



Government of the District of Columbia
Vincent C. Gray, Mayor
Department of Insurance, Securities and Banking



William P. White
Commissioner

December 12, 2012

NOTICE

TO: All Captive Managers

FROM: Sean O'Donnell
Director of Financial Examination
Risk Finance Bureau

SUBJECT: 2012 Reporting Instructions,
Risk Finance Bureau ("RFB")



UPDATES AND SIGNIFICANT CHANGES FOR 2012:

- On March 14, 2012, the District of Columbia enacted the Captive Insurance Company Amendment Act of 2012 (the "Act") (D.C. Law 19-0103), and on November 16, 2012, the District of Columbia Department of Insurance, Securities and Banking ("DISB") adopted final rules in the *D.C. Register* (Vol. 59 – No. 46) to implement the revised accreditation standards promulgated by the National Association of Insurance Commissioners. Copies of the Act and the proposed rules were distributed to captive managers on **October 4, 2012**. The Act requires all domestic risk retention group captives ("RRGs") licensed in the District of Columbia to comply with a number of insurance laws which previously were not applicable to RRGs. RRGs shall continue to be subject to the Captive Insurance Company Act of 2004, as amended, and the Risk Retention Act of 1993. Captive managers should refer to the **October 4, 2012 Notice** for further information regarding the changes applicable to RRGs. **Captive insurers that are not licensed as RRGs are not subject to these new provisions.**
- RRGs must file **risk-based capital reports** in conjunction with the Annual Statement due on March 2, 2013.
- **RRG audits and actuarial opinions** are now due **June 1, 2013**. This is a change from the prior year due date which was June 30. (The due date for non-RRG audits and actuarial opinions remains June 30.)
- RRGs must file an **Actuarial Opinion Summary** in addition to and in conjunction with the actuarial opinion.

- **CHANGE TO OCTOBER 4, 2012 NOTICE:** All RRGs having less than 1,000 policyholders or certificate holders of directly written policies nationwide at the end of any given year are **exempt** from the requirement to conduct an **audit** of the **GAAP to SAP reconciliation** of Note 1 of the company’s annual statement for that year. (The GAAP to SAP reconciliation is still required in Note 1 in the annual statement but the reconciliation is not required to be included in the footnotes to the audited financial statements.)
- The October 4, 2012 Notice requires RRGs to submit various written reports to the DISB by December 31, 2012, including a report of the RRG’s compliance with the new reinsurance regulations. Note that any previous “approvals” or “acceptance” of specific reinsurers with respect to specific RRGs no longer apply. Approval or acceptance of reinsurers is now evaluated under the newly adopted Reinsurance Ceded Regulations outlined in the October 4, 2012 Notice.
- **Holding Company filings** Forms B and C (if applicable) are due April 30, 2013.
- Companies may voluntarily file the 2012 **premium tax returns and payments electronically**. Electronic premium tax filing may be mandatory beginning in 2014. See the **“Premium Tax Returns”** section of these reporting instructions for further information.

Un-Audited Statements:

Pursuant to Section 31-3931.13 of the DC Official Code, on or before March 2nd of each year, a captive insurer shall submit to the Commissioner, on a form prescribed by the Commissioner, a report of its financial condition. A captive insurer shall use generally accepted accounting principles (“GAAP”) and include any useful or necessary modifications or adaptation thereof that have been approved or accepted by the Commissioner for the type of insurance and kinds of insurers to be reported upon, as supplemented by additional information required by the Commissioner. A captive insurer must notify the RFB in writing before March 2 if its un-audited financial statements will not be filed by the deadline. The captive insurer shall specify if an extension or waiver is being requested. Requests for extensions and waivers must be updated annually in writing (and quarterly for **risk retention groups (“RRGs”)**).

Non-risk retention groups (“non-RRGs”) should use the “DC Blank” for the annual filing. As prescribed and approved by the Commissioner, the 2012 “District of Columbia Captive Insurance Company Annual Statement for the Period ended December 31, 2012” (“DC Blank”) can be found on the DISB website at www.disb.dc.gov, under “Regulated Entities”

“Captive Insurers”

“DC Captive Domicile Information”

“Financial reporting and premium tax information”

“DC Captive Reporting Blank Form”

Alternatively, in lieu of filing the “DC Blank”, non-RRGs may elect to use the NAIC Property & Casualty Annual Statement Blank (“yellow blank”) and Instructions. Non-RRGs choosing to use the yellow blank should contact the Department for further information.

All domestic RRGs are required to file GAAP based annual and quarterly statements with the Department using the NAIC Property & Casualty Annual Statement Blank and Instructions. (Statutory accounting

principles (SAP) reporting may also be permitted in the yellow blank. Please contact the Department regarding SAP reporting.)

GAAP Reporting in Yellow Blank:

The yellow blank is set up for SAP reporting. Certain GAAP assets and liabilities shall be reflected separately on the respective lines of the yellow blank as indicated below. Note that DC RRGs are required to report prepaid reinsurance (i.e., ceded unearned premiums), and reinsurance recoverable on unpaid losses and LAE as deductions from liabilities. This is inconsistent with GAAP, which requires these amounts to be classified as assets. However, reporting them as deductions from the related liabilities will be consistent with the NAIC Yellow Blank and facilitate more meaningful analysis of ratios and risk based capital by the Department.

GAAP Classification	Yellow Blank
Deferred Acquisition Costs	Page 2 – Line 25 – Aggregate write-ins for other than invested assets as a separate line item.
Prepaid Expenses	Page 2 – Line 25 – Aggregate writes-in for other than invested assets as a separate line item.
Prepaid Reinsurance (i.e. ceded unearned premiums)	Page 3, Line 9 – parenthetical DEDUCTION from gross unearned premiums.
Reinsurance recoverable on <u>unpaid</u> losses and loss adjustment expenses	Page 3 – Lines 1 and 3 – DEDUCTION from gross Losses and Loss adjustment expenses.

In addition, the following items should be reported in the yellow blank as follows:

Financial Statement Item	Yellow Blank
Reinsurance recoverable on <u>paid</u> losses and loss adjustment expenses	Page 2 – Line 16.1 – Amounts recoverable from reinsurers.
DISB approved Letters of Credit (LOC) reported as an asset	Page 2 – Line 25 – Aggregate write-ins for other than invested assets as a separate line item.
DISB approved Surplus Notes	Page 3 – Line 33 – Surplus Notes

GAAP to SAP Reconciliation:

A GAAP to statutory accounting principles (SAP) reconciliation shall be included in the Notes to all Annual and Quarterly yellow blanks. (*See example note shown below*).

Please Note: The entries shown are examples. The example shown below should be followed as a guide with respect to format. LOCs are a prescribed practice and need not be included as a reconciling item in the GAAP to SAP reconciliation. LOCs should be included in both the GAAP and SAP “Total Assets” and “Shareholders Equity” balances.

Example Note:

GAAP to SAP reconciliation 2012:

The reconciliation of total assets, total liabilities, shareholders' equity and net income as reflected in these financial statements to statutory accounting practices prescribed by the National Association of Insurance Commissioners (“NAIC SAP”) is as follows as of and for the year ending December 31, 2012:

	Total Assets	Total Liabilities	Shareholders' Equity	Net Income (Loss)
Balance per these (2012) financial statements (GAAP)	\$ 5,250,000	\$ 3,200,000	\$ 2,050,000	\$ 30,000
Adjustments :				
Fixed maturity securities - unrealized gain	(50,000)	-	(50,000)	(15,000)
Deferred policy acquisition costs	(500,000)	-	(500,000)	(250,000)
Deferred tax asset	(175,000)	-	(175,000)	(50,000)
NAIC SAP balance (reflecting DC permitted practices)	\$ 4,525,000	\$ 3,200,000	\$ 1,325,000	\$ (285,000)

REPORTING OF PRIOR YEAR AMOUNTS FOR NON-RRGs AND RRGs:

PLEASE NOTE THAT PRIOR YEAR 2011 NUMBERS INCLUDED IN THE COMPARATIVE COLUMNS IN THE 2012 UNAUDITED STATEMENTS (DC BLANK AND NAIC BLANK) **SHOULD NOT BE CHANGED** IN THE 2012 ANNUAL FILINGS. THE PRIOR YEAR NUMBERS SHOULD AGREE TO THE PREVIOUSLY FILED STATEMENTS. ALSO, FOR RRGs, PRIOR YEAR 2012 NUMBERS INCLUDED IN THE COMPARATIVE COLUMNS IN THE 2013 NAIC QUARTERLY BLANKS **SHOULD NOT BE CHANGED**.

IF, DURING 2013, AS A RESULT OF AUDIT ADJUSTMENTS IN THE AUDITED FINANCIAL STATEMENTS, OR FOR OTHER REASONS, COMPANIES DISCOVER ERRORS OR ADJUSTMENTS TO THE 2012 FILED NUMBERS, SUCH ERRORS OR ADJUSTMENTS SHOULD BE CORRECTED THROUGH OPERATIONS OR SURPLUS IN THE 2013 ANNUAL AND QUARTERLY STATEMENTS.

THE ONLY TIME PRIOR YEAR COMPARATIVE COLUMNS MAY BE CHANGED IS IF THE PRIOR YEAR STATEMENT IS RE-FILED WITH THE RFB (AND FOR RRGs, ALSO WITH THE NAIC). PRIOR YEAR STATEMENTS MAY BE RE-FILED UP TO 13 MONTHS AFTER THE DECEMBER 31 YEAR END DATE. COMPANIES SHOULD CONTACT THE RFB IN ADVANCE TO DISCUSS ANY PROPOSED RE-FILINGS.

Audited Financial Statements:

Pursuant to DC Municipal Regulations (“DCMR”), Title 26, Section 3702, all **non-RRG** captive insurance companies shall have an annual audit by an independent certified public accountant authorized by the Commissioner, and shall file such audited financial report with the Commissioner on or before June 30 for the year ending December 31 immediately preceding. This includes Protected Cell Captive Insurers, Incorporated Cells, and Protected Cells. Please refer to the “Special Instructions for Cell Reporting” section below for

additional guidance regarding audited financial statement requirements for Protected Cell Captive Insurers, Incorporated Cells, and Protected Cells.

For non-RRGs, the annual audit shall consist of the following:

- a) Financial statements furnished pursuant to this section shall be examined by independent certified public accountants in accordance with generally accepted auditing standards as determined by the American Institute of Certified Public Accountants.
- b) The opinion of the independent certified public accountant shall cover all years presented.
- c) The opinion shall be addressed to the captive insurance company on stationery of the accountant showing the address of issuance, shall bear original manual signatures, and shall be dated.

The annual audit report shall include an evaluation of the internal controls of the captive insurance company relating to the methods and procedures used in the securing of assets and the reliability of the financial records, including but not limited to such controls as the system of authorization and approval and the separation of duties. The annual audit shall be conducted in accordance with generally accepted auditing standards.

The accountant shall furnish the company, for inclusion in the filing of the audited annual report, a letter stating:

- a) That it is independent with respect to the captive insurance company and conforms to the standards of the profession, as contained in the Code of Professional Ethics and pronouncements of the American Institute of Certified Public Accountants and pronouncements of the Financial Accounting Standards Board.
- b) The general background and experience of the staff engaged in audit including the experience in auditing captives or other insurance companies.
- c) That the accountant understands that the audited annual report and his opinions thereon will be filed in compliance with this regulation with the Department of Insurance, Securities and Banking.
- d) That the accountant consents to the requirements of DCMR, Title 26, Section 3705 (“AVAILABILITY AND MAINTENANCE OF WORKING PAPERS OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT”).
- e) That the accountant is properly licensed by an appropriate District or state licensing authority and is a member in good standing in the American Institute of Certified Public Accountants.

The annual audit shall include the following financial statements:

Balance sheet;

- a) Statement of operations;
- b) Statement of changes in financial position;
- c) Statement of changes in capital paid up, gross paid in and contributed surplus and unassigned funds (surplus); and
- d) Notes to financial statements, which shall include those that are required by generally accepted accounting principles, including:

1. A reconciliation of differences in policyholders’ surplus, assets, liabilities and net income, if any, between the audited financial report and the statement or form filed with the Commissioner (i.e., un-audited statement);
2. A summary of ownership and relationship of the company and all affiliated corporations or companies insured by the captive; and
3. A narrative explanation of all material transactions and balances with the company.

RRGs shall file the audited financial report in accordance with The Annual Audited Financial Reports Act of 1993, D.C. Official Code § 31-301 et seq, with the Commissioner and with the NAIC, by June 1.

A captive insurer must notify the RFB in writing before June 1 (for RRGs) or June 30 (for non-RRGs) if its audited financial statements will not be filed by the deadline. The captive insurer shall specify if an extension or waiver is being requested. Requests for extensions and waivers must be updated annually in writing.

Actuarial Opinion:

For RRGs, the required opinion must be in compliance with The Property and Casualty Actuarial Opinion Amendment Act of 2008, D.C. Official Code §§ 31-2502.26a and 31-2502.26b. and with the NAIC Annual Statement Instructions.

For non-RRGs, the required opinion may follow the NAIC Annual Statement Instructions, but is not required to do so. For non-RRG opinions that do not follow the NAIC Annual Statement Instructions, the actuary must still state his or her “opinion” regarding the sufficiency of the company’s loss reserves and loss expense reserves, and the actuary must sign such opinion.

The individual who certifies as to the adequacy of reserves 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 competence in loss reserve evaluation to the Commissioner.

An insurer must notify the RFB in writing before the applicable deadline if its actuarial opinion will not be filed by the deadline. The captive insurer shall indicate if an extension or waiver is being requested. Requests for extensions and waivers must be updated annually in writing.

Special Instructions for Cell Reporting:

Each Protected Cell Captive Insurer (“PCCI”), and each Incorporated Cell (“IC”) and Protected Cell (“PC”) affiliated with the PCCI shall file separate un-audited financial statements on the DC Blank on or before March 2nd of each year.

Below are instructions for filing audited financial statements and actuarial opinions for cell companies. Due to variations in cell structures and business plans, audited financial statements and actuarial opinions, particularly of the PCCI (“core”), may not be necessary in some circumstances. Any questions regarding cell reporting should be discussed with the Department. Permission to deviate from these instructions must be discussed and received from the Department well in advance of filing deadlines.

Each PCCI, IC and PC may file separate audited financial statements with the Department on or before June 30th of each year. In lieu of separate audited financial statements, each PCCI may file “combined”⁽¹⁾ audited financial statements with the Department on or before June 30th of each year. The auditor shall express an

opinion on the combined assets, liabilities, capital and surplus of the PCCI and all PCs and ICs. The detailed assets (e.g., Bonds, Prepaid Reinsurance Premiums, etc.), liabilities (e.g., Losses, Unearned Premiums, etc.) and capital and surplus (e.g., Common Stock, etc.) balances of the PCCI and each IC and PC shall be disclosed in a Note to the financial statements. The combined totals of each of these balances should equal the totals of the respective balances in the consolidated or combined audited financial statements and the individual balances and totals for the PCCI and each IC and PC should agree to the totals in the separate un-audited financial statements filed for the PCCI and each IC and PC.

- (1) For purposes of this section, “combined” refers to combined statements/opinion of the PCCI and PCs and ICs. “Combined” does not refer to “consolidation” with the statements/opinion of the parent of the PCCI as contemplated by “consolidated” GAAP reporting. In circumstances where the core and cells are under common ownership, a GAAP consolidated audit may be performed.

Each PCCI, IC and PC may file separate actuarial opinions statements with the Department on or before June 30th of each year. In lieu of separate actuarial opinions, each PCCI may file a combined⁽¹⁾ actuarial opinion certifying the adequacy of the loss reserves and loss expense reserves on or before June 30th of each year. The opinion shall be in accordance with the above instructions for actuarial opinions for non-RRGs. The actuary shall opine on the loss reserves and loss expense reserves in each IC and PC, and the PCCI (if applicable⁽²⁾). In addition, the opinion shall include a Note showing the loss reserves and loss expense reserves for each IC and PC, and PCCI (if applicable). The loss and loss expense reserve balances in the Note should equal the loss and loss expense reserve balances reported in the combined audited financial statements. In addition, these amounts should agree to the amounts in the separate un-audited financial statements filed for the PCCI and each IC and PC.

- (1) For purposes of this section, “combined” refers to combined statements/opinion of the PCCI and PCs and ICs. “Combined” does not refer to “consolidation” with the statements/opinion of the parent of the PCCI as contemplated by “consolidated” GAAP reporting.



- (2) For a PCCI that has never written any insurance or reinsurance business, an actuarial opinion is not required and a request for a waiver is not required. Please notify the DISB by the filing deadline if an actuarial opinion will not be filed for a PCCI that has never written any or reinsurance insurance business.

Special Instructions for Branch Captive Reporting:

Each branch captive insurance company (“BCIC”) shall file with the Commissioner copies of all reports and financial statements (i.e., audited or un-audited financial statements and actuarial opinions) required to be filed by the parent captive insurance company (“parent”) of the BCIC under the laws of the jurisdiction in which the parent is domiciled. The copies of the reports and financial statements shall be certified under oath by two officers of the parent.

In addition to the aforementioned filings, the parent shall file a statement signed by two of its executive officers, one of which must be the President or Chief Financial Officer, setting forth the gross premiums written, reinsurance ceded and accepted, and reserves and other liabilities associated with the insurance business written through the BCIC. This information may be filed in a letter or on a spreadsheet.

The BCIC is not required to file audited financial statements. However, the parent’s audited financial statements should include a Note disclosing the amounts attested to by the officers regarding the insurance business written through the BCIC.

For branch companies with a December 31 year end, all filings are due on or before June 30th of each year. For branch companies with a fiscal year end other than December 31, all filings are due on or before 6 months after the date of the BCIC’s fiscal year end. If the parent’s information is not available by the applicable deadline, the captive manager shall contact the Department in writing prior to the deadline to request an extension of the deadline to a date when the information is anticipated to be available.

General Filing Instructions applicable to All Filings:

Two executed hard copies of the annual and/or quarterly statements should be filed with the Department and at least one executed hard-copy of all other financial filings is required. In addition, an electronic version of all filings should be sent via email to captive.filings@dc.gov. **Please note: Non- RRGs filing the DC Blank shall file the electronic version of the DC Blank in both PDF and Excel formats.** See the attached “DC 2012 Filing Instructions for Captive Insurance Companies” and “DC 2012 Filing Checklist for Captive Insurance Companies” for further filing requirements and instructions.

For RRGs required to file with the NAIC and for other companies voluntarily filing with the NAIC, please note that hard copy annual statements, quarterly statements, and supplemental filings are no longer required to be filed with the NAIC. Requirements for electronic filings to the NAIC have not changed.

A captive insurer must notify the RFB in writing before the filing deadline if a filing will not be filed by the deadline. The captive insurer shall indicate if an extension or waiver is being requested. Requests for extensions and waivers must be updated annually in writing.

For questions or clarification on financial filings, please contact Sean O’Donnell, Director of Financial Examination, on 202-442-8153, or sean.odonnell@dc.gov.

Fiscal Year Filers:

Companies with a fiscal year-end other than December 31 may request and receive permission from the RFB to file on a basis other than December 31 (RRGs must report using a December 31 year end and may not file with a fiscal year-end other than December 31). This request need only be made one time, but any subsequent changes must also be approved by the RFB. Filing deadlines for non-RRG fiscal year filers are calculated based on the filing deadlines for calendar year filers. Un-audited statements are due 2 months and 2 days after the fiscal year end, and the audited financial statements and actuarial opinions are due on the last day of the sixth month after the fiscal year end. For example, for a company on a June 30 fiscal year end, the un-audited statements are due September 2, and the audited financial statements and actuarial opinions are due on December 31.

There is no change in the due dates for premium tax returns for fiscal year filers, but see below under “Premium Tax Returns” for special instructions for fiscal year filers.

There is no change in the due date for certificate of authority renewals for fiscal year filers.

Premium Tax Returns:

All domestic captives are required to file a DC Premium Tax Return on or before March 2nd of each year. Filing Instructions and Tax Forms for captives can be accessed through the DISB website at www.disb.dc.gov, under “Regulated Entities”

“Captive Insurers”

“DC Captive Domicile Information”

“Financial reporting and premium tax information”

Please note there are two different tax return forms, one for RRGs and one for non-RRGs. All checks should be made payable to “DC Treasurer”.

****NOTE**** In accordance with the captive law of the District of Columbia, Companies shall report as premiums and pay applicable premium tax on total net direct premiums. Total net direct premiums shall include all amounts charged to policyholders, including amounts that some Companies may charge separately to policyholders such as amounts for premium taxes, risk management fees, etc.

Each PCCI and each IC shall file separate premium tax returns. ICs are subject to the minimum tax (\$7,500). One or more PCs shall file a consolidated premium tax return with the PCCI and each PC is not subject to the minimum tax.

Fiscal year filers shall file a DC Premium Tax Return on or before March 2nd of each year for the most recently completed fiscal year.

See the attached “**DC 2012 Filing Instructions for Captive Insurance Companies**” and “**DC 2012 Filing Checklist for Captive Insurance Companies**” for further instructions regarding premium tax returns.

Please Note that companies may file their 2012 premium tax returns electronically using the NAIC “Opt Ins” system. E-filing is strongly encouraged, but not yet required. (Such filing will likely be required for the 2013 DC Premium Tax Return). Additional information about Opt Ins can be found in the instructions on the 2012 premium tax returns.

For questions or clarification on premium taxes, please contact Dana Sheppard, Associate Commissioner, on 202-442-7820, or dana.sheppard@dc.gov.

Certificate of Authority Renewal:

Pursuant to Section 31-3931.09(d) of the DC Official Code, all licensed captive insurance companies and risk retention groups shall renew Certificates of Authority annually, on or before April 30 of each year. Companies electing to E-file their 2012 premium tax returns may include the certificate of authority renewal fee with the tax payment. Additional information can be found in the instructions section of the 2012 premium tax return.

The annual renewal fee is **\$300.00**. If paying by check, checks should be made payable to “**DC Treasurer**” and should accompany the renewal form, which can be found on the DISB website at www.disb.dc.gov, under “Regulated Entities”

“Captive Insurers”

“DC Captive Domicile Information”

“Financial reporting and premium tax information”

Companies paying by check should send the renewal form and payment to the following address as soon possible after March 1, but no later than April 30:

DC Treasurer
Insurance Bureau
PO Box 92180
Washington, DC 20090-2180

The Commissioner may impose a fine, or suspend or revoke the Certificate of Authority if it is not renewed by August 1. A copy of the renewal form and a copy of the check should be sent to Joyce Lewis, via e-mail, at captive filings@dc.gov.

See the attached “**DC 2012 Filing Instructions for Captive Insurance Companies**” and “**DC 2012 Filing Checklist for Captive Insurance Companies**” for further instructions regarding certificate of authority renewals.

For questions or clarification on certificates of authority, please contact Joyce Lewis, Licensing Specialist, on 202-442-8574, or by email: joyce.lewis@dc.gov.

NOTE REGARDING LETTERS OF CREDIT:

Captive managers are expected to closely monitor the financial condition and status of banks which have issued letters of credit (LOCs) to DC captive insurers under their management. The FDIC has sent written notices to holders of LOCs advising them that the FDIC will not honor letters of credit issued by banks which have been placed in receivership by the FDIC. If a bank which has issued a LOC to a DC captive is placed in receivership, any LOCs issued by that bank will no longer be considered an asset by the DISB. Captives will be expected to immediately replace such LOCs, or the DISB will take appropriate action. If there are indications a bank is troubled and could be placed in to receivership, captive managers are required to direct their clients to find a replacement LOC as soon as possible with an acceptable bank.

NOTE REGARDING INVESTMENTS IN MUTUAL FUNDS:

Companies should be aware that per issuer limitations apply to investments in mutual funds. For example, if a company’s investment policy calls for no more than 5 percent of invested assets to be invested in any one issuer, the 5 percent limitation applies to investments in each mutual fund. This limitation applies regardless of the investments comprising the mutual fund. If a mutual fund company – e.g., “XYZ Mutual Fund Family”, has 20 separate and distinct mutual funds, a captive insurer may invest 5 percent of its invested assets in each of the 20 funds. However, if XYZ Mutual Fund Family only has five separate mutual funds, the 5 percent limitation per fund applies and a total of up to 25 percent of the captive insurer’s invested assets may be invested in the five funds combined.

Questions regarding these limitations should be directed to the Department.

BUSINESS PLAN CHANGES:

All requests for approval to make business plan changes must be sent to Dana Sheppard, Associate Commissioner, or Sean O’Donnell, Director of Financial Examination. DO NOT SEND REQUESTS

DIRECTLY TO THE FINANCIAL ANALYST ASSIGNED TO YOUR COMPANY. Requests sent directly to the financial analyst will not be reviewed.

DC 2012 Filing Instructions for Captive Insurance Companies

<p>1. Financial Filings Questions:</p>	<p>Sean O'Donnell, Director of Financial Examination Risk Finance Bureau (202) 442-8153 sean.odonnell@dc.gov</p>
<p>2. Mailing Address for Financial Filings:</p>	<p>DC Department of Insurance, Securities, and Banking Attention: Joyce Lewis; Risk Finance Bureau 810 First Street, NE, Suite 701 Washington, DC 20002</p>
<p>3. Mailing Address for Certificate of Authority Renewal:</p>	<p>If paying by check, make checks payable to "DC Treasurer" and mail to:</p> <p>DC Treasurer Insurance Bureau PO Box 92180 Washington, DC 20090-2180</p> <p>If paying by mail/check, send courtesy copy of C of A renewal form, and copy of check to Joyce Lewis, via email at captive.filings@dc.gov</p> <p>If paying electronically using Optins, send courtesy copy of the C of A renewal form to Joyce Lewis, via email at captive.filings@dc.gov</p>
<p>4. Mailing Address for Premium Tax Payments:</p>	<p>If paying by check, make checks payable to "DC Treasurer" and mail to:</p> <p>DC Treasurer Insurance Bureau PO Box 92180 Washington, DC 20090-2180</p> <p>If paying by mail/check, send courtesy copy of the following to Joyce Lewis, via email at captive.filings@dc.gov:</p> <ul style="list-style-type: none"> • Premium Tax Return • Check • Schedule T (p.92 of "Yellow Blank") for RRGs • Premium Schedule (p.5 of "DC Blank") for non-RRGs <p>If paying electronically using Optins, no courtesy copies are required.</p> <p>Contact: Dana Sheppard (202) 442-7820 dana.sheppard@dc.gov</p>
<p>5. Delivery Instructions:</p>	<p>All filings must be received (or postmarked) no later than the indicated due date. If the due date falls on a weekend or holiday, then the deadline is extended to the next business day. PLEASE PLACE ALL SUBMITTED MATERIAL INSIDE THE COVER PAGE OF YOUR ANNUAL STATEMENT BOOKLET.</p>

DC 2012 Filing Instructions for Captive Insurance Companies

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6. Late Filings:	Must be approved in writing, in advance, by the Department.
7. Signatures:	Quarterly and Annual Statements: At least two original signatures of executive officers are required on the quarterly and annual statements. Signatures shall be notarized.
8. Electronic Filings:	All required financial statement filings must also be emailed to captive.filings@dc.gov Please note: Non- RRGs filing the DC Blank shall file the electronic version of the DC Blank in <u>both</u> PDF and Excel formats.

DC 2012 Annual/2013 Quarterly Filing Checklist for Captive Insurance Companies

	Due Date [#]			
	Risk Retention Groups	Non RRGs	Branch	Cells
UNAUDITED FINANCIAL STATEMENTS				
Annual Financial Statement	√ 3/2	√ 3/2		√ 3/2*
Quarterly Financial Statement (8 1/2" x 14")	√ 5/15 √ 8/15 √ 11/15			
Other			√ 6/30*	
AUDITED FINANCIAL STATEMENTS				
Audited Financial Statements	√ 6/1 New date!	√ 6/30		√ 6/30*
Report of Evaluation of Internal Controls	√ 6/1 New date!	√ 6/30		√ 6/30*
Accountants' Letter	√ 6/1 New date!	√ 6/30		√ 6/30*
ACTUARIAL OPINION				
Statement of Actuarial Opinion	√ 6/1 New date!	√ 6/30		√ 6/30*
Actuarial Opinion Summary New filing!	√ 6/1			
OTHER REQUIRED FILINGS				
Premium Tax Return	√ 3/2	√ 3/2	√ 3/2	√ 3/2*
Risk Based Capital filing New filing!	√ 3/2			
Management's Discussion and Analysis	√ 4/2			
Certificate of Authority Renewal	√ 4/30	√ 4/30	√ 4/30	√ 4/30
Holding Company filings, if applicable New filing!	√ 4/30			

[#] If the due date falls on a weekend or holiday, then the deadline is extended to the next business day.

√ Denotes required filing.

* For branch and cell reporting, refer to "2012 Reporting Instructions" memo