

2765.1500 REPORTING.

Subpart 1. **Financial statements.** A plan must prepare annual financial statements containing a balance sheet; a full funding reserves calculation worksheet; a statement of revenues, expenses, and surplus; a statement of changes in financial position; and a schedule of investments. The statements must be prepared on forms and according to instructions prescribed by the commissioner. The financial statements must be filed with the commissioner no later than 30 days after the fund year's conclusion. The financial statements must be audited by an independent certified public accountant, and an audit report must be filed with the commissioner no later than 180 days after the fund year's conclusion. A plan's first annual financial statement, and every second annual financial statement thereafter must be accompanied by a statement from a qualified actuary concerning the balance sheet items that are based on actuarial assumptions and methods. The form of the actuary's statement and the scope of the actuarial review must be according to instructions prescribed by the commissioner.

Subp. 2. **Quarterly reports.** A plan must file quarterly reports with the commissioner no later than 30 days after the end of the first, second, and third quarters of each fund year. Quarterly reports must contain statements of the plan's:

- A. current total cash on hand and on deposit, and total investments;
- B. current total reserve for unearned and advance premiums, total reserve for outstanding losses reported and unreported, total operating full funding reserve, and total runoff full funding reserve;
- C. dividends declared during the quarter;
- D. gross premiums written during the quarter;
- E. losses paid during the quarter;
- F. proximity to the aggregate excess stop-loss insurance attachment point for the current fund year and, if applicable, the past fund year;
- G. current total members and covered employees; and
- H. any other matters the commissioner requests that the board address.

Subp. 3. **Extraordinary audits.** Upon sufficient cause, the commissioner shall require a plan to investigate the accuracy of one or more entries on its financial statements or quarterly reports, and to report its findings. If necessary for the investigation's purposes, the commissioner shall require a plan to contract with a qualified actuary, claims specialist, auditor, or other specialists as appropriate to the type of entry being investigated. If warranted by investigation's findings, the commissioner shall require changes in the plan's reserving, accounting, or record keeping practices. These extraordinary audits are in addition to the commissioner's rights to examine self-insurance plans under Minnesota

Statutes, section 60A.03, subdivisions 3, 5, and 6, and section 60A.031. Sufficient cause includes:

A. losses that appear significantly different than losses experienced by other self-insurance plans or insurance companies for similar coverage;

B. unusual changes in the amount of entries from period to period that are not sufficiently explained by the financial statements, quarterly reports, or footnotes; or

C. other indications that a plan's financial statements or quarterly reports may not accurately reflect the plan's status and transactions.

Subp. 4. **Annual status report.** No later than 30 days after the fund year's conclusion, a plan must file with the commissioner a statement describing any changes that have occurred in the information filed with its initial application for authority to self-insure, or with the plan's most recent status report. The status report must be filed in a form and according to instructions prescribed by the commissioner.

Subp. 5. **Penalty.** The financial statements and status report required under subparts 1 and 4 are considered together to be a plan's annual statement. This filing and other filings required by this chapter and related statutes are subject to Minnesota Statutes, section 72A.061, as applicable to licensed insurance companies for comparable filings.

Subp. 6. [Repealed, L 2000 c 394 art 2 s 28]

Statutory Authority: *MS s 62H.06*

History: *9 SR 989; L 2000 c 394 art 2 s 28*

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