                                                                                                                                                                                                                      | <a href="#">Reg Title 114-41A-2</a>                                    |
| Confidentiality or Other Information                                                                                                                                                                                                                                                              | <a href="#">Reg Title 114-41A-3</a>                                    |
| AOS Contact                                                                                                                                                                                                                                                                                       | <del>Michael D. Crum</del> <a href="#">Justin Parr</a>                 |

## State – West Virginia

### **Producer-Controlled Insurer**

|                                                                                                                                                                                                           |                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">Stat 33-36-4(a)</a><br><a href="#">Stat 33-36-4(d)(1)</a> |
| Filing deadline: April 1                                                                                                                                                                                  | <a href="#">Stat 33-36-4(d)</a>                                       |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>                 | <a href="#">Stat 33-36-4(d)(1)</a>                                    |
| Scope of Opinion: Loss reserves including IBNR; business placed by producer                                                                                                                               | <a href="#">Stat 33-36-4(d)(1)</a>                                    |

### **Managing General Agent**

|                                                                                                                                                    |                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 33-37-1(d)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Stat 33-37-4(b)</a> |
| Filing deadline: No provision                                                                                                                      |                                 |
| Qualified Actuary: Academy member in good standing                                                                                                 | <a href="#">Stat 33-37-1(a)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                          | <a href="#">Stat 33-37-4(b)</a> |

### **Reinsurance Intermediary-Manager**

|                                                                                             |                                 |
|---------------------------------------------------------------------------------------------|---------------------------------|
| Opinion required annually if RM (defined in <a href="#">Stat 33-38-2(i)</a> ) sets reserves | <a href="#">Stat 33-38-9(c)</a> |
| Filing deadline: No provision                                                               |                                 |
| Qualified actuary: Academy member in good standing                                          | <a href="#">Stat 33-38-2(a)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                    | <a href="#">Stat 33-38-9(c)</a> |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                           |                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Opinion required                                                                                                                                          | <a href="#">Stat 33-32-4(e)(1)</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                | No                                 |
| Filing deadline: No provision                                                                                                                             |                                    |
| Qualified actuary is either: <ul style="list-style-type: none"> <li>• qualified loss reserve specialist per NAIC, or</li> <li>• Academy member</li> </ul> | <a href="#">Stat 33-32-4(e)(1)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">Stat 33-32-4(e)(1)</a> |

## State – West Virginia

### **Title Insurer**

|                                                                                                                                                                                               |                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| Opinion required                                                                                                                                                                              | <a href="#">Stat 33-4-14(a)</a>                                  |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                    | No                                                               |
| Filing deadline: March 1                                                                                                                                                                      | <a href="#">Stat 33-4-14(a)</a>                                  |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> </ul>                 | NAIC SAO Instr (1A) Title                                        |
| Appointment <ul style="list-style-type: none"> <li>• by Board of Directors or equivalent</li> <li>• by December 31</li> <li>• reports to Board</li> </ul>                                     | NAIC SAO Instr (1)                                               |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul> | NAIC SAO Instr (1)                                               |
| Insurer must follow NAIC SAO Instructions                                                                                                                                                     | <a href="#">Stat 33-4-14(a)</a>                                  |
| Insurer must follow NAIC AnnStat Instructions                                                                                                                                                 | <a href="#">Stat 33-4-14(a)</a>                                  |
| Insurer must maintain adequate loss and LAE reserves                                                                                                                                          | <a href="#">Stat 33-7-5(b)</a><br><a href="#">Stat 33-7-8(b)</a> |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                              | NAIC SAO Instr (4) Title                                         |

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"> <li>• Small companies: <ul style="list-style-type: none"> <li>▪ less than \$1 million D&amp;A WP and</li> <li>▪ less than \$1 million total D&amp;A loss and LAE reserve at year-end</li> </ul> </li> <li>• Under rehabilitation or liquidation</li> <li>• Nature of business - submit to domiciliary Comm'r</li> <li>• Financial hardship – if cost of SAO exceeds the lesser of: <ul style="list-style-type: none"> <li>▪ 1 percent capital &amp; surplus, or</li> <li>▪ 3 percent D&amp;A WP</li> </ul> </li> <li>• File for exemption by December 1</li> </ul> | NAIC SAO Instr (1B) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## State - Wisconsin

### Contact Information

|

Commissioner: Nathan Houdek

|

Regulatory Agency: State of Wisconsin  
Office of the Commissioner of Insurance  
~~125 S 101 E. Wilson~~<sup>ebster</sup> Street  
Madison, WI 53703-~~3474~~  
(608) 266-3585

|

P/C SAO Contact: Levi Olson~~Jerry DeArmond~~  
Policy and Claim Reserve Specialist  
(608) 264-8125~~7-3558~~  
jerry.dearmondlevi.olson@wisconsin.gov

### Website Information

|

Related Website: <http://oci.wi.gov/laws.htm>

|

Statutes (Stat): [Wisconsin Insurance Statutes](#)

|

Regulations (Reg): [Wisconsin Administrative Code](#)

|

Annual Statement Checklists: [Annual Statement Packets](#)

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## State - Wisconsin

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                          |                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                         | <a href="#">Reg Ins 50.30</a>                                        |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                               | No                                                                   |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                 | <a href="#">Reg Ins 50.20(2)</a><br><a href="#">Reg Ins 50.25(2)</a> |
| <b>Actuary</b><br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1A)                                                  |
| <b>Appointment</b> <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                   |
| <b>Change of Actuary</b><br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                     | NAIC SAO Instr (1)                                                   |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                               | <a href="#">Reg Ins 50.30</a>                                        |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                           | <a href="#">Reg Ins 50.20(1)(b)</a>                                  |
| Comm'r may order insurer to adjust reserves if not appropriate for obligations                                                                                                                                                                                                                           | <a href="#">Stat 623.21</a>                                          |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                                  | NAIC SAO Instr (4)                                                   |
| AOS Required                                                                                                                                                                                                                                                                                             | <a href="#">Reg Ins 50.30(2)</a>                                     |
| Confidentiality or Other Information                                                                                                                                                                                                                                                                     | <a href="#">Reg Ins 50.30(4)</a><br><a href="#">Stat 601.465</a>     |
| AOS Contact                                                                                                                                                                                                                                                                                              | <a href="#">Levi Olson</a><br><a href="#">Jerry DeArmond</a>         |

## State - Wisconsin

### Producer-Controlled Insurer

|                                                                                                                                                                                                           |                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Opinion required if GWP placed by producer is $\geq$ 5 percent of the insurer's admitted assets (as rep'd in September qtrly statement), unless the producer and insurer work exclusively with each other | <a href="#">Reg Ins 45.02(2)(a), (b)</a><br><a href="#">Reg Ins 45.06</a> |
| Filing deadline: April 1                                                                                                                                                                                  | <a href="#">Reg Ins 45.06</a>                                             |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• independent casualty actuary, or</li> <li>• other independent loss reserve specialist approved by Comm'r</li> </ul>                 | <a href="#">Reg Ins 45.06(1)</a>                                          |
| Scope of Opinion: Controlled insurer shall have an audit committee that shall review adequacy of insurer's loss reserves with an independent casualty actuary or an independent loss reserve specialist   | <a href="#">Reg Ins 45.05</a>                                             |

### Managing General Agent (MGA)

|                                                                                                                                                 |                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Reg 42.01(3)</a> (GWP $\geq$ 5 percent PHS last AnnStat) | <a href="#">Reg Ins 42.05(2)</a> |
| Filing deadline: No provision                                                                                                                   |                                  |
| Qualified Actuary: Academy member in good standing                                                                                              | <a href="#">Reg Ins 42.01(1)</a> |
| Scope of Opinion: Loss reserves; business produced by MGA                                                                                       | <a href="#">Reg Ins 42.05(2)</a> |

### Reinsurance Intermediary-Manager (RM)

|                                                                                                   |                                  |
|---------------------------------------------------------------------------------------------------|----------------------------------|
| Opinion required annually if RM (defined in Reg Ins. <a href="#">47.01(6)-(8)</a> ) sets reserves | <a href="#">Reg Ins 47.08(3)</a> |
| Filing deadline: No provision                                                                     |                                  |
| Qualified Actuary: Academy member in good standing                                                | <a href="#">Reg Ins 47.01(1)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                          | <a href="#">Reg Ins 47.08(3)</a> |

## State - Wisconsin

### **Title Insurer**

|                                                                                                                                                                                                                                 |                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                | <a href="#">Reg Ins 50.30</a>                                  |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                      | No                                                             |
| Filing deadline: March 1                                                                                                                                                                                                        | <a href="#">Reg Ins 50.20</a><br><a href="#">Reg Ins 50.25</a> |
| Actuary<br>Qualifications <ul style="list-style-type: none"><li>• CAS member in good standing, or</li><li>• Academy member approved by Casualty Practice Council</li><li>• Company employee permitted except as noted</li></ul> | NAIC SAO Instr (1A) Title                                      |
| Appointment <ul style="list-style-type: none"><li>• By Board of Directors or equivalent</li><li>• By December 31</li><li>• Reports to Board</li></ul>                                                                           | NAIC SAO Instr (1) Title                                       |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"><li>• notify Comm'r within 5 days</li><li>• provide separate letter within 10 days concerning disagreements</li></ul>                                      | NAIC SAO Instr (1) Title                                       |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                      | <a href="#">Reg Ins 50.30</a>                                  |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                  | <a href="#">Reg Ins 50.20(1)(b)</a>                            |
| Comm'r may order insurer to adjust reserves if not appropriate for obligations                                                                                                                                                  | <a href="#">Stat 623.21</a>                                    |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                | NAIC SAO Instr (4) Title                                       |

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"> <li>• Small companies: <ul style="list-style-type: none"> <li>▪ less than \$1 million D&amp;A WP and</li> <li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li> </ul> </li> <li>• Under rehabilitation or liquidation</li> <li>• Nature of business - submit to domiciliary Comm'r</li> <li>• Financial hardship – if cost of SAO exceeds the lesser of: <ul style="list-style-type: none"> <li>▪ 1 percent capital &amp; surplus, or</li> <li>▪ 3 percent D&amp;A WP</li> </ul> </li> <li>• File for exemption by December 1</li> </ul> | NAIC SAO Instr (1B) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

## **State - Wyoming**

### **Contact Information**

Commissioner: Jeffrey P. Rude

Regulatory Agency: Wyoming Department of Insurance  
106 E. 6th Avenue  
Cheyenne, WY 82002  
(307) 777-7401

P/C SAO Contact: Tracy McEwen  
Chief Financial Examiner  
(307) 777-[56196895](#)  
[tracy.mcewen1@wyo.gov](mailto:tracy.mcewen1@wyo.gov)

### **Website Information**

Related Website: <http://doi.wyo.gov>

Statutes (Stat): [Insurance Code, Title 26](#)

Regulations (Reg): [Administrative Rules & Regulations, State Insurance Department](#)

Annual Statement Checklists: [Annual Statement Checklists](#)

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## State - Wyoming

### Admitted P/C Insurer

|                                                                                                                                                                                                                                                                                                   |                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                  | <a href="#">Stat 26-3-204 (a)</a><br><a href="#">Stat 26-6-402</a> |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                        | Domestic: <u>No</u> <u>Yes</u><br>Foreign: No                      |
| Filing deadline: March 1<br>Can be extended up to 30 days by the Comm'r                                                                                                                                                                                                                           | <a href="#">Reg Ins Ch 47 § 2</a>                                  |
| Actuary<br>Qualifications <ul style="list-style-type: none"> <li>• Meets basic education, experience, and continuing education requirements</li> <li>• Maintains an Accepted Actuarial Designation</li> <li>• Is a member of a professional actuarial association</li> </ul>                      | NAIC SAO Instr (1A)                                                |
| Appointment <ul style="list-style-type: none"> <li>• By Board of Directors or equivalent</li> <li>• By December 31</li> <li>• Reports to Board</li> <li>• Actuary qualification documentation provided to Board of Directors at initial appointment <del>and annually thereafter</del></li> </ul> | NAIC SAO Instr (1)                                                 |
| Change of Actuary<br>Company must: <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                     | NAIC SAO Instr (1)                                                 |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                        | <a href="#">Reg Ins Ch 47 § 4</a>                                  |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                    | <a href="#">Reg Ins Ch 47 § 4</a>                                  |
| Reserve amounts:<br>Insurers must maintain adequate loss reserves                                                                                                                                                                                                                                 | <a href="#">Stat 26-6-108</a>                                      |
| Scope of Opinion: Loss and LAE reserves                                                                                                                                                                                                                                                           | NAIC SAO Instr (4)                                                 |
| AOS Required                                                                                                                                                                                                                                                                                      | <a href="#">Stat 26-6-401</a> and <a href="#">Stat 26-6-402</a>    |

## State - Wyoming

### **Broker-Controlled Insurer**

|                                                                                                                                                                                                                                                        |                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Opinion required if broker holds proxies representing $\geq 10$ percent of the voting securities of any other person                                                                                                                                   | <a href="#">Stat 26-44-101 (a)(iii)</a><br><a href="#">Stat 26-45-104 (e)</a> |
| Filing deadline: April 1                                                                                                                                                                                                                               | <a href="#">Stat 26-45-104 (e)</a>                                            |
| Qualified Actuary cannot be an employee of or in any way affiliated with the broker or insurer and is: <ul style="list-style-type: none"> <li>• Academy member in good standing, or</li> <li>• loss reserve specialist acceptable to Comm'r</li> </ul> | <a href="#">Stat 26-45-102 (a)(vi)</a><br><a href="#">Stat 26-45-104 (e)</a>  |
| Scope of Opinion: Loss reserves including IBNR; business placed by broker                                                                                                                                                                              | <a href="#">Stat 26-45-104 (e)</a>                                            |

### **Managing General Agent (MGA)**

|                                                                                                                                                           |                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Opinion required annually if MGA sets reserves and is an MGA as defined in <a href="#">Stat 26-46-101 (a)(ii)</a> (GWP $\geq 5$ percent PHS last AnnStat) | <a href="#">Stat 26-46-104 (b)</a>    |
| Filing deadline: No provision                                                                                                                             |                                       |
| Qualified Actuary: Academy member in good standing                                                                                                        | <a href="#">Stat 26-46-101 (a)(i)</a> |
| Scope of Opinion: Loss reserves; business produced by controlling agent                                                                                   | <a href="#">Stat 26-46-104 (b)</a>    |

### **Reinsurance Intermediary-Manager (RM)**

|                                                                                                      |                                       |
|------------------------------------------------------------------------------------------------------|---------------------------------------|
| Opinion required annually if RM (as defined in <a href="#">Stat 26-47-102 (a)(v)</a> ) sets reserves | <a href="#">Stat 26-47-110 (c)</a>    |
| Filing deadline: No provision                                                                        |                                       |
| Qualified Actuary: Academy member in good standing                                                   | <a href="#">Stat 26-47-102 (a)(i)</a> |
| Scope of Opinion: Loss reserves; business produced by RM                                             | <a href="#">Stat 26-47-110 (c)</a>    |

### **Foreign Risk Retention Group (RRG)**

|                                                                                                                                                           |                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Opinion required                                                                                                                                          | <a href="#">Stat 26-36-105 (c)(i)</a> |
| Filing deadline: No provision                                                                                                                             |                                       |
| Qualified Actuary is either: <ul style="list-style-type: none"> <li>• qualified loss reserve specialist per NAIC, or</li> <li>• Academy member</li> </ul> | <a href="#">Stat 26-36-105 (c)(i)</a> |
| Scope of Opinion: Loss and LAE reserves                                                                                                                   | <a href="#">Stat 26-36-105 (c)(i)</a> |

## State - Wyoming

### **Title Insurer**

|                                                                                                                                                                                                                                                                                                                                                                          |                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Opinion required                                                                                                                                                                                                                                                                                                                                                         | <a href="#">Stat 26-3-204 (a)</a>                                            |
| Original Signature (Handwritten on Paper) Required for SAO                                                                                                                                                                                                                                                                                                               | Domestic: <u>No</u> <u>Yes</u><br>Foreign: No                                |
| Filing deadline: March 1                                                                                                                                                                                                                                                                                                                                                 | <a href="#">Stat 26-3-204 (a)</a>                                            |
| <p><b>Actuary</b></p> <p>Qualifications</p> <ul style="list-style-type: none"> <li>• CAS member in good standing, or</li> <li>• Academy member approved by Casualty Practice Council</li> <li>• Company employee permitted except as noted</li> </ul>                                                                                                                    |                                                                              |
| <p><b>Appointment</b></p> <ul style="list-style-type: none"> <li>• by Board of Directors or equivalent</li> <li>• by December 31</li> <li>• reports to Board</li> </ul>                                                                                                                                                                                                  | NAIC SAO Instr (1A) Title                                                    |
| <p><b>Change of Actuary</b></p> <p>Company must:</p> <ul style="list-style-type: none"> <li>• notify Comm'r within 5 days</li> <li>• provide separate letter within 10 days concerning disagreements</li> </ul>                                                                                                                                                          |                                                                              |
| Insurers must follow NAIC SAO Instructions                                                                                                                                                                                                                                                                                                                               | <a href="#">Reg Ins Ch 47 § 4</a>                                            |
| Insurers must follow NAIC AnnStat Instructions                                                                                                                                                                                                                                                                                                                           | <a href="#">Reg Ins Ch 47 § 4</a>                                            |
| Insurers must maintain adequate loss reserves                                                                                                                                                                                                                                                                                                                            | <a href="#">Stat 26-6-108</a>                                                |
| Scope of Opinion: Loss and loss expense reserves                                                                                                                                                                                                                                                                                                                         | NAIC SAO Instr (4) Title                                                     |
| <p><b>Title-statutory premium reserve</b></p> <p>Domestic: Initially, sum of (1) unearned premium reserve on May 27, 1983 and (2) 20 cents per \$1,000 net retained liability on risks written after May 27, 1983; released according to the most recent NAIC Accounting Practices and Procedures manual</p> <p>Foreign: No lower than amount required for domestics</p> | <a href="#">Stat 26-23-309</a><br><br><br><a href="#">Stat 26-23-309 (c)</a> |

## **State - Wyoming**

### **SAO Exemptions**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>• Small companies:<ul style="list-style-type: none"><li>▪ less than \$1 million D&amp;A WP, and</li><li>▪ less than \$1 million total D&amp;A loss and LAE reserves at year-end</li></ul></li><li>• Under supervision or conservatorship</li><li>• Nature of business - submit to domiciliary Comm'r</li><li>• Financial hardship – if cost of SAO exceeds either:<ul style="list-style-type: none"><li>▪ 1 percent capital &amp; surplus, or</li><li>▪ 3 percent D&amp;A WP</li></ul></li><li>• File for exemption by December 1</li></ul> | NAIC SAO Instr (1B) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|



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