

191—113.4(521J) Annual reporting requirements.

113.4(1) A captive company authorized in this state shall file an annual report of its financial condition with the commissioner as required by Iowa Code section 521J.7(1). The report shall be verified by oath of at least two individuals who are executive officers of the captive company. The report shall be prepared using generally accepted accounting principles (GAAP). A hard copy shall be mailed and an electronic copy shall be filed consistent with directions from the commissioner.

113.4(2) All captive insurance companies are to use the Iowa Captive Company Annual Statement Form, except captive risk retention group insurers and special purpose captive companies, which shall use the National Association of Insurance Commissioners' (NAIC's) Annual and Quarterly Statements.

113.4(3) The Iowa Captive Company Annual Statement shall include a statement of a qualified actuary titled "statement of actuarial opinion" setting forth the opinion relating to loss and loss adjustment expense reserves.

113.4(4) A special purpose captive company domiciled in this state shall annually submit to the commissioner a material variances letter explaining any material differences between the captive company's actual results and its projections on file. For the purposes of this rule, "materiality" shall be defined as 10 percent of surplus as regards policyholders as of the prior year end.

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