



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

Bulletin No. FS-4C-17  
December 11, 2017

**To: ALL CAPTIVE INSURERS DOMICILED IN CONNECTICUT, BRANCH CAPTIVES LICENSED TO TRANSACT BUSINESS IN THE STATE OF CONNECTICUT AND RISK RETENTION GROUPS FORMED AS CAPTIVES, DOING BUSINESS IN THE STATE OF CONNECTICUT**

**Re: FINANCIAL REPORTING REQUIREMENTS**

In accordance with Section 38a-91gg of the Connecticut General Statutes and Connecticut Public Act No. 17-198<sup>1</sup>, each captive insurance company domiciled, including the dormant captives, or, in the case of a branch captive insurance company, licensed in the State of Connecticut must file annual financial reports with the Insurance Commissioner. Such filings must be made with verification under oath from two executive officers of the captive. Financial statements and reports are due on the following dates unless the captive is permitted by 38a-91gg to file an application for an alternative date with the Insurance Department and the Commissioner has agreed to the alternative date.

Type Defined in § 38a-91aa	Annual Filing Due Date	*Alternative Date, if Permitted	Accounting Basis
Association Captive	March 1	Not Permitted	GAAP
Branch Captive	March 1	60 days after end of fiscal year	GAAP
Industrial Insured Captive	March 15	75 days after end of fiscal year	GAAP
Pure Captive	March 15	75 days after end of fiscal year	GAAP
Risk Retention Group	March 1	Not Permitted	GAAP
Special Purpose Financial Captive	March 1	60 days after end of fiscal year	Statutory
Sponsored Captive	March 1	Not Permitted	GAAP
Dormant Captive <sup>1</sup>	March 15	75 days after end of fiscal year	GAAP

*\*Applications for permission to file on a fiscal year basis will require a written request addressed to the State of Connecticut Insurance Commissioner, including the captive insurance company's fiscal year and a commitment to providing the financial report within 60 or 75 days after the end of their fiscal year, as applicable.*

The **required annual financial statements** except for the dormant captives will be certified by an independent public accountant and will include a statement of opinion on loss and loss adjustment expense reserves made by a member of the American Academy of Actuaries or a qualified loss reserve specialist. The statement of opinion on loss and loss adjustment expense reserves will accompany the unaudited financial report, due at the Connecticut Insurance Department, as prescribed in the above chart. Audited financial reports are due 5 months following the end of the captive insurance company's annual "calendar" or "fiscal" accounting period.

Each association captive shall file its report in the form required by sections 38a-53 and 38a-53a. This form may also be used by pure, industrial risk insured and special purpose captive insurance companies; however, they may apply to the Commissioner for permission to file in an alternative form.

<sup>1</sup> Connecticut Public Act No. 17-198 will be codified in the General Statutes revised to January 1, 2018 within the next few weeks. This new statute is effective July 1, 2017 and establishes that Connecticut domiciled pure captives, sponsored captives, or industrial insured captives may apply to the Insurance Commissioner for a certificate of dormancy. A dormant captive insurance company that has been issued a certificate of dormancy shall still need to file annually the commissioner a report on the financial condition of such company, verified by oath of two executive officers of such company, in such format as the commissioner prescribes.

**Branch captives** must submit a copy of all reports and statements required to be filed by the jurisdiction in which the alien captive insurance company is formed. These must be filed with verification under oath by two executive officers of the alien captive insurance company. The Commissioner may waive the requirement for completion of the annual captive statement for business written in the alien jurisdiction if the reports and statements provided to the alien's domiciliary jurisdiction give adequate information concerning the financial condition of the alien captive insurance company. Filings made by alien companies in their domiciliary jurisdiction which provide the same essential information as is required in the reports filed by Connecticut domiciled captive insurers will generally be granted a waiver even though such information is presented in a different format.

**For Risk Retention Groups:**

The Liability Risk Retention Act of 1986 U.S.C. 3901 et seq. (LRRRA) requires that **each Risk Retention Group, doing business, as a registered (non-Connecticut domiciled and not Connecticut licensed) company in the State of Connecticut, to submit an electronic copy of the annual financial statement with the NAIC (including certification and actuarial opinion statements)** as described in Connecticut General Statutes, Section 38a-53, and this **must be submitted by March 1 of each year.**

**Each Risk Retention Group, doing business as a Connecticut domiciled and State of Connecticut licensed company, is required to submit an electronic copy of the annual financial statement with the NAIC, as above, and also submit one electronic copy of the financial reporting statements (including certification and actuarial opinion statements) with the Connecticut Insurance Department.**

Each risk retention group is also required to submit quarterly financial statements, electronically filed with the National Association of Insurance Commissioners. Quarterly filings are to be made as follows:

<u>Quarter Ending</u>	<u>Due Date</u>
March 31, 2018	May 15, 2018
June 30, 2018	August 15, 2018
September 30, 2018	November 15, 2018

**Please refer to State of Connecticut Insurance Department Bulletin Number FS-4RR-17 for further information and clarification.**

All required filings, applications for deviations and requests for waivers may be made electronically via email to [Janet.Grace@ct.gov](mailto:Janet.Grace@ct.gov) may be sent to the Captive Division:

P.O. Box 816  
Hartford, CT 06142-0816

Mail sent by private delivery should be directed to:

Captive Division  
153 Market St.  
6<sup>th</sup> Floor  
Hartford, CT 06103

Questions and additional requests for information should be directed to Captive Division via e-mail: [Janet.Grace@ct.gov](mailto:Janet.Grace@ct.gov) or by phone to (860) 297-3813.



Katharine L. Wade  
Insurance Commissioner