



## Office of Insurance Regulation

### MEMORANDUM

**DATE:** January 29, 2016

**TO:** Life and Health Fraternal Societies - Financial Statement Contact Person

**FROM:** Carolyn Morgan, Director  
Life & Health Financial Oversight

**SUBJECT:** 2016 FILING REQUIREMENTS

This package is designed to assist Fraternal Societies in preparing their filings with the Florida Office of Insurance Regulation (Office). Please be advised that this checklist is provided as a reference document only and is not intended to alter, amend, or replace statutory requirements.

This package has been designed to conform to the format adopted by the NAIC Standard Reporting Formats Working Group. The working group's objective is to move towards uniformity in the states' filing requirements checklists.

Filings shall be made utilizing the 2015 Annual Statement Instructions and Blanks and the 2016 Quarterly Statement Instructions and Blanks adopted by the National Association of Insurance Commissioners (NAIC).

All filings should be made electronically through the Regulatory Electronic Filing System (REFS) via the Industry Portal located at <https://portal.fldfs.com/lfile/default.asp>. This checklist has been revised to reflect the electronic requirements.

Notable highlights from this year's package include:

- See the Notes and Instructions section for the proper filing of the premium tax returns and checks for payment of filing fees and premium tax payments with the Florida Department of Revenue.
- **All Fraternal Societies must file electronically with the NAIC. Foreign insurers who are commercially domiciled in Florida must file according to the Domestic Checklist column.**
- Changes in Actuary now requires a letter from the actuary addressed to the insurer stating whether the actuary agrees with the statements contained in the insurers' letter, and if not, stating the reasons for which he does not agree. The insurer shall provide both of these letters to the Office.
- In addition to the Jurat Page, the Actuarial Opinion, Risk Based Capital Report and Reinsurance Summary Supplement are also **required** to be signed, and scanned to an electronic document. All domestic Fraternal Societies will be required to submit the scanned document as an uploaded document into REFS.

## INSTRUCTIONS FOR FILING REQUIREMENTS: QUESTIONS & ANSWERS

1. **The checklist indicates that the deadlines for filing statements are March 1, May 15, August 15, and November 15. Do they have to be received by the Office on March 1, May 15, August 15, and November 15 or postmarked by these dates?**
  - > The REFS filings must be received by the *Office* no later than 5:00 PM on the applicable due date. Since the NAIC's electronic filing system requires overnight to process any filings, companies need to file the appropriate documents with the NAIC **at least 1 business day** prior to the Office's filing due date.
2. **If a filing requirement deadline falls on a weekend or holiday when is the filing due?**
  - > The deadline would be *moved* to the first business day following the original deadline.
3. **Will companies submitting late statements be fined?**
  - > **Yes.** Furthermore, failure to timely file statements is grounds for suspension of the company's Certificate of Authority.
4. **May I attach *my* check for the premium tax payments to my filing?**
  - > Pursuant to Section 632.626, Florida Statutes, Fraternal Societies are not required to pay Florida premium tax.
5. **May I attach my check for the Annual or Quarterly Statement filing fee to *my* filing?**
  - > Remit Annual Statement filing fees directly to the **Florida Department of Revenue** in accordance with instructions provided in this guide. Since the filing is now electronic, do not provide any filing fee documentation with the filing.
6. **Do I need to attach a bar code to every filing submitted to the Office?**
  - > **N/A due to REFS.**
7. **Where do I obtain the NAIC supplementary forms?**
  - > Obtain these from the same supplier of your NAIC Annual Statement Blank. There are a number of independent companies that provide this service. Please refer to [www.naic.org](http://www.naic.org) for further information.
8. **Does the Office require the filing of Risk Based Capital (RBC) reports?**
  - > **Yes.** This requirement applies to Florida domestics and foreign Fraternal Societies who are commercially domiciled in Florida. Companies must upload the RBC report into a REFS filing.
  - > Requests for the RBC reports of foreign Fraternal Societies will be made on a case-by-case basis as deemed necessary by the *Office*.
9. **I have read the entire package but I still have questions regarding financial filings and/or solvency requirements (vs. rate/form or other). How can I reach the financial analyst in charge of my company?**
  - > To reach Life & Health Financial Oversight directly, dial (850) 413-3153. Support Staff will guide you to the individual analyst assigned to your company. The analyst can then *give* you his/her direct dial number for future reference.

GENERAL INSTRUCTIONS  
FOR COMPANIES TO USE CHECKLIST

Please Note: This state's instructions for companies to file with the NAIC are included in this Checklist. The NAIC will not be sending a checklist this year.

Electronic filing is intended to include filing via the Internet or filing via diskette with the NAIC. Companies that file with the NAIC via the Internet are not required to submit diskettes to the NAIC. Companies are not required to file hard copy filings with the NAIC.

Column (1) (Checklist)

Companies may use the checklist as guidance for filing requirements. Hardcopy checklists are not to be submitted to the Office nor are scanned copies expected to be submitted.

Column (2) (Line#)

Line# refers to a standard filing number used for easy reference. This line number may change from year to year.

Column (3) (Required Filings)

Name of item or form to be filed.

The *Annual Statement Electronic Filing* includes the annual statement data and all supplements due March 1, per the *Annual Statement Instructions*. This includes all detail investment schedules and other supplements for which the *Annual Statement Instructions* exempt printed detail.

The *March .PDF Filing* is the .pdf file for annual statement data, detail for investment schedules and supplements due March 1.

The *Risk-Based Capital Electronic Filing* includes all risk-based capital data.

The *Risk -Based Capital.PDF Filing* is the .pdf file for risk-based capital data.

The *Separate Accounts Electronic Filing* includes the separate accounts annual statement and investment schedule detail.

The *Separate Accounts .PDF Filing* is the .pdf file for the separate accounts annual statement and all investment schedule detail.

The *Supplemental Electronic Filing* includes all supplements due April 1, per the *Annual Statement Instructions*.

The *Supplemental .PDF Filing* is the .pdf file for all supplemental schedules and exhibits due April 1.

The *Quarterly Statement Electronic Filing* includes the complete quarterly statement data.

The *Quarterly Statement .PDF Filing* is the .pdf file for quarterly statement data.

The *June .PDF Filing* is the .pdf file for the Audited Financial Statements and Accountants Letter of Qualifications.

Column (4) (Number of Copies)

Indicates the number of copies that each foreign or domestic company is required to file for each type of form. The Blanks (E) Task Force modified the 1999 *Annual Statement Instructions* to waive paper filings of certain NAIC supplements and certain investment schedule detail if such investment schedule data is available to the states via the NAIC database. The checklists reflect this action taken by the Blanks (EX4) Task Force. XXX appears in the "Number of Copies" "Foreign" column for the appropriate schedules and exhibits. Some states have chosen to waive printed quarterly and annual statements from their foreign insurers and to rely upon the NAIC database for these filings. This waiver could include supplemental annual statement filings. The XXX in this column might signify that the state has waived the paper filing of the annual statement and all supplements.

The Office will be relying on the financial documents filed with the NAIC for all foreign and domestic insurers. The Jurat Page will be required to be signed, notarized and scanned to an electronic document. The scanned document will be required for all foreign and domestic insurers to provide the Jurat Page as an uploaded document into REFS.

**Column (5) (Due Date)**

Indicates the date on which the company must file the form with the Office.

**Column (6) (Form Source)**

This column contains one of three words: "NAIC," "State," or "Company." If this column contains "NAIC," the company must obtain the forms from the appropriate vendor. If this column contains "State," the state will provide the forms with the filing instructions. If this column contains "Company," the company, or its representative (e.g., its CPA firm), is expected to provide the form based upon the appropriate state instructions or the *NAIC Annual Statement Instructions*.

**Column (7) (Applicable Notes)**

This column contains references to the Notes to the Instructions that apply to each item listed on the checklist. The company should carefully read these notes before submitting a filing.

## FRATERNAL SOCIETIES

COMPANY NAME: \_\_\_\_\_ NAIC Company Code: \_\_\_\_\_

Contact: \_\_\_\_\_ Telephone: \_\_\_\_\_

REQUIRED FILINGS IN THE STATE OF: Florida Filings Made During the Year 2016

(1) Checklist	(2) Line #	(3) REQUIRED FILINGS FOR THE ABOVE STATE	(4) NUMBER OF COPIES*			(5) DUE DATE	(6) FORM SOURCE**	(7) APPLICABLE NOTES
			Domestic		Foreign			
			State	NAIC	State			
		<b>I. NAIC FINANCIAL STATEMENTS</b>						
	1	Annual Statement (8 ½"x14")		EO		3/1	NAIC	
	1.1	Printed Investment Schedule detail (Pages E01-E27)		EO	xxx	3/1	NAIC	
	2	Quarterly Financial Statement (8 ½" x 14")		EO		5/15, 8/15, 11/15	NAIC	
	3	Separate Accounts Annual Statement (8 ½"x 14")		EO		3/1	NAIC	
		<b>II. NAIC SUPPLEMENTS</b>						
	10	Accident & Health Policy Experience Exhibit		EO		4/1	NAIC	
	11	Analysis of Annuity Operations by Lines of Business		EO		4/1	NAIC	
	12	Analysis of Increase in Annuity Reserves During Year		EO		4/1	NAIC	
	13	Health Care Exhibit (Parts 1, 2 and 3) Supplement		EO		4/1	NAIC	
	14	Health Care Exhibit's Allocation Report Supplement		EO		4/1	NAIC	
	15	Interest Sensitive Life Insurance Products Report		EO	xxx	4/1	NAIC	
	16	Investment Risk Interrogatories		EO		4/1	NAIC	
	17	Long-Term Care Experience Reporting Forms		EO	xxx	4/1	NAIC	
	18	Management Discussion & Analysis		EO		4/1	Company	
	19	Medicare Supplement Insurance Experience Exhibit		EO	xxx	3/1	NAIC	
	20	Medicare Part D Coverage Supplement		EO		3/1, 5/15, 8/15, 11/15	NAIC	
	21	Risk-Based Capital Report		EO		3/1	NAIC	
	22	Supplemental Compensation Exhibit		N/A	N/A	3/1	NAIC	
	23	Trusteed Surplus Statement		EO	xxx	3/1, 5/15, 8/15, 11/15	NAIC	
	24	XXX/AXXX Reinsurance Exhibit		EO		4/1	NAIC	

		Actuarial Related Items					
25	Actuarial Certification Related Annuity Nonforfeiture Ongoing Compliance for Equity Indexed Annuities		EO		3/1	Company	
26	Actuarial Certification Related to Hedging required by Actuarial Guideline XLIII		EO		3/1	Company	
27	Actuarial Certification Related to Reserves required by Actuarial Guideline XLIII		EO		3/1	Company	
28	Actuarial Certification regarding use 2001 Preferred Class Table		EO		3/1	Company	
29	Actuarial Memorandum Related to Universal Life with Secondary Guarantee Policies required by Actuarial Guideline XXXVIII 8D		N/A	xxx	4/30	Company	
30	Actuarial Opinion		EO		3/1	Company	
31	Actuarial Opinion on X-Factors		EO		3/1	Company	
32	Actuarial Opinion on Separate Accounts Funding Guaranteed Minimum Benefit		EO		3/1	Company	
33	Actuarial Opinion on Synthetic Guaranteed Investment Contracts		EO		3/1	Company	
34	Actuarial Opinion required by Modified Guaranteed Annuity Model Regulation		EO		3/1	Company	
35	Financial Officer Certification Related to Clearly Defined Hedging Strategy required by Actuarial Guideline XLIII		EO		3/1	Company	
36	Management Certification that the Valuation Reflects Management's Intent required by Actuarial Guideline XLIII		EO		3/1	Company	
37	RAAIS required by Actuarial Opinion and Memorandum Regulation (Model 822), Section 7A(5)		N/A	xxx	3/15	Company	
38	Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV		EO	xxx	3/1, 5/15, 8/15, 11/15	Company	
39	Reasonableness & Consistency of Assumptions Certification required by Actuarial Guideline XXXV		EO	xxx	3/1, 5/15, 8/15, 11/15	Company	

	40	Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI		EO	xxx	3/1, 5/15, 8/15, 11/15	Company	
	41	Reasonableness & Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value)		EO	xxx	3/1, 5/15, 8/15, 11/15	Company	
	42	Reasonableness & Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value)		EO	xxx	3/1, 5/15, 8/15, 11/15	Company	
	43	RBC Certification required under C-3 Phase I		EO		3/1	Company	
	44	RBC Certification required under C-3 Phase II		EO		3/1	Company	
	45	Statement on non-guaranteed elements – Exhibit 5 Int. #3		EO		3/1	Company	
	46	Statement on participating/non-participating policies – Exhibit 5, Inter. #1&2		EO		3/1	Company	
		<b>III. ELECTRONIC FILING REQUIREMENTS</b>						
	60	Annual Statement Electronic Filing	xxx	EO	xxx	3/1	NAIC	
	61	March .PDF Filing	xxx	EO	xxx	3/1	NAIC	
	62	Risk-Based Capital Electronic Filing	xxx	EO	N/A	3/1	NAIC	
	63	Risk-Based Capital .PDF Filing	xxx	EO	N/A	3/1	NAIC	
	64	Separate Accounts Electronic Filing	xxx	EO	xxx	3/1	NAIC	
	65	Separate Accounts .PDF Filing	xxx	EO	xxx	3/1	NAIC	
	66	Supplemental Electronic Filing	xxx	EO	xxx	4/1	NAIC	
	67	Supplemental .PDF Filing	xxx	EO	xxx	4/1	NAIC	
	68	Quarterly Statement Electronic Filing	xxx	EO	xxx	5/15, 8/15 & 11/15	NAIC	
	69	Quarterly .PDF Filing	xxx	EO	xxx	5/15, 8/15 & 11/15	NAIC	
	70	June .PDF Filing	xxx	EO	xxx	6/1	NAIC	
		<b>IV. AUDIT/INTERNAL CONTROL RELATED REPORTS</b>						
	81	Accountants Letter of Qualifications		EO	N/A	6/1	Company	
	82	Audited Financial Reports		EO		6/1	Company	
	83	Audited Financial Reports Exemption Affidavit		N/A	N/A		Company	

	84	Communication of Internal Control Related Matters Noted in Audit		N/A	N/A	8/1	Company		
	85	Independent CPA (change)		N/A	N/A		Company		
	86	Management's Report of Internal Control Over Financial Reporting		N/A	N/A	8/1	Company		
	87	Notification of Adverse Financial Condition		N/A	N/A		Company		
	88	Request for Exemption to File		N/A	N/A		Company		
	89	Relief from the five-year rotation requirement for lead audit partner		EO		3/1	Company		
	90	Relief from the one-year cooling off period for independent CPA		EO		3/1	Company		
	91	Relief from the Requirements for Audit Committees		EO		3/1	Company		
		<b>V. STATE REQUIRED FILINGS***</b>							
	101	Certificate of Compliance		0			State		
	102	Certificate of Deposit		0			State		
	103	Certificate of Valuation		0			State		
	104	Filings Checklist (with Column 1 completed)		0			State		
	105	Premium Tax		0			State		
	106	State Filing Fees		0			State		
	107	Signed Jurat	xxx	0			NAIC		
	108								
	109								

\*If XXX appears in this column, this state does not require this filing, if hard copy is filed with the state of domicile and if the data is filed electronically with the NAIC. If N/A appears in this column, the filing is required with the domiciliary state. EO (electronic only filing).

\*\*If Form Source is NAIC, the form should be obtained from the appropriate vendor.

\*\*\*For those states that have adopted the NAIC updated Holding Company Model Act, a Form F filing is required annually by holding company groups. Consistent with the Form B filing requirements, the Form F is a state filing only and should not be submitted by the company to the NAIC. Note however that this filing is intended to be submitted to the lead state. For more information on lead states, see the following NAIC URL: [http://www.naic.org/public\\_lead\\_state\\_report.htm](http://www.naic.org/public_lead_state_report.htm)

	<b>NOTES AND INSTRUCTIONS (A-N APPLY TO ALL FILINGS)</b>
A	<p><b>Required Filings Contact Person:</b></p> <p>All Companies: Life &amp; Health Financial Oversight Phone: (850) 413-3153</p> <p>The instructions herein do not apply to Managed Care Entities, including; HMOs; DMPOs; PLHSOs; or PHCs.</p> <p>Please note the Florida Statutes or Florida Administrative Codes listed in these instructions may be accessed at <a href="http://www.floir.com">http://www.floir.com</a>.</p>
B	<p><b>Mailing Address:</b></p> <p>No <u>longer applicable</u> to financial filings.</p> <p><b>NOTE:</b> Financial filings are to be submitted using the Regulatory Electronic Filing System (REFS) located on the Office's Industry Portal at <a href="https://ipportal.fldfs.com/ifile/default.asp">https://ipportal.fldfs.com/ifile/default.asp</a>. Please refer to the REFS tutorial and user guide posted on the Office's website at <a href="http://www.floir.com/REFS/index.asp">http://www.floir.com/REFS/index.asp</a>.</p>
C	<p><b>Filing Fees, Sections 632.629 and 624.501(3)(4), Florida Statutes:</b></p> <p>The \$250 Annual Statement filing fees <b>should NOT</b> be submitted to the Office.</p> <p>Annual Statement filing fees should be remitted to the <b>Florida Department of Financial Services (DFS)</b> on Form OIR-A2-2034 (annual).</p> <p>FLORIDA DEPARTMENT OF FINANCIAL SERVICES; REVENUE PROCESSING SECTION; PO BOX 6100; TALLAHASSEE, FL 32314-6100.</p> <p>The form is found on the Office's website under the Fraternal Filing Requirements. <a href="http://www.floir.com/">http://www.floir.com/</a></p>
D	<p><b>Premium Tax Payments:</b></p> <p>PURSUANT TO SECTION 632.626, FLORIDA STATUTES, FRATERNAL ORGANIZATIONS ARE NOT REQUIRED TO PAY FLORIDA PREMIUM TAX</p>
E	<p><b>Delivery Instructions, Rule 690-137.001(1)(c), Florida Administrative Code:</b></p> <p>No longer applicable.</p>
F	<p><b>Late Filings:</b></p> <p>Societies will be fined \$100 per day for late filings. The Society's license may be suspended if filings are not received timely.</p>
G	<p><b>Original Signatures:</b></p> <p>The Jurat page requires at least two (2) notarized signatures pursuant to Section 624.424, Florida Statutes and then uploaded into REFS (see Note U). Original signatures are required on annual and quarterly Jurat pages filed by all insurers, domestic, foreign, or alien companies using Florida as a port of entry. (See Also Note H) Original signatures are also required on the Statement of Actuarial Opinion (based on Asset Adequacy Analysis), and Regulatory Asset Adequacy Issues Summary. (See Note V).</p>
H	<p><b>Signature/Notarization/Certification:</b></p> <p>Any required filings must have the original notarized signature of the chief executive officer, regardless of title, and at least one of the following executive officers: President, Chief Financial Officer, Chief Operating Officer, Corporate Secretary, or Treasurer. The original documents are required to be submitted as scanned documents via REFS.</p> <p style="text-align: center;"><b>Special Instructions for other filings:</b></p> <p>OIR-C1-1524 Uniform Consent to Service of Process (Note T) Must be signed original and sealed</p>
I	<p><b>Amended Filings:</b></p> <p>See the NAIC Annual Statement Instructions for guidance on amended filings.</p>

J	<p><b>Exceptions from Normal Filings:</b></p> <p>Florida no longer requires fraternal societies to file hardcopy financial statements. However, a signed Jurat Page, Statement of Actuarial Opinion (based on Asset Adequacy Analysis), Regulatory Asset Adequacy Issues Summary and any other Florida specific filing not available to be downloaded from the NAIC database are required to be filed through REFS by all companies in compliance with the filing deadlines as defined herein. (See Note M)</p>
K	<p><b>Bar Codes (State or NAIC)</b></p> <p>No longer applicable due to REFS.</p> <p><b>Forms required only by the State of Florida (not NAIC) do not require bar codes.</b></p>
L	<p><b>NONE Filings:</b></p> <p>See NAIC Annual Statement Instructions regarding the filing of NONE or N/A forms.</p>
M	<p><b>Filings new, discontinued or modified materially since last year:</b></p> <p>None of the prior filings have been discontinued since last year.</p>
N	<p><b>Electronic Filing:</b></p> <p>Annual and quarterly statement filings should be sent to the NAIC in computer readable format, either via diskette or the internet. Filing instructions may be found on the NAIC website at <a href="http://www.naic.org">www.naic.org</a>. For Florida specific supplemental information, file through REFS (see note B).</p>
O	<p><b>Certificate of Compliance:</b></p> <p>Each insurer shall file with the Annual Statement through REFS a Certificate of Compliance, issued by the public official having supervision of insurance in the insurer's state of domicile. It shall certify that the company is duly organized and authorized to transact insurance therein and the kinds of insurance the company is authorized to transact.</p>
P	<p><b>Certificate of Deposit:</b></p> <p>Each insurer shall file with the Annual Statement through REFS a Certificate of Deposit, issued by the public official having supervision of insurance in the insurer's state of domicile. It shall certify the amount and the composition of the deposit maintained by the insurer in another state. The certificate must be an original, sealed by the insurer's state of domicile. (See Also, Note M).</p>
Q	<p><b>Certificate of Valuation:</b></p> <p>Each foreign insurer shall file with the Annual Statement through REFS a Certificate of Valuation, issued by the public official having supervision of insurance in the insurer's state of domicile. The certificate must be an original, and certified by the insurer's state of domicile.</p>
R	<p><b>Disclosure of Material Transactions:</b></p> <p>Florida Statute 624.448 requires that each domestic insurer shall file a report with the Office of Insurance Regulation disclosing a <b>material acquisition of assets, a material disposition of assets) or a material non-renewal, cancellation, or revision of a ceded</b> reinsurance agreement, unless the material acquisition or disposition of assets of the material non-renewal, cancellation, or revision of a ceded reinsurance agreement has been submitted to the Office for review, approval, or informational purposes under another section of the Florida Insurance Code or adopted rule. A copy of the report and each exhibit or other attachment must also be filed by the insurer with the National Association of Insurance Commissioners. The report required in this section is due within 15 days after the end of the calendar month in which the transaction occurs. Insurers should refer to Florida Statute 624.448 for complete detail of the filing requirements. Florida Statutes and Rules can be accessed on the internet at the following address:</p> <p style="text-align: center;"><a href="http://www.floir.com">www.floir.com</a></p>
S	<p><b>Service of Process Consent and Agreement, §624.422, Florida Statutes:</b></p>

	<p>Each Insurer is required to keep current with the Office the designation of the name and address of the person to whom process against it, served upon the Commissioner of Insurance Regulation, is to be forwarded. The insurer may change the designation at any time by making a new filing. If there is a need to make a new filing, please telephone Pam Edenfield at (850) 413-4102 for <b>current instructions</b>. (Also, refer to Note 'H' of "Filing Instructions").</p>
T	<p><b>Insurance Department Examination Reports:</b></p> <p>A copy of the domicile state's examination reports, both Financial and Market Conduct, are required to be filed through REFS with this Office as soon as they are filed by the company's domicile state. If you have not already done so, please forward a copy through REFS of your most recent examination report.</p>
U	<p><b>Filing Checklist Instructions:</b></p> <p>Florida Domiciled Companies and Alien Companies using Florida as their Port of Entry must attach a Filings Checklist to each filing submitted to the Office. Fill in the company name, federal employer identification number, and the NAIC company code. Check off the items being submitted and file with the Jurat page through REFS. A Filings Checklist is optional for foreign companies.</p>
V	<p><b>Actuarial Opinion of Reserves:</b></p> <p>A statement of opinion by the insurer's appointed actuary on the adequacy of the reserves and related actuarial items based upon an asset adequacy analysis in accordance with Rule 690-138.046 of the Florida Administrative Code is required. If an opinion filed with the insurer's state of domicile is not consistent with the requirements of rule 690-138, Florida Administrative Code, then a copy of the opinion required by the Florida rule shall be submitted no later than March 15.</p> <p>In accordance with Section 625.121(3), Florida Statutes, the appointed actuary shall prepare a Regulatory Asset Adequacy Issues Summary, the contents of which are specified in subsection 690-138.047(3) of the Florida Administrative Code. The Regulatory Asset Adequacy Issues Summary shall be submitted through REFS no later than March 15.</p> <p>Contact Kerrx Krantz, FSA, MAAA at (850)413-5038 regarding actuarial questions.</p>
X	<p><b>Filing Checklist Instructions:</b></p> <p>Florida Domiciled Companies and Alien Companies using Florida as their Port of Entry must attach a Filings Checklist to each filing submitted to the Office. Fill in the company name, federal employer identification number, and the NAIC company code. Check off the items being submitted and file with the Jurat page through REFS. A Filings Checklist is optional for foreign companies.</p>
Y	<p><b>Actuarial Opinion of Reserves:</b></p> <p>A statement of opinion by the insurer's appointed actuary on the adequacy of the reserves and related actuarial items based upon an asset adequacy analysis in accordance with Rule 690-138.046 of the Florida Administrative Code is required. If an opinion filed with the insurer's state of domicile is not consistent with the requirements of rule 690-138, Florida Administrative Code, then a copy of the opinion required by the Florida rule shall be submitted no later than March 15.</p> <p>In accordance with Section 625.121(3), Florida Statutes, the appointed actuary shall prepare a Regulatory Asset Adequacy Issues Summary, the contents of which are specified in subsection 690-138.047(3) of the Florida Administrative Code. The Regulatory Asset Adequacy Issues Summary shall be submitted through REFS no later than March 15.</p> <p>Contact Ke'D' Krantz, FSA, MAAA at (850)413-5038 regarding actuarial questions.</p>
W	<p><b>Audited Financial Reports (ONLY FLORIDA DOMESTIC COMPANIES WILL FILE THROUGH REFS):</b></p> <p>Only authorized insurers holding a Certificate of Authority are required to file. Entities that do not have a Certificate of Authority, such as accredited reinsurers, are requested to file with the Office so that the Office can carry out statutory duties. Audited Financial Report must be filed with the NAIC on or before June 1 for the preceding year ending December 31. However, the Office may require an insurer to file an Audited Financial Report earlier than June 1 upon 90 days advance notice to the insurer.</p> <p>EXEMPTION; Pursuant to §624.424(8)(b), Florida Statutes, any authorized insurer "having direct premiums written in this state of less than \$1 million in any calendar year and fewer than 1,000 policyholders or certificate holders of directly written policies nationwide at the end of such calendar year is exempt" from filing an annual audited financial statement for that year pursuant to certain stipulations. Please review this statute carefully. An insurer seeking such exemption must file an affidavit pursuant to the stipulations noted therein on or prior to March 1 following the year to which the exemption applies.</p>

The Annual Audited Financial Report shall report the financial position of the insurer as of the end of the most recent calendar year and the results of its operations, cash flows, and changes in capital and surplus for the year then ended in conformity with statutory accounting practices prescribed, or otherwise permitted, by the Department of the state of domicile.

The Annual Audited Financial Report shall include the following:

1. Report of independent Certified Public Accountant;
2. Balance sheet reporting admitted assets, liabilities, capital and surplus;
3. Statement of operations;
4. Statement of cash flows;
5. Statement of changes in capital and surplus; and
6. The financial statements included in the Audited Financial Report shall be prepared in a form and using language and groupings substantially the same as the relevant sections of the Annual Statement of the insurer filed with the Office. The financial statements shall be comparative, presenting the amounts as of December 31 of the current year and the amounts as of the immediately preceding December 31.
7. The requirements for filing by an accredited reinsurer are found in §624.610(3)(b)1(d), Florida Statutes.
8. Notes to financial statements. These notes shall be those required by the appropriate NAIC Annual Statement Instructions and any other notes required by generally accepted accounting principles and shall also include:
  - a. A reconciliation of differences, if any, between the Audited Financial Report and the Annual Statement filed pursuant to §624.424, Florida Statutes, with a written description of the nature of these differences.
  - b. A summary of ownership and relationships of the insurer and all affiliated companies.
9. The financial statements included in the Audited Financial Report shall be prepared in a form and using language and groupings substantially the same as the relevant sections of the Annual Statement of the insurer filed with the Office.

#### WHAT ARE THE FILING DEADLINES?

1. Designation of Independent C.P.A. (Only Florida domestic companies) - must be filed by December 31.
2. The audited financial report should be filed with the Office on or before June 1 for the preceding year ending December 31.
3. Request to file on a consolidated basis must be filed by December 31, for the year the exemption is requested. The Office may accept and grant exemption applications after the end of such calendar year subject to the imposition of an administrative fine provided such application is received by the Office prior to March 1, immediately subsequent to the end of the calendar year for which such exception is being requested. (Refer to the consolidated or combine Audits Section of these instructions for further details.)

#### FIVE YEAR ENGAGEMENT MAXIMUM:

A partner or other person responsible for rendering a report may not act in that capacity for more than five (5) consecutive years. Following any period of service that person shall be disqualified from acting in that or a similar capacity for the same company or its insurance subsidiaries or affiliates for a period of five (5) years. Please refer to Rule 690-137.002(7)(C), Florida Administrative Code for guidance regarding potential relief from this requirement.

#### DESIGNATION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT (DOMESTIC COMPANIES ONLY--FILE THROUGH REFS)

Each Florida domiciled insurer required to file an annual audited financial report must, by December 31 of the year subject to audit, register with the Commissioner, Office of Insurance Regulation in writing the name and address of the independent certified public accountant or accounting firm (generally referred to as the "Accountant") retained to conduct the annual audit. In addition, the insurer shall obtain a letter from the accountant, and file a copy with the Commissioner stating the following:

- 1) the accountant is aware of the provisions of the Insurance Code and the Rules and Regulations of the Insurance Department of the state of domicile that relate to accounting and financial matters;
- 2) the accountant will express his/her opinion on the financial statements in terms of conformity to the statutory accounting practices prescribed or otherwise permitted by that Department; and
- 3) the accountant will specify exceptions as he/she may believe appropriate.

#### ACCOUNTANT'S LETTER OF QUALIFICATIONS, RULE 690-137.002, FLORIDA ADMINISTRATIVE CODE (DOMESTIC COMPANIES ONLY--FILE THROUGH REFS)

The accountant shall furnish a Letter of Qualification (FILE THROUGH REFS) to the insurer for filing with the Audited Financial Report. The letter shall state:

1. That the accountant is independent with respect to the insurer and conforms to the standards of his or her profession.
2. The background and experience in general, and the experience in audits of insurers, of the staff assigned to the engagement and whether each is an independent Certified Public Accountant.
3. That the accountant understands the annual Audited Financial Report, and his/her opinion thereon will be filed in compliance with this rule, and that the Office will be relying on this information in the monitoring and regulation of the **financial position of insurers.**
4. That the accountant consents to the requirements of Rule 690-137.002(13), Florida Administrative Code- "Definition, Availability, and Maintenance of CPA Work Papers", and that the accountant consents and agrees to make the work papers

available for review by the Office as defined in Rule 690-137.002(13), Florida Administrative Code.

5. A representation that the accountant is properly licensed by an appropriate state licensing authority.
6. A representation that the accountant is in compliance with the requirements of Rule 690-137.002(7), Florida Administrative Code- "Qualifications of Independent Certified Public Accountant".

**COMMUNICATION of INTERNAL CONTROL RELATED MATTERS NOTED IN AUDIT-- (FILE THROUGH REFS. (1) FLORIDA DOMICILED OR COMMERCIALY DOMICILED COMPANIES ARE REQUIRED TO FILE A REPORT ON INTERNAL CONTROLS. (2) FOREIGN COMPANIES ARE REQUIRED TO FILE THE REPORT THROUGH REFS ONLY IF THERE ARE SIGNIFICANT DEFICIENCIES/REPORTABLE CONDITIONS)**

In addition to the annual audited financial report, each domestic insurer shall furnish the Office of Insurance Regulation with a written report prepared by the accountant describing significant deficiencies in the insurer's internal control structure noted by the accountant during the audit. The insurer is required to provide a description of remedial actions taken or proposed to correct significant deficiencies, if said actions are not described in the accountant's report. The report on internal controls systems of the insurer shall be filed with the annual audited financial report. If there are no material deficiencies in Internal Controls a letter must be filed attesting to same. (See §624.424, Florida Statutes and 690-137.002 (II) Florida Administrative Code).

**NOTIFICATION OF ADVERSE FINANCIAL CONDITION (FILE THROUGH REFS)**

An insurer who has received a report from the independent certified public accountant that the insurer has materially misstated its financial condition as reported to the Commissioner, Office of Insurance Regulation as of the balance sheet date currently under examination or that the insurer does not meet the minimum capital and surplus requirements of Florida Statutes as of that date, shall forward a copy of the report to the Office within five (5) business days of receipt of such report and shall provide the independent certified public accountant making the report with evidence of the report being furnished to the Office. If the independent certified public accountant fails to receive such evidence within the required five (5) business day period, the independent certified public accountant shall furnish to the Office a copy of its report within the next five business days (Rule 690-137.002 (10), Florida Administrative Code).

If the accountant, subsequent to the date of the Audited Financial Report filed, becomes aware of facts which might have affected the report, the accountant shall report such facts to the Office and the insurer within ten calendar days of discovery.

**WRITTEN NOTIFICATION OF CPA DISMISSAL/RESIGNATION (FILE THROUGH REFS)**

If an accountant who was the accountant for the immediately preceding filed Audited Financial Report is dismissed or resigns, the insurer shall within five (5) business days notify the Office of this event. The insurer shall also furnish the Office with a separate letter within ten (10) business days of the above notification stating whether in the twenty-four (24) months preceding that event there were:

- I. any disagreements (resolved or otherwise) with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure; and
2. which disagreements, if not resolved to the satisfaction of the former accountant, would have caused him/her to make reference to the subject matter of the disagreement in connection with his/her opinion.

Disagreements contemplated herein are those that occur at the decision-making level. The insurer shall also request, in writing, that the former accountant furnish a letter addressed to the insurer stating whether the accountant agrees with the statements contained in the insurers' letter, and if not, stating the reasons for which he/she does not agree. The insurer shall provide both of these letters to the Office (Rule 690-137.002 (6)(c)(d), Florida Administrative Code).

**CONSOLIDATED OR COMBINED AUDITED FINANCIAL STATEMENTS (FILE THROUGH REFS)-** An insurer may make written application to the Commissioner, Office of Insurance Regulation for approval to file audited consolidated or combined financial statements in lieu of separate annual audited financial statements if the insurer is part of a group of insurance companies which utilizes a pooling or one hundred percent reinsurance agreement that affects the solvency and integrity of the insurer's reserves and such insurer cedes all of its direct and assumed business to the pool. In such cases, a columnar consolidating or combining worksheet shall be filed with the report, as follows:

- A. Amounts shown on the consolidated or combined Audited Financial report shall be shown on the worksheet.
- B. Amounts for each insurer subject to this section shall be stated separately.
- C. Non-insurance operations may be shown on the worksheet on a combined or individual basis.
- D. Explanations of consolidating and eliminating entries shall be included.
- E. A reconciliation shall be included of any differences between the amounts shown in the individual insurer columns of the worksheet and comparable amounts shown on the Annual Statements of the insurers.
- F. Application for approval to consolidate is required each year. Application to file on a consolidated or combined audit basis must be received by December 31 for the year the exemption is requested. Applications received after the end of the calendar year but prior to March 1 may be considered but subject to an administrative fine for late filing.

**A COMPLETE REPORT (INCLUDING A-E) MUST BE FILED FOR EACH INSURER IN THE GROUP OPERATING IN THE STATE OF FLORIDA.**

These comments are intended as an aid to you in completing your filing requirements. Reference and review of §624.424, Florida Statutes and Rule 690-137.002, should be made for the full requirements.

X	<p><b>Risk Based Capital:</b></p> <p>Florida domestic insurers are required to file the Risk Based Capital Report through REFS. Foreign and alien insurers are not required to file the report with Florida. Please include the DTA Life RBC Charge, if applicable.</p>
Y	<p><b>Certificate of Authority Annual License Tax, §624.501 (3), Florida Statutes:</b></p> <p>The certificate of authority annual license tax (also referred to as a certificate of authority renewal fee) must be sent to the following address:</p> <p>FLORIDA DEPARTMENT OF FINANCIAL SERVICES  RECEIPTS ACCOUNTING SECTION  P.O. BOX 6100  TALLAHASSEE, FL 32314-6100</p> <p>Each insurer is responsible for renewal of its certificate of authority. <b>If the insurer does not receive an invoice by April 15, call (850) 413-2143 to request an invoice.</b> Failure to pay the fee on time could result in revocation of the insurer's certificate of authority or a fine.</p>
Z	<p><b>Supplemental Actuarial Filings:</b></p> <p>THE FOLLOWING ARE REQUIRED TO BE FILED (IF APPLICABLE):</p> <p>The Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV shall be filed electronically with the state of domicile and the NAJC.</p> <p>The Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV shall be filed electronically with the state of domicile and the NAIC.</p> <p>The Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI shall be filed electronically with the state of domicile and the NAIC.</p> <p>The Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) shall be filed electronically with the state of domicile and the NAIC.</p> <p>The Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) shall be filed electronically with the state of domicile and the NAIC.</p> <p>Actuarial Certification Related to Hedging required by Actuarial Guideline XLIII</p> <p>Actuarial Certification Related to Reserves required by Actuarial Guideline XLIII</p> <p>Actuarial Opinion required by Modified Guaranteed Annuity Model</p> <p>Management Certification that the Valuation Reflects Management's Intent required by Actuarial Guideline XLIII</p> <p>Actuarial Certification regarding use 2001 Preferred Class Table</p> <p>Actuarial Certification Related Annuity Nonforfeiture Ongoing Compliance for Equity Indexed Annuities</p>