

Annual Statement Package

Submit to assigned analyst

Annual Statement Table of Contents

Table of Contents.....	1
Annual Statement Instructions	2 - 3
Frequently Asked Questions	4
Direct Economic Impact of Tennessee Captive Insurance Companies	5
Annual Report -- Jurat Page	6
General Interrogatories	7 - 9
Exhibit of Premiums and Losses	10
Schedule of Reinsurance	11
Investments Owned at Current Year End	12
Oversight Document Checklist	13

Tennessee Captive Insurer

Annual Statement Instructions

Page 2-3	Annual Statement Instructions
Page 4	Frequently Asked Questions
Page 5	Direct Economic Impact of Tennessee Captive Insurance Company
Page 6	Jurat Page

What do I include on the Jurat Page?

1. Names and titles of all officers. Add additional pages if necessary.
2. Names of all directors. Add additional pages if necessary.
3. Jurat Page must be signed and attested to by at least two officers.
4. Signatures must be original signatures.
5. Signatures must be notarized.
6. If filing on a fiscal year, complete item #3 on the Jurat Page.

What if an officer or director has been added during the year?

Indicate all new officers/directors with a"#” sign after the name of the new officer/director.

Do I submit a new Jurat Page if the annual statement is amended?

Yes, a new Jurat Page must be newly signed with original signatures and submitted. The Jurat Page should indicate in the lower right corner whether it is an amendment to the original filing and if it is the first, second, etc. amendment. The amended Jurat Page must be notarized.

Page 7-8 General Interrogatories

Page 9 Exhibit of Premiums and Losses

Where the effected of the transaction reduces net premiums, the transaction MUST be reported as a negative number. All information on the following schedules should be reported by coverages provided.

Premium Schedule:

- Col. 1 Direct Business - report premiums written on coverages issued by the company.
- Col. 2 Reinsurance Assumed - report premiums received from reinsurance or pooling agreements.
- Col. 3 Reinsurance Ceded - report premiums ceded to another company through reinsurance or pooling agreement.
- Col. 4 Net Premiums Written = Direct business + assumed businesses - ceded business.

Paid Loss Schedule:

- Col. 1 Direct Business - report losses paid on coverages issued by the company.
- Col. 2 Reinsurance Assumed - report losses paid which were assumed from reinsurance or pooling agreements.
- Col. 3 Reinsurance Ceded - report losses paid which were ceded to another company through reinsurance or pooling agreement.
- Col. 4 Net Losses Paid = Direct business + assumed businesses - ceded business.

Loss Reserves Schedule:

- Col. 1 Direct Business - include outstanding loss reserves, outstanding loss adjustment expense reserves and estimated incurred but not reported loss reserves (IBNR) on coverages issued by the company.
- Col. 2 Reinsurance Assumed - include outstanding loss reserves, outstanding loss adjustment expense reserves and estimated incurred but not reported loss reserves (IBNR) assumed from a reinsurance or pooling agreement.
- Col. 3 Reinsurance Ceded - include outstanding loss reserves, outstanding loss adjustment expense reserves and estimated incurred but not reported loss reserves (IBNR) ceded to another company through reinsurance or pooling agreement.
- Col. 4 Net Loss Reserves = Direct business + assumed businesses - ceded business.

Tennessee Captive Insurer

Annual Statement Instructions

Page 10 Schedule of Reinsurance

Assumed Reinsurance, as of Current Year End

- Col. 1 Federal ID Number - tax identification number issued by the Federal Government.
- Col. 2 Name of Reinsured - list all companies business was assumed from through reinsurance or pooling agreements.
- Col. 3 State or Country of Domicile - domain where the company is registered.
- Col. 4 Assumed Premiums = assumed written premiums (Reinsurance Assumed) reported on Premium Schedule, page 8, column 2.
- Col. 5 Assumed Paid Losses = assumed paid losses (Reinsurance Assumed) reported on Paid Loss Schedule, page 8, column 2.
- Col. 6 Assumed Loss Reserves = assumed loss reserves (Reinsurance Assumed) reported on Loss Reserve Schedule, page 8, column 2.

Ceded Reinsurance, as of Current Year End

- Col. 1 Federal ID Number - tax identification number issued by the Federal Government.
- Col. 2 Name of Reinsured - list all companies business was ceded to through reinsurance or pooling agreements.
- Col. 3 State or Country of Domicile - domain where the company is registered.
- Col. 4 Ceded Premiums = ceded written premiums (Reinsurance Ceded) reported on Premium Schedule, page 8, column 3. **Ceded Premiums must be entered as negative numbers.**
- Col. 5 Ceded Paid Losses = ceded paid losses (Reinsurance Ceded) reported on Paid Loss Schedule, page 8, column 3. **Ceded Premiums must be entered as negative numbers.**
- Col. 6 Ceded Loss Reserves = ceded loss reserves (Reinsurance Ceded) reported on Loss Reserve Schedule, page 8, column 3. **Ceded Premiums must be entered as negative numbers.**

Page 11 Investments Owned at Current Year End

- Col. 1 Description - give a complete and accurate description of each individual investment.
- Col. 2 Investment Type - enter the corresponding number as noted below.
 - 1. Bonds - include U.S. government, municipal bonds, and corporate bonds.
 - 2. Stocks - include equity securities actively traded on recognized stock exchanges, mutual funds, stock v options, short-sells, etc.
 - 3. Cash and Short-Term Investments - include all cash, petty cash, and cash equivalents, certificates of deposit with a maturity date of one year or less from acquisition. Cash equivalents are short-term highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity (3 months or less from date of purchase) that they represent negligible risk of changes in value because of changes in interest rates.
 - 4. Loans and Notes Receivable - include all loans and notes receivable from affiliates and non-affiliates.
 - 5. Cash Surrender Value of Life Insurance - include net cash surrender value of company-owned life insurance policies.
 - 6. Letters of Credit.
 - 7. Other - include all other invested assets.
- Col. 3 Cost - enter original cost of investment.
- Col. 4 Statement Value - enter current GAAP financial statement value of investment.

Tennessee Captive Insurer

Frequently Asked Questions

Who should file?

- All captive insurers, with the exception of risk retention groups (RRG), shall file on the forms prescribed by the commissioner pursuant to T.C.A. § 56-13-108(b).

When to file?

- March 15 is the deadline for filing. Each captive insurance company shall submit to the commissioner a report of its financial condition, verified by oath of two (2) of its executive officers.

How many copies should be filed?

- One (1) hard copy with original signatures.

Where do I send the copies?

- Mail hard copies to the attention of the captive company analyst:
Captive Insurance Section
500 James Robertson Parkway - 7th Floor
Nashville, Tennessee 37243

When do I submit the premium tax form and payment?

- March 15 is the deadline for the premium tax form and payment. Both are submitted through OPTins. Be sure to register 2 to 3 weeks prior to the deadline if you are not already registered to meet the filing deadline.

When do I submit the audited financial statements and actuarial opinions?

- June 30 is the deadline for audited financial statements and actuarial opinions. If the commissioner has granted approval for fiscal year reporting, the annual report is due one hundred and eighty (180) days after the fiscal year end.

Direct Economic Impact of Tennessee Captive Insurance Companies Calendar Year 2016 Tennessee Expenditures

Premium Taxes Paid to Tennessee	
Other Tennessee Expenditures	
1. Rent	
2. Legal Services	
3. Actuarial Services	
4. Accounting Services	
5. Audit Services	
6. TPA Services	
7. Investment Advisory Services	
8. Captive Management Fees	
9. Director Fees	
10. Banking Fees (Including LOC Fees)	
11. Equipment Purchases	
12. Miscellaneous Tennessee Expenditures	
13. Subtotal Other Tennessee Expenditures	
14. Total Tennessee Expenditures	

Management and Lodging

15. Tennessee Payroll	
16. Full-Time Employees in Tennessee	
17. Percentage of Captive Management Performed in Tennessee	
18. Number of Person Days Spent in Tennessee	
19. Total Hotel Room Nights in Tennessee	
20. Number of Days of Conference Meeting Space in Tennessee	
21. Number of Meals in Tennessee	

Cash and Invested Assets Held in Tennessee

22. Total LOC with Tennessee Banks	
23. Cash (Including checking/saving accounts, CDs, cash equivalents)	
24. Investments (include bonds, stocks, mutual funds, U.S. treasuries)	
25. Other Invested Assets (include real estate, mortgage loans, etc.)	
26. Total year end deposit balances in Tennessee financial institutions (includes initial capitalization (LOCs & depository agreements), plus premiums and surplus)	

To the best of my knowledge, the above amounts have been identified as Tennessee expenditures and may be used to report to the Governor or any economic impact survey generated on behalf of the Captive Section.

Captive Manager

Tennessee Captive Insurer Annual Report - Jurat Page

As of
of the Condition and Affairs of

Name of Company

Date of License:

Company Street Address:

Company City, State, Zip Code:

Books and Records Street Address:

Books and Records City, State, Zip Code:

Captive Manager Name:

Captive Manager Street Address:

Captive Manger City, State, Zip Code

Annual Report Contact Name:

Annual Report Contact Phone and Extension:

Annual Report Contact Email:

Officers

President	
Secretary	
Treasurer	

Directors

State of

County of

The officers of this company, being duly sworn, each depose and say that they are the described officers of the said insurer, and attest to the following:

(1) that as of the date of this Annual Report (as noted above), the company has maintained the minimum capital and surplus requirements pursuant to Tenn. Code. Ann. § 56-13-105;

(2) the attached schedules, exhibits and explanations therein contained, annexed or referred to are a full and true statement, in all material respect of the company's financial condition and results of operations, according tot he best of their information, knowledge and belief, respectively.

(3) that pursuant to Tenn. Code Ann. § 56-13-109, the company will file an annual audited financial report, including an actuarial opinion, with the Tennessee Department of Insurance on or before June 30 for the period covered by this Annual Report, or alternative filing date of _____ as approved by the department.

(Two Signatures Required)

Signature

Printed Name

Title

Subscribed and sworn to before me this
day of

Notary Signature

Signature

Printed Name

Title

a. Is this an original filing? Yes No

- b. If no,
1. State the amendment #:
 2. Date filed:
 3. Number of pages attached:

General Interrogatories

1. List the name(s) and address(es) of the beneficial owners of the captive and corresponding percentages of ownership. (If additional lines are required, attach additional pages.)

Name	Address	% Ownership
Total Ownership Percentage:		

2. Type of Captive:
 3. Organizational Form:
 If Stock Insurer:

CAPITAL STOCK OF CAPTIVE

Stock Class	Number Shares Authorized	Number Shares Outstanding	Par Value
Preferred			
Common			

4. Name and Address of Management Firm or Administrator:

Has the Management Firm or Administrator changed from the Prior annual filing? Yes No

5. Provide the individual name, firm name and firm address of the actuary. (Please note if there has been a change in the actuary)
6. Provide the individual name, firm name and the firm address of the Certified Public Accountant. (Please note if there has been a change in the Certified Public Accountant)
7. Provide unaudited (or audited, if available) financial statements.
8. Were any changes made to the charter, bylaws or articles since the prior annual filing? Yes No
 If yes, provide a brief description on a separate attachment.

General Interrogatories

9. Did the company provide notification to and receive approval from the Captive Insurance Section for all material transactions? Yes No
If no, provide a brief description including the dollar amount on a separate attachment.
10. Since the prior annual filing were there any related party transactions? Yes No
If yes, provide a brief description including the dollar amount on a separate attachment.
11. Have all assets been valued in accordance with GAAP? Yes No
If other than GAAP was, please explain:
12. Do the company's assets include any loans to its parent, affiliates, or unaffiliated companies? Yes No
If yes, please answer the following:
- (a) Were any of these loans entered into this year? Yes No
If yes, what is the date of the Captive Insurance Section approval?
- (b) Amount of the loan as of the end of the year:
- (c) Describe the terms of the loan on a separate attachment.
- (d) Have all interest payments due for the year been collected? Yes No
If no, when are the interest payments expected?
- (e) Attach copies of current financial statements of the company or companies to whom loans have been made.
13. Were any of the company's assets or stock pledged as collateral at any time during the year or did the captive provide any outside guarantees? Yes No
If yes, please provide the date of Captive Insurance Section approval:
and a brief description on a separate attachment.
14. Has each officer, director, and key employee for the current reporting year filed a disclosure with the captive's board of directors disclosing any potential conflicts of interest as outlined in the captive's conflict of interest policy? Yes No
15. Have loss and loss adjustment expense (LAE) reserved been discounted? Yes No
If yes, what interest rate was used?
16. Were any stockholder dividends paid during the year? Yes No
If yes, provide the date of approval by the Captive Insurance Section, the date(s) paid and amounts paid.
17. Did the company hold a board of directors meeting in Tennessee during the reporting period as required by Tenn. Code Ann. § 56-13-103(b)? Yes No

General Interrogatories

18. Does the company participate in a reinsurance pooling arrangement? Yes No
If yes, include the other pool members in the assumed and or ceded section of the reinsurance schedule on page 5.
19. Did the company write any new lines of business? Yes No
If yes, provide the date of Captive Insurance Section approve.
If yes, provide listing of new lines on a separate attachment.
20. Did the company write premiums this year? Yes No
If not, does the company plan to continue writing insurance? Yes No
If not, do you plan on dissolving in the next year? Yes No

Exhibit of Premiums and Losses

Premium Schedule	(1)	(2)	(3)	(4)
Lines of Coverage	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premiums Written
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
Totals				

Paid Loss Schedule	(1)	(2)	(3)	(4)
Lines of Coverage	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Losses Paid
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
Totals				

Loss Reserve Schedule	(1)	(2)	(3)	(4)
Lines of Coverage	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Loss Reserves
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
Totals				

Schedule of Reinsurance

Assumed Reinsurance As of Current Year End					
1	2*	3	4**	5***	6****
Federal ID Number	Name of Reinsured	State or Country of Domicile	Assumed Premiums	Assumed Paid Losses	Assumed Loss Reserves
Totals					

- * Include pool participants. Attach an extra sheet if necessary.
- ** Totals for Column 4 must agree to Premium Schedule, Page 10, Column 2.
- *** Totals for Column 5 must agree to Paid Loss Schedule, Page 10, Column 2.
- **** Totals for Column 6 must agree to Loss Reserve Schedule, Page 10, Column 2.

Ceded Reinsurance As of Current Year End					
1	2*	3	4**	5***	6****
Federal ID Number	Name of Reinsured	State or Country of Domicile	Ceded Premiums	Ceded Paid Losses	Ceded Loss Reserves
Totals					

- * Include pool participants. Attach an extra sheet if necessary.
- ** Totals for Column 4 must agree to Premium Schedule, Page 10, Column 3. Totals
- *** for Column 5 must agree to Paid Loss Schedule, Page 10, Column 3. Totals for
- **** Column 6 must agree to Loss Reserve Schedule, Page 10, Column 3.

Oversight Document Checklist

Please certify that the following documents are current as filed with the Captive Insurance Section, are new (and attached), or are not applicable, at this time for:

_____ .
Captive Insurance Company name

REQUIRED DOCUMENTS	Current as FILED	NEW	N/A
1. Executed agreement between owner and captive manager.			
2. Executed agreement with audit firm.*			
3. Executed agreement with actuarial firm.*			
4. Sample policy form issued by captive.			
5. Minutes and resolutions of all board meetings.			
6. Executed reinsurance and/or pooling agreements.			
7. Statement of investment policy.			
8. Code of ethics and certificate of acknowledgement by owners.			
9. Conflict of interest policy statement & owner's certificate of acknowledgement.			

To the best of my knowledge, the above documents have either been filed with the Captive Insurance Section (and no changes have been made), are attached hereto, or are not applicable.

 Captive Manager

 Date

***Note:** Companies that elect to **not** perform annual audits and actuarial reviews may be subject to accelerated examination dates.