



STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
Captive Insurance Section  
500 James Robertson Parkway, 7th Floor  
Nashville, Tennessee 37243  
(615) 741-3805

## Annual Statement Package

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# TENNESSEE CAPTIVE INSURER Annual Statement Instructions

All dates are formatted as (m/d/yyyy) in Adobe.

Percentages are entered as 0.00 (e.g. 25% equals 0.25)

## 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 a wet signature.
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 a wet signature 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.

## Pages 7 & 8 – General Interrogatories

**Page 9 –Exhibit of Premiums & Losses** (Where the effect of the transaction reduces net premiums, the transaction **MUST** be reported as a negative number.)

### 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 business – 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 business – 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 a reinsurance or pooling agreement.
- Col. 4 Net Loss Reserves = Direct business + assumed business – ceded business

All information on the above schedules should be reported by coverages provided.

## TENNESSEE CAPTIVE INSURER Annual Statement Instructions

### Page 10 - Schedule of Reinsurance

#### Assumed Reinsurance

- 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 reported on Premium Schedule, page 4, column 2.
- Col. 5 Assumed Paid Losses = assumed paid losses reported on Paid Loss Schedule, page 4, column 2.
- Col. 6 Assumed Loss Reserves = assumed loss reserves reported on Loss Reserve Schedule, page 4, column 2.

#### Ceded Reinsurance

- Col. 1 Federal ID Number - tax identification number issued by the Federal Government.
- Col. 2 Name of Reinsurer - 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 reported on Premium Schedule, page 4, column 3 (**Ceded Premiums must be entered as negative numbers**).
- Col. 5 Ceded Paid Losses = ceded paid losses reported on Paid Loss Schedule, page 4, column 3 (**Ceded Premiums must be entered as negative numbers**).
- Col. 6 Ceded Loss Reserves = ceded loss reserves reported on Loss Reserve Schedule, page 4, column 3.

### Page 11 - Schedule of Investments

- Col. 1 Description - give a complete and accurate description of each individual investment.
- Col. 2 Investment Type - enter applicable code 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 options, short-sells, etc.
  - 3 Cash & 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 mos. or less from date of purchase) that they represent negligible risk of changes in value because of changes in interest rates.
  - 4 Loans/Notes Receivables - 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. 4 Cost - enter original cost of investment
- Col. 5 Statement Value - enter current GAAP financial statement value of investment.

### Page 12 – Direct Economic Impact of Tennessee Captive Insurance Companies

**TENNESSEE CAPTIVE INSURANCE  
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?*

- Prior to March 1 of each year, and prior to March 15 of each year in the case of a pure captive insurance companies or industrial insured captive insurance companies, 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 wet signatures.

*Where do I send the copies?*

- Mailed hard copies:  
Captive Insurance Section  
500 James Robertson Parkway  
Nashville, TN 37243

*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 a fiscal year reporting, the annual report is due one hundred and eighty (180) days after the fiscal year end.

*What must be included in the audited financial statements and actuarial opinion?*

- Pursuant to Tenn. Comp. R & Reg., Ch. 0780-01-.41:
  1. Opinion of independent certified public accountant.
  2. Report of evaluation of internal controls.
  3. Accountant's letter of Qualification.
  4. Financial statements (balance sheet, income statement, cash flow)
  5. Certification of loss reserves and loss expense reserves.

**TENNESSEE CAPTIVE INSURER  
ANNUAL REPORT -- JURAT PAGE**

**AS OF \_\_\_\_\_  
of the Condition and Affairs of**

|                               |                                   |  |           |
|-------------------------------|-----------------------------------|--|-----------|
|                               | Name of Company                   |  |           |
| Date of License               |                                   |  |           |
| Company Address               | (Company Street Address)          | Company City, State and ZIP Code           |           |
| Location of Books and Records | Books and Records Street Address) | Books and Records City, State and ZIP Code |           |
| Name of Captive Manager       |                                   |  |           |
| Address of Captive Manager    | Captive Manager Address           | Captive City, State and ZIP Code           |           |
| Annual Report Contact Name    | Annual Report Contact Name        | Phone Number                               | Extension |
|                               |                                   | Annual Report Contact E-mail Address       |           |

**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 to the 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 1 for the period covered by this Annual Report, or alternative filing date of \_\_\_\_\_ as approved by the department.

***(TWO SIGNATURES REQUIRED)***

|              |              |
|--------------|--------------|
| Signature    | Signature    |
| Printed Name | Printed Name |
| Title        | Title        |

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Notary Signature

- |    |                             |            |           |       |
|----|-----------------------------|------------|-----------|-------|
|    |                             | <b>Yes</b> | <b>No</b> |       |
| a. | Is this an original filing? |            |           |       |
| b. | If no,                      |            |           |       |
|    | 1. State the amendment #.   |            |           | _____ |
|    | 2. Date filed               |            |           | _____ |
|    | 3. No. 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.) | % 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      |                          |                           |           |

**YES/NO**

4. Name and address of Management Firm or Administrator  
\_\_\_\_\_

Has the Management Firm or Administrator changed from the prior annual filing?

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. Were any changes made to the charter, bylaws or articles since the prior annual filing? If yes, provide a brief description on a separate attachment.

8. Did the company provide notification to and receive approval from the Captive Insurance Section for all material transactions? If no, provide a brief description including the dollar amount on separate attachment.

9. Since the prior annual filing were there any related party transactions? If yes, provide a brief description including the dollar amount, on a separate attachment.

10. Have all assets been valued in accordance with GAAP? If Other than GAAP was, please explain.

11. Do the company's assets include any loans to its parent, affiliates, or unaffiliated companies? If yes, please answer the following:

(a) Were any of these loans entered into this year?

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?

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.

## GENERAL INTERROGATORIES

YES/NO

12. 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?  
If yes, please provide the date of Captive Insurance Section approval and a brief description, on a separate attachment.
13. 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?
14. Have loss and loss adjustment expense(LAE) reserves been discounted?  
If yes, what interest rate was used?  
If yes, what was the total undiscounted losses and LAE reserves?
15. Were any stockholder dividends paid during the year?  
If yes, provide the date of approval by the Captive Insurance Section, the date(s) paid and amounts paid.
16. 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)?
17. Does the company participate in a reinsurance pooling arrangement?  
If yes, include the other pool members in the assumed and or ceded section of the reinsurance schedule on page 5.
18. Did the company write any new lines of business?  
If yes, provide the date of Captive Insurance Section approve?  
If yes, Provide listing of new lines on a separate attachment.
19. Did the company write premiums this year? If not does the company plan to continue writing insurance?  
If no, do you plan on dissolving in the next tax year?

**EXHIBIT OF PREMIUMS AND LOSSES**

| <u><b>PREMIUM SCHEDULE</b></u>                   | (1)               | (2)                    | (3)                  | (4)                     |
|--|-------------------|------------------------|----------------------|-------------------------|
| <b>Line of Business - By Scheduled Coverages</b> | Direct<br>Busines | Reinsurance<br>Assumed | Reinsurance<br>Ceded | Net Premiums<br>Written |
| 1  |                   |                        |                      |                         |
| 2  |                   |                        |                      |                         |
| 3  |                   |                        |                      |                         |
| 4  |                   |                        |                      |                         |
| 5  |                   |                        |                      |                         |
| 6  |                   |                        |                      |                         |
| 7  |                   |                        |                      |                         |
| 8  |                   |                        |                      |                         |
| 9  |                   |                        |                      |                         |
| 10   |                   |                        |                      |                         |
| 11   |                   |                        |                      |                         |
| 12   |                   |                        |                      |                         |
| 13   |                   |                        |                      |                         |
| 14   |                   |                        |                      |                         |
| 15   |                   |                        |                      |                         |
| <b>Totals</b>                                    |                   |                        |                      |                         |

| <u><b>PAID LOSS SCHEDULE</b></u>                  | (1)               | (2)                    | (3)                  | (4)                |
|---|-------------------|------------------------|----------------------|--------------------|
| <b>Line of Business -- By Scheduled Coverages</b> | Direct<br>Busines | Reinsurance<br>Assumed | Reinsurance<br>Ceded | Net Losses<br>Paid |
| 1   |                   |                        |                      |                    |
| 2   |                   |                        |                      |                    |
| 3   |                   |                        |                      |                    |
| 4   |                   |                        |                      |                    |
| 5   |                   |                        |                      |                    |
| 6   |                   |                        |                      |                    |
| 7   |                   |                        |                      |                    |
| 8   |                   |                        |                      |                    |
| 9   |                   |                        |                      |                    |
| 10  |                   |                        |                      |                    |
| 11  |                   |                        |                      |                    |
| 12  |                   |                        |                      |                    |
| 13  |                   |                        |                      |                    |
| 14  |                   |                        |                      |                    |
| 15  |                   |                        |                      |                    |
| <b>Totals</b>                                     |                   |                        |                      |                    |

| <u><b>LOSS RESERVE SCHEDULE</b></u>               | (1)               | (2)                    | (3)                  | (4)                  |
|---|-------------------|------------------------|----------------------|----------------------|
| <b>Line of Business -- By Scheduled Coverages</b> | Direct<br>Busines | Reinsurance<br>Assumed | Reinsurance<br>Ceded | Net Loss<br>Reserves |
| 1   |                   |                        |                      |                      |
| 2   |                   |                        |                      |                      |
| 3   |                   |                        |                      |                      |
| 4   |                   |                        |                      |                      |
| 5   |                   |                        |                      |                      |
| 6   |                   |                        |                      |                      |
| 7   |                   |                        |                      |                      |
| 8   |                   |                        |                      |                      |
| 9   |                   |                        |                      |                      |
| 10  |                   |                        |                      |                      |
| 11  |                   |                        |                      |                      |
| 12  |                   |                        |                      |                      |
| 13  |                   |                        |                      |                      |
| 14  |                   |                        |                      |                      |
| 15  |                   |                        |                      |                      |
| <b>Totals</b>                                     |                   |                        |                      |                      |





**DIRECT ECONOMIC IMPACT OF TENNESSEE CAPTIVE INSURANCE COMPANIES**

**Tennessee Expenditures**

- 1. Tennessee Payroll:
- 2. Other Tennessee Expenditures:
  - a) Rent
  - b) Legal Services
  - c) Accounting & Audit
  - d) Captive Management Fees
  - e) Directors' Fees
  - f) Banking Fees (Including LOC Fees)  
(Total Amount of the Letters of Credit with Tennessee Banks)
  - g) Equipment Purchases
  - h) Annual Meeting
  - i) Actuarial Services
  - j) TPA Services
  - k) Investment Advisory Services
  - l) Other

**3. Total Other Tennessee Expenditures**

4. Premium Taxes Paid to Tennessee

**5. Total Tennessee Expenditures**

*Report expenses on an accrual basis.*

***Do not include expenditures outside the State of Tennessee .***

**Management and Lodging**

6. Percentage of the captive management performed in this state?

7. Total hotel room nights in Tennessee for captive activities

**Cash & Invested Assets Held In Tennessee**

*Include all assets managed or held in custody by Tennessee institutions such as banks, trust companies and brokerage offices (even if the institutions are owned out of state).*

8. Cash (include checking/savings accounts, CDs, cash equivalents)

9. Investments (include bonds, stocks, mutual funds, U.S. treasuries)

10. Other Invested Assets (include real estate, mortgage loans, etc.)

11. Total Cash & Invested Assets held in Tennessee

*Report investments at market value. If zero indicate "NONE".*