

KIM REYNOLDS
GOVERNOR

DOUG OMMEN
COMMISSIONER OF INSURANCE

ADAM GREGG
LT. GOVERNOR

MEMORANDUM

TO: All County Mutuals
FROM: Company Regulation Bureau
DATE: December 2023
RE: Annual and Quarterly Financial Statements/General Information

- The 1) annual statement, 2) reinsurance calculation form and 3) signed hardcopies of jurat page are due **to be filed by March 1, 2024** with the Iowa Insurance Division at their new address:
**Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, IA 50315**
- The 1) premium tax return 2) invoice and payment for annual filing fees are **to be filed electronically by March 1, 2024**
- Prepayment statements are to be filed **electronically by June 1, 2024 and August 15, 2024**
Electronic filing to be made through Premium Pro® software or on the following website: <https://nonsub.tritechsoft.com/>

Electronic filing for 2023 filings will be available on the website beginning January 2, 2024

The Iowa Insurance Division, in conjunction with TriTech, has implemented an online premium tax application for insurers to prepare and submit their premium tax returns and payments electronically. Required documents are easily attached to the electronic filing. The Iowa e-filing program may be accessed free of charge at the above link. For all technical questions regarding either e-filing system, please call TriTech at 800-380-6407, or e-mail: support@tritechsoft.com. For other questions regarding the electronic filing system please contact: premium.tax@iid.iowa.gov or call 515-654-6480.

The TriTech filing page has been updated for filings made in 2023. There are a series of Tabs along the left side of the page.

Tab 1: choose Iowa

Tab 2: choose 2023 for yearend filings, choose 2024 for June and August prepayments, choose appropriate year if an amended filing is being made for a prior year.

Tab 3: Company Type choose **Other Companies**. This will open the Return Tab

Tab 4: Return – Select the County Mutual document you want to file.

Complete the form on the screen, attach any necessary documents, click on validate and if the document passes the validation you can click on submit. A pop-up box will appear with two options. You should click to view the PDF version of the submitted return and save it on your system. Then in order to make payment you will choose **Click Here For Payment Page**, the payment process will remain the same as in prior years.

The Iowa Insurance Division has updated the process for filling both the Annual Statement and the Mid-Year Statement. All Statements must now be filled electronically. A hard copy with original signatures of the jurat page must still be filled with our office

In addition to the enclosed traditional statement instructions, please take note of specific guidance detailed as follows:

1. Prior notification must be given to this office by an association whenever there is a change in key management officer(s)/employees(s). In accordance with typical circumstances, it is anticipated both “departures” and “arrivals” will be noticed in advance.
2. The Commissioner shall be informed when any material change to reinsurance may be anticipated. Any modification made to the current year reinsurance program as reported at March 1 must be timely noticed to the Iowa Insurance Division. Any provisional reinsurance cancellations must be reported to this office within ten days by all associations, whether the reinsurer’s notification is verbal or written.

Each association is reminded of its responsibilities relative to retention of annual statement workpapers. It is the responsibility of association’s management to make sure the filed financial statement is properly filled out. This responsibility cannot be abrogated by contracting to a third-party vendor. All financial statement workpapers must be readily available to examiners for each year of the examination period.

3. The filed Annual Statement should not be amended without prior approval of this agency.
4. Unsigned annual statements will be regarded as “not filed”. **Additionally, please note the annual statement jurat page requires the reporting of the association e-mail address.** Failure to timely file a completed annual statement may result in administrative action.
5. Filing financial statements with generic write-in items, such as “prepaid expenses” or “misc.receivables”, is not acceptable. If a write-in item is warranted, the description should describe the item in sufficient detail such that the reader will be informed. Absent a clearly labeled line item, add a schedule that details the composition of the item.
6. An excel spreadsheet version of the annual statement blank is available electronically and may be accessed through the Iowa Insurance Division website at: <http://iid.iowa.gov/premtax> The completed annual statement must be filed in the excel spreadsheet format. Electronic annual statement transmissions should be directed to company.regulation@iid.iowa.gov
7. Please note the jurat page with original signatures must still be mailed in hard copy form to this office.

Should any assistance be needed, please don’t hesitate to contact this office.

COUNTY MUTUAL STATEMENT INSTRUCTIONS

The following instructions have been developed to aid you in preparation of the annual statement which is **due March 1** as provided by Iowa statute. All items, unless otherwise noted, are to be reported on a cash basis for the applicable calendar year. Please complete the statement blank precisely as provided on a modified cash basis.

The electronic statement will use the data entered for the supporting schedules to populate amounts derived from the appropriate supporting schedule. Cells that use this method are highlighted in blue and cannot have information entered directly into them. All other cells allow amounts to be manually entered.

Users will have the ability to import prior year amounts beginning with the statement filed in 2022. If this function is available, a button will be located next to the column heading.

Below is a description of the information by line item.

Page 1 – Jurat Page

Complete all requested information including the telephone number and E-mail address. (A hard copy with original signatures must be submitted to the Insurance Division)

Page 2 - Income

A. Include in column 1 only direct premiums collected (gross of agent's net retained commissions), plus policy fees and installment fees charged policyholders and commissions retained by agents less gross return premiums. See Schedule G instructions for "Other" premiums.

B. Column 2 - Reinsurance assumed including the fire and wind portion of homeowners' policies assumed.

C. Column 3 - Premiums on reinsurance ceded. Include only premiums on per risk excess of loss reinsurance. Premiums for other types of excess of loss reinsurance contracts are not to be included. See instructions for Schedules G, H and I.

D. Line 5 - Include all Direct premiums not listed in line 2 and 3. Should tie to Schedule G.

E. Line 6 - Report premiums ceded for all non-per risk excess of loss reinsurance.

F. Line-8 -Interest received on bonds consists of gross interest received less paid for accrued interest.

G. Line 14 - A reasonable rental charge (income) should be included on this line when the Association occupies a building owned by the Association. Other rental income (including rent from any agency occupying Association property) should be included on this line.

H. Line 17 - Report liability, equipment breakdown and service line (if not written by the Association) premiums collected for and written by other companies (less refunds). This should be the gross collected and not the net amount after remitting to the company.

I. Line 19 - This item should include income received by an Association from another company as the result of the Association providing assistance in preparing original policy endorsements, etc. (This item is sometimes referred to as "overwrite fees".)

J. Line 20- The amount of Federal income tax refund collected during the calendar year.

Page 3 - Disbursements

A. Column 1 - Include only direct losses paid less any salvage and subrogation recoveries received during the year.

B. Column 2 - Include the Association's share of any assumed reinsurance losses.

C. Column 3 - Show only reinsurance recoveries on per risk excess of loss reinsurance. Premiums for other types of excess of loss reinsurance contracts are not to be included. See instructions for Schedules G, H and I.

D. Line 7 - Reflect recoveries received on all non-per risk excess of loss reinsurance.

E. Line 8 - Loss adjustment expenses should include expenses paid to adjusters in connection with the settling of claims; expenses of agents and directors incurred while settling claims; the cost of outside professional adjusting firms, etc.

F. Line 9 - Include direct and assumed reinsurance commissions paid plus any commissions retained by agents on direct business.

G. Line 10 - Advertising includes the following: Services of advertising agents. Public relations counsel. Space in newspapers, periodicals, billboards, programs and other publications, pamphlets, calendars and literature issued for advertising or promotional purposes, radio and TV broadcasts, prospective mailing list, directory listings and other similar items.

H. Line 11- Include dues, assessments, fees and charges of underwriting board's rating organizations, and accident and loss prevention organizations.

I. Line 12- Include cost of survey, credit and character reports obtained for underwriting purposes, appraisals and inspections.

J. Line 16- Include accident, health, hospitalization, group life, workers' compensation insurance premiums, and blanket bond premiums.

K. Line 17- Include premiums for physical damage coverage for buildings, contents and premiums for liability coverages including premiums for automobiles owned, directors and officers liability/professional liability.

L. Line 20 - Include rent of home office space if you are a tenant or a selfcharge if owner occupied. Cost of utilities, incidental maintenance and alterations should be included if your Association is a tenant. Additional items to be considered would be rent of safe deposit and post office boxes.

M. Line 21- Include rent of office furniture and equipment and depreciation on furniture and equipment and repairs.

N. Line 25- Show state insurance premium taxes paid during calendar year for prior (March 1 payment) and current (June 1) tax year.

O. Line 26 - Include the cost of agents' licenses and examination expense.

P. Line 27 - Include the Association's portion of social security and unemployment taxes.

Q. Line 29 - Include cost of operating, maintaining and insuring owned real estate. Include salaries of janitors and maintenance men.

R. Line 33 - Any expenses or depreciation on owned automobiles may be shown as a write-in item "automobile expense."

S. Line 38 - Separate Federal income tax between prior year and current year amounts paid during the calendar year.

T. Line 39 - Report gross liability premiums remitted to other companies.

U. Line 40 - Report liability commissions paid on behalf of other companies.

Page 4 - Assets

A. Line 11 - Column 1 or 2 - Insert the amount due and uncollected from the reinsurer for losses paid by the Association prior to the end of the accounting period for which this statement is being prepared.

B. Line 17 - This asset is admitted only if the Association is owner and beneficiary.

C. Line 18 - This is an admitted asset only if verified by IRS.

D. Lines 20 and 21 - List here and in Schedule E, any assets held by the Association and not otherwise reflected in this statement.

Page 5 - Liabilities

A. Line 1 - Include all claims reported with a date of loss on or before December 31 of the current year, but remaining unpaid at year end. Also include any open claims from prior years.

B. Line 2 - This is an estimate of claims incurred but not reported at year-end.

C. Line 6 - Insert the amount of estimated adjusting expenses anticipated in the settlement of those claims detailed in the reserve for net unpaid claims as shown on line 3.

D. Line 7 - Include current year ceded premiums payable for reinsurance.

E. Line 8 - Include commissions payable on premiums received.

F. Line 11 - Include employees' share of FICA and Federal income taxes withheld. Also, include things such as U.S. Savings Bonds withholdings or United Way withholdings not remitted.

G. Line 12 - Unpaid taxes as of statement date.

H. Line 13 - Any item due and unpaid at the statement date and not noted in any other liability on this schedule.

I. Line 14 - Liability, equipment breakdown and service line premiums (if not written by the Association) received but not remitted.

J. Line 15 - Enter the total of all direct premiums received on policies that have effective, renewal or installment, dates subsequent to the date of the statement being prepared.

K. Line 16 - You must report this required liability by using one of the following methods at the Association's option: 1. The actual reserve calculated on a pro rata basis including assumed combination homeowners premium. 2. Forty percent [(page 2, line 2, column 1 + line 3, column 1 + line 5, column 2) + (page 4, line 8.2, column 4) - (page 5, line 15) - (page 4, line 8.2, column 4 prior year) + (page 5, line 15 prior year) - (any service fees included as premium income)] = Unearned Premium Reserve. The method of calculation used must be detailed as noted on page 5. The method must be consistent year to year.

L. Lines 17 and 18 - Write in the nature of and dollar estimate of any other liability not reflected in this statement, including but not limited to contractual future obligations for pension plans.

Schedule A – Part 1

A. Bonds owned -Figures will be populated with information entered into Schedule A. The amount Reflects both increase and decrease adjustments in the book value of bonds. And reflects the amortization of premium or accrual of discount individually as the statement provides, using straight line or yield method on a consistent basis.

B. In column 3, insert the day of the month and the numerical designation of the month when the interest is payable.

C. Bonds should be amortized to December 31 of each year and bonds should be amortized to maturity or call date, whichever is sooner.

Schedule A – Part 2 and Part 2a

Enter here in detail all preferred and common stock. The admitted stock value for a subsidiary agency is determined as follows: cash plus securities minus all liabilities. (Only those securities which would be admitted if held directly by the association will be included in the calculation.)

Schedule A – Part 3

List in detail the bonds and stock acquired (including reinvestment of dividends) during the year. Securities acquired but not owned on the date of this statement are also shown on this list.

Schedule A – Part 4

List in detail the bonds and stock disposed of during the year, including those acquired and disposed of during the year. Information must be complete and accurate.

Schedule A, Part 5 - Verification Between Years

To complete this schedule each item must be traced from its designated location and entered on this form. When properly executed, the schedule will reconcile the book value of bonds and stocks at the end of the previous year with the book value of this item at the end of this accounting period.

Page 11 Schedule C-1 – Checking Account Balances

Enter individual checking account balances. Be sure to reflect deposits remitted but not yet credited to your account at year-end.

Page 12 Schedule E- Part 2

Explain herein, any assets not otherwise entered on a statement schedule. If the format does not allow an explanation of any item, please type in an explanation or attach a memorandum of details.

Page 13 Schedule G

Please fill in details. This includes "Other" premiums not including fire and wind premiums.

Page 13 Schedule H

Please fill in details for fire and wind premiums ceded.

Page 13 Schedule I

Please fill in details for fire and wind losses ceded.

Page 14 Historical Information

In "Other" section, put in Gross Risk of Force and Number of policy. Complete column "B" and leave columns "C thru F" empty.