



ADMINISTRATIVE RULES OF MONTANA

6.6.3505 DESIGNATION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

- (1) Each insurer required by these rules to file an annual audited financial report must, within 60 days after becoming subject to such requirement, register with the commissioner in writing the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit required by these rules. Insurers not retaining an independent certified public accountant on the effective date of this rule shall register the name and address of their retained independent certified public accountant not less than six months before the date when the first audited financial report is to be filed.
- (2) The insurer shall obtain a letter from the accountant, and file a copy with the commissioner, stating that the accountant is aware of the provisions of the insurance code, and the administrative rules of the insurance department of the insurer's state of domicile that relate to accounting and financial matters, and affirming that he will express his opinion on the financial statements in terms of their conformity with the statutory accounting practices prescribed or otherwise permitted by that department, specifying such exceptions as he may believe appropriate.
- (3) If an accountant who was the accountant for the immediately preceding filed audited financial report is dismissed or resigns, the insurer shall within five business days notify the department of this event. The insurer shall also furnish the commissioner with a separate letter within ten business days of the above notification, stating whether in the 24 months preceding such event there were any disagreements with the former accountant on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedure; which disagreements, if not resolved to the satisfaction of the former accountant, would have caused him to make reference to the subject matter of the disagreement in connection with his opinion. The disagreements required to be reported in response to this rule include both those resolved to the former accountant's satisfaction and those not resolved to the former accountant's satisfaction. Disagreements contemplated by this rule are those that occur at the decision-making level, that is between personnel of the insurer responsible for presentation of its financial statements and personnel of the accounting firm responsible for rendering its report. The insurer shall also in writing request such former accountant to furnish a letter addressed to the insurer stating whether the accountant agrees with the statements contained in the insurer's letter and, if not, stating the reasons for which he does not agree; and the insurer shall furnish such responsive letter from the former accountant to the commissioner, together with its own.

Authorizing statute(s): 33-1-313, 33-2-1517, MCA

Implementing statute(s): 33-2-701, 33-2-1517, 33-4-313, 33-5-413, MCA



ADMINISTRATIVE RULES OF MONTANA



History: NEW, 1993 MAR p. 2408, Eff. 10/15/93; AMD, 1995 MAR p. 455, Eff. 3/31/95; AMD, 2010 MAR p. 315, Eff. 2/12/10.