



ADMINISTRATIVE RULES OF MONTANA



6.6.6811 ANNUAL AUDIT

- (1) Each company must have an annual audit by an independent certified public accountant, authorized by the commissioner, and must file the audited financial report with the commissioner within 180 days of the company's fiscal year end.
- (2) The annual audit report is considered part of the company's annual report of financial condition, except with respect to the date by which it must be filed with the commissioner.
- (3) The annual audit must contain the following information:
 - (a) opinion of the independent certified public accountant;
 - (b) report of evaluation of internal controls;
 - (c) the accountant's letter of qualifications;
 - (d) financial statements; and
 - (e) certification of loss reserves and loss expense reserves by an actuary approved by the commissioner.
- (4) The annual audit report may be waived by the commissioner for any captive insurance company other than a captive risk retention group, under one or more of the following circumstances:
 - (a) the company has minimal or no written premium in the audit year;
 - (b) the company has minimal or no earned premium in the audit year;
 - (c) the company received its license within six months of the end of the audit year; or
 - (d) the company has filed a plan of dissolution with the commissioner.
- (5) A risk retention group licensed as a captive insurer shall utilize the Model Audit Rule as defined in ARM 6.6.3501 - 6.6.3521. A risk retention group licensed as a captive insurer shall only be exempt from the Model Audit Rule for such year if:
 - (a) the nationwide total of direct written plus assumed premiums is less than \$1,000,000 in any calendar year;
 - (b) there are less than 1,000 policyholders or certificateholders of directly written policies nationwide at the end of such calendar year; and
 - (c) the commissioner has not made a specific finding that the insurer's compliance with the Model Audit Rule is necessary for the commissioner to carry out statutory responsibilities.

Authorizing statute(s): 33-28-206, MCA

Implementing statute(s): 33-28-107, MCA

History: NEW, 2002 MAR p. 171, Eff. 2/1/02; AMD, 2005 MAR p. 2448, Eff. 12/9/05; AMD, 2008 MAR p. 2622, Eff. 12/25/08; AMD, 2011 MAR p. 2516, Eff. 11/26/11.