



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Bulletin No. FS-4RR-13

December 6, 2013

TO: RISK RETENTION GROUPS DOING BUSINESS – REGISTERED OR DOMICILED IN THE STATE OF CONNECTICUT

SUBJECT: 2013 and 2014 FINANCIAL FILING REQUIREMENTS

The Liability Risk Retention Act of 1986 U.S.C. § 3901 et seq. (LRRA) requires that each Risk Retention Group (Group), doing business – domiciled or registered in the State of Connecticut submit a copy of the annual financial statement filed with its domiciliary state, to the Insurance Commissioner of the State of Connecticut by March 1 of each year. The annual financial statement 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 annual financial statement will also need to be certified by an independent public accountant, as prescribed by the state of domicile for the Group. This certification of the annual financial statements will be submitted to the Insurance Commissioner of this State (Connecticut) by the date the certification is required to be submitted to its domiciliary state.

For Risk Retention Groups Domiciled Outside the State of Connecticut:

Each Risk Retention Group doing business in the State of Connecticut (non-Connecticut domiciled and not Connecticut licensed) must be registered with the State of Connecticut Insurance Commissioner prior to offering insurance in this state. As provided for in §38a-252 of the Connecticut General Statutes, each Risk Retention Group seeking to register must submit a statement identifying the state or states in which the Group is chartered and licensed, the date of chartering, its principal place of business, a copy of its plan of operations or a feasibility study and revisions of such plan or study submitted to its state of domicile and a statement designating the State of Connecticut Insurance Commissioner as its agent for the purpose of receiving service of legal documents or process. The plan or study must include information as to the coverages, deductibles, coverage limits, rates and rating classification system for each line of insurance the Group intends to offer. Any Group offering insurance in this state will promptly submit this plan, if not already done so, to the Insurance Commissioner of this State. Each Group should also provide any material changes to the plan, including any change in the designation of the State in which it is chartered when submitting its annual report.

Section 38a-53 requires that insurance companies doing business in the State of Connecticut (including registered risk retention groups) shall on or before March 1, 2014, submit to the commissioner, via electronic filing with the National Association of Insurance Commissioners (NAIC), a true and complete report, signed and sworn to by its president or a vice-president, and secretary or an assistant secretary, of its financial condition as of December 31, 2013, including a statement of opinion on loss and loss adjustment expense reserves. Such filing must be certified by an independent public accountant, as prescribed by state of domicile. In addition to this certified financial report, the Exhibit of Premiums and Losses (See page 2 of this bulletin) for the State of Connecticut is also required to be filed by March 1, 2014.

For Risk Retention Groups Domiciled in the State of Connecticut:

Section 38a-251 of the Connecticut General Statutes requires that each risk retention group doing business in this state shall comply with the laws, rules, regulations and requirements applicable to insurers chartered and licensed in this state. As provided for in §38a-251 and §38a-252 of the Connecticut General Statutes, each Risk Retention Group domiciled in the State of Connecticut must submit a statement its principal place of business, a copy of its plan of operations or a feasibility study and revisions of such plan or study, and a statement designating the State of Connecticut Insurance Commissioner as its agent for the purpose of receiving service of legal documents or process. The plan or study must include information as to the coverages, deductibles, coverage limits, rates and rating classification system for each line of insurance the Group intends to offer. Each Group should also provide any material changes to the plan when submitting its annual report.

Section 38a-53 requires that Connecticut domiciled insurance companies (including risk retention groups) shall on or before March 1, 2014, submit **two paper copies** of an annual financial statement to the commissioner **and** also electronically file this annual financial statement with the National Association of Insurance Commissioners (NAIC), which is a true and complete report, signed and sworn to by its president or a vice-president, and secretary or an assistant secretary, of its financial condition as of December 31, 2013. This initial filed financial report shall include a statement of opinion on loss and loss adjustment expense reserves. This financial report must be certified by an independent public accountant, and this certification must be submitted to the Connecticut Insurance Department by June 1. In addition, an Exhibit of Premiums and Losses (See below in this bulletin) for the State of Connecticut is required to be filed by March 1, 2014.

For ALL Risk Retention Groups:

In addition to the annual financial reporting requirements outlined above, each risk retention group is also required to submit quarterly financial statements on an electronic filing 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, 2014	May 15, 2014
June 30, 2014	August 15, 2014
September 30, 2014	November 15, 2014

All risk retention groups doing business in the State of Connecticut are required to submit an Exhibit of Premiums and Losses for the State of Connecticut (i.e. NAIC "Yellow Book, State Page"- page 19, format). This exhibit is to be submitted to the Connecticut Insurance Department on a quarterly basis (see schedule above). For Groups domiciled outside of the State of Connecticut, an electronic filing of this report shall be made with via the NAIC electronic reporting system. For Groups domiciled in the State of Connecticut, two **paper copies** of this Exhibit of Connecticut Premiums and Losses must be submitted to the Connecticut Insurance Department, in addition to the NAIC electronic filing.

All mail, including certified and registered, should be sent to the Financial Regulation Division, at the following address:

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

Mail sent by a private delivery service should be sent directly to our address:

153 Market Street, 7th Floor
Hartford, CT 06103

If you have any questions on this bulletin, you may contact the John C. Thomson, Captive Insurance Division at (860) 297-3995 or john.thomson@ct.gov



Thomas B. Leonardi
Insurance Commissioner