



# STATE OF IOWA

KIM REYNOLDS  
GOVERNOR

DOUG OMMEN  
COMMISSIONER OF INSURANCE

ADAM GREGG  
LT. GOVERNOR

To: 518A (State Mutual) Managers  
From: Kimberlee L. Cross, Deputy Commissioner Supervision  
Re: Annual Statement and Quarterly Filings/ General Information  
Date: December 2023

- The 1) annual statement, 2) reinsurance calculation form and 3) signed hard-copies of jurat page are due **to be filed by March 1, 2024** with the:  
**Iowa Insurance Division**  
**1963 Bell Ave., 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://tritechsoft.com/efilenetia/efilenet/efiledefault.aspx>
- **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](mailto:support@tritechsoft.com). For other questions regarding the electronic filing system please contact [premium.tax@iid.iowa.gov](mailto:premium.tax@iid.iowa.gov)

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 2022 for yearend filings, chose 2023 for June and August prepayments, choose appropriate year if an amended filing is being made for a prior year.  
Tab 3: Company Type PC Companies. This will open the Return Tab 4:  
Return – select the document you want to file.

The documents will no longer need to be downloaded to your computer before completion. 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.

There have been material changes to 518A filing instructions. Specific guidance follows:

1. It is anticipated quality financial statements will be filed by all insurers. Any reinsurance adjustments which are provisional in nature, whether positive or negative, must be accurately reflected on all filed balance sheets. There should be no occasions where a previously unreported reinsurance charge is applied retrospectively due to mergers, an assumption reinsurance agreement or a change in reinsurance provider.
2. In addition to the information required by the traditional instructions, the Management's Discussion and Analysis **must include the following information:**
  - the association's compliance status relative to the Commissioner's 97-6 Bulletin regarding custody of securities.
3. **Prior** notification must be given to this office by an association whenever there is a change in key management officer(s)/employee(s). In accordance with typical circumstances, it is anticipated both "departures" and "arrivals" will be noticed in advance.
4. 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. Provisional reinsurance cancellations must be reported to this office within ten days by all associations, whether the reinsurer's notification is verbal or written.
5. Each association is reminded of its responsibilities relative to 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.
6. The filed Annual Statement should not be amended without prior approval of this agency.
7. 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.

The following are the instructions for filling out the Annual and Quarterly Statements. The Management Discussion and Analysis will still need to be filed with all Annual Statements. If a Schedule is not applicable to your Association please indicate – **NONE OR N/A. The Annual Statement and Quarterly Statements should not be amended without prior approval of this agency.**

An excel spreadsheet version of the annual and quarterly statement blanks are available electronically and may be accessed through the Iowa Insurance Division website at: <http://iid.iowa.gov/premtax> The completed statements must be filed in the excel spreadsheet format. Please note the jurat page with original signatures must still be mailed in hard copy form to this office. Electronic annual statement transmissions should be directed to [company.regulation@iid.iowa.gov](mailto:company.regulation@iid.iowa.gov).

All mailings made to the Iowa Insurance Division should be submitted to:

**Iowa Insurance Division  
1963 Bell Avenue, Suite 100  
Des Moines, IA 50315**

Should any assistance be needed, please don't hesitate to contact this office at 515-654-6480 or via email at [company.regulation@iid.iowa.gov](mailto:company.regulation@iid.iowa.gov) .(please include 518A in the subject line)

Cell colors in the electronic statements are defined as follows: "blue" are referenced from another cell in the statement, "grey" are to be entered manually and "white" are left blank. All items, unless otherwise noted, are to be reported on an accrual basis for the applicable calendar year.

## **ANNUAL STATEMENT**

Title Page

Table of Contents

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 - Assets

Line 11 - This asset is an admitted asset only if verified by IRS.

Line 0601 - Include any assets held by the Association and not otherwise included in this Statement.

Line 1501 - Include life insurance policy and admit only if the Association is owner and beneficiary.

Page 3 - Liabilities, Surplus and Other Funds

Line 3 - Include commissions payable on premiums received.

Line 4 - Include any item due and unpaid at the statement date and not noted in any other liability on this schedule.

Line 5 - Include unpaid taxes as of statement date.

Line 9 - 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.

Line 10 - Include current year ceded premiums payable for specific and excess reinsurance.

Line 12 - Include employees' share of following received by not remitted: FICA; Federal income taxes withheld; US Savings Bonds and United Way withholdings; liability, equipment breakdown and service line premiums (if not written by the Association),

Lines 1301 - Write in any other liability not reflected in this statement, including but not limited to contractual future obligations for pension plans.

Page 4 - Statement of Income

Line 15 - Include the amount of Federal income tax refund collected during the calendar year.

Line 050X - Include a reasonable rental charge (income) for a company occupying a building owned by the Association.

Line 1201 – Include liability, equipment breakdown and service line (if not written by the Association) premiums collected for and written by other companies (less refunds). Exclude any amount remitted to the insurer.  
 Line 1202 - Include income received by an Association from another company as the result of the Association aiding in preparing original policy endorsements, etc. This item is sometimes referred to as “overwrite fees”.  
 Line 1203 - Report liability commissions paid on behalf of other companies.

Page 5 – Statement of Cash Flow

The Statement of Cash Flow is prepared using the direct method consistent with the Statement of Income, excluding the effect of current and prior year accruals. All revenue, expenditures, purchases and sale transactions involving cash should be entered gross. Pursuant to SSAP No 69 – Statement of Cash Flow, for purposes of the Cash Flow Statement, cash is defined to include cash, cash equivalents and short-term investments. Refer to SSAP No 69 for accounting guidance regarding the disclosure of non-cash operating, investing and financing transactions.

Page 6 - Underwriting and Investment Exhibit –Part 1-Premiums Earned

Page 7 - Underwriting and Investment Exhibit –Part 1A-Recapitulation of All Premiums

Column 1 and 2 - 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 method as shown below. The method of calculation must be consistent each year and noted on page 7. The method used must be consistent year to year.

<u>40% METHOD</u>
Direct premiums
Add: Reinsurance assumed
Add: Policy, service & installment fees
Subtotal: Gross premiums
Add: Unpaid premiums after Nov 1
Less: Premiums received in advance
Less Prior year Unpaid premiums
Add: Prior year Advance premiums
Subtotal
Times: 40% Method of calculation.
Total

Page 8 - Underwriting and Investment Exhibit –Part 1B-Premiums Written

Column 1 - Include 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.  
 Column 2 - Reinsurance assumed including the fire and wind portion of homeowners' policies assumed.  
 Column 3 - Premiums on reinsurance ceded.  
 Line 6 - Include all direct premiums not listed in line 1 through 5.

Page 9 - Underwriting and Investment Exhibit – Part 2-Losses Paid and Incurred

Column 1 - Include only direct losses net any salvage and subrogation recoveries received during the year.  
 Column 2 - Include the Association's share of any assumed reinsurance losses.

Column 3 - Include only reinsurance recoveries.

#### Page 10- Underwriting and Investment Exhibit –Part 2A-Unpaid Losses and Loss Adjustment Expenses

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. Also include an estimate of claims incurred but not reported at year-end.

#### Page 11 - Underwriting and Investment Exhibit -Part 3-Expenses

Column 1 - Include expenses paid to adjusters in connection with the settling of claims, expenses of agents and directors incurred while settling claims and the cost of outside professional adjusting firms, etc.

Column 2 - Include direct and assumed reinsurance commissions paid plus any commissions retained by agents on direct business.

Line 4 – Include 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 lists; directory listings and other similar items.

Line 5 - Include dues, assessments, fees and charges of underwriting board's rating organizations, and accident and loss prevention organizations.

Line 6 - Include cost of survey, credit and character reports obtained for underwriting purposes, appraisals and inspections.

Line 8 - Include accident, health, hospitalization, group life, workers' compensation insurance premiums and blanket bond premiums.

Line 9 – Include insurance premiums paid for physical damage coverage for buildings, contents and premiums for liability coverages including premiums for automobiles owned, directors and officers liability/professional liability.

Line 12 - Include rent of home office space if you are a tenant or a self-charge 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.

Line 13 - Include rent of office furniture and equipment and depreciation on furniture and equipment and repairs.

Line 19.1 - Include state insurance premium taxes paid during calendar year for prior (March 1 payment) and current (June 1) tax year.

Line 19.2 - Include the cost of agents' licenses and examination expense.

Line 19.3 - Include the Association's portion of social security and unemployment taxes.

Line 20 - Include cost of operating, maintaining and insuring owned real estate. Include salaries of janitors and maintenance men.

Line 2301 - Any expenses or depreciation on owned automobiles may be shown as a write-in item "automobile expense."

#### Page 12 - Exhibit of Net Investment Income/Capital Gain (Losses)

Include the amount of investment income collected and earned by each type of invested asset. Interest on encumbrances should be deducted by type of invested asset that is encumbered. Investment income should be assessed for collectability. If uncollectible, the amount should be written off and charged against investment income.

Line 1 to 1.2 - Interest received on bonds consists of gross interest received less paid for accrued interest.

See NAIC Property and Casualty Annual Statement instructions for further information.

#### Page 13 - Exhibit of Non-Admitted Assets

Column 1 - All items are pulled from the asset page.

Page 14 - Schedule F – Part 3-Ceded Reinsurance

Column 1 - Include tax ID of reinsurer.

Column 5 - Total should tie to total in column 3 on page 8.

Column 9 - Contingent commissions receivable from a reinsurer. Regular commissions should be netted with ceded balances payable in column 12.

Column 11 - Report items in dispute by reason of notification, arbitration or litigation. “Notification” means a formal written communication from a reinsurer denying the validity of coverage.

Column 13 - Other amounts due to reinsurers are liabilities owed to the reinsurer. Deduct reinsurance premiums paid by a ceding company prior to the effective date of the contract and reported as other than invested asset. Exclude funds held by company under reinsurance treaties, which are included in column 15.

Column 15 - Final Total multiplied by 1000 should agree with Page 3, Line 11, Column 1.

Page 14.01 – Schedule F Part 3- Ceded Reinsurance, continued

Page 15 - Schedule D – Part 1-Showing of All Long-Term Bonds OWNED December 31 current year \*

Bonds are to be grouped in the following categories: US Political Subdivisions of States, Territories and Possessions; US Special Revenue and all Non-Guaranteed Obligations; Industrial and Miscellaneous; and Securities Valuation Office Identified Bonds should be listed with a state abbreviation in the column provided for electronic data capture.

List all bonds and certificates of deposit owned December 31, of current year, except bonds and certificates of deposit in banks or other similar financial institutions with maturity dates or repurchase dates under repurchase agreements of one year or less from the acquisition date. Exclude cash equivalents as described in SSAP No. 2R—Cash, Cash Equivalents, Drafts, and Short-Term Investments with original maturities of three months or less.

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

Column 12 - This amount should equal the current reporting year’s amortization of premium or accrual of discount (regardless of whether or not the security is currently carried at Amortized Cost). The accrual of discount amounts in this column are to be reported as increases to investment income in the Exhibit of Net Investment Income, while the amortization of premium amounts is to be reported as a decrease to investment income.

Column 13 – Include the amount of the write-down if the security has incurred an “other-than-temporary impairment”. This write-down is to be reported as realized capital losses in the Exhibit of Capital Gains/(Losses).

Column 18 - Insert the day of the month and the first letter of the month when the interest is payable. For securities that pay interest annually, provide the first 3 letters of the month in which the interest is paid (e.g., JUN for June). For securities that pay interest semi-annually or quarterly, provide the first letter of each month in which interest is received.

Page 16 - Schedule D – Part 2-Section 1-Showing of All Preferred Stock OWNED December 31,  
current year \*

Column 3 - Enter “#” in this column for all foreign (non-SEC registered) open-end registered investment funds.

Page 17 - Schedule D – Part 2-Section 2-Showing of All Common Stocks OWNED December 31,  
current year \*

The admitted stock value for a subsidiary agency is determined as follows: (cash + securities – liabilities).

Page 18 - Schedule D – Part 3-Showing of All Long-Term Bonds and Stocks ACQUIRED December 31  
current year \*

List in detail the bonds and stock acquired (including reinvestment of dividends) during the year. Securities acquired with a trade date on or before the date of this statement are included.

Page 19 - Schedule D – Part 4-Showing of All Long-Term Bonds and Stocks SOLD, REDEEMED, or otherwise DISPOSED of current year \*

Include a detailed listing of all securities that were sold/disposed of during the current reporting year that were owned as of the beginning of the current reporting year.

Page 20 - Schedule D – Part 5-Showing of All Long-Term Bonds and Stocks ACQUIRED during the year and fully DISPOSED of during current year \*

Include a detailed listing of all securities that were both purchased/acquired and sold/disposed of during the current reporting year.

\* The only foreign investments admitted are Canadian owned companies.

Page 21 - Schedule E – Part 1- Cash and Schedule E – Part 2 – Cash Equivalents

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

Page 22 – Schedule DA – Part 1-Showing all Short-Term Investments Owned December 31, current year

Include all investments whose maturities (or repurchase dates under repurchase agreement) at the time of acquisition were one year or less except those defined as cash or cash equivalents in accordance with SSAP No. 2R—Cash, Cash Equivalents, Drafts and Short-Term Investments.

Page 23 – Schedule A – Part 1-Showing All Real Estate OWNED December 31, current year

Segregate the asset value assigned to the land from the improvements thereon and do not compute depreciation on the land asset value. Additions must be capital improvements, which must be approved by the Iowa Insurance Division. Exclude normal building maintenance.

Page 24 – Schedule A – Part 2-Showing All Real Estate ACQUIRED and Additions Made During the Year

This schedule should reflect not only those new real estate investments and their encumbrances, but also any additions and permanent improvements to existing properties acquired in the current and prior periods and their encumbrances.

Page 25 - Schedule A – Part 3-Showing All Real Estate DISPOSED during the year, including payments during the final year on “Sales Under Contract”

Include each partial and entire disposals of real estate during the year.

Page 26 - Summary Investment Schedule

This schedule was developed to assist regulators in identifying and analyzing the risks inherent in a portfolio of securities as well as identifying the differences in valuation and admission between those practices prescribed or permitted by the state of domicile and those set forth in the NAIC Accounting Practices and Procedures Manual

Page 27 - Five-Year Historical Data

This exhibit is a display of key statistics pulled from the annual statements of the current year and each of the four preceding years (manually entered). It also displays recent trends in the movement of sales, in force, surplus, and other financial data. For the most part, each section of Five-Year Historical Data references data from a specific page in the annual statement, with certain “key” lines having been extracted from that page. Page and line references for the current year are shown on the Exhibit. Percentages are shown to one decimal place.

Page 28 - Notes to Financial Statements

Page 29 - General Interrogatories - Part 1

Page 30 - General Interrogatories - Part 2

Page 31 - Supplemental Compensation Exhibit

Include all compensation for officers, directors and key employees.

Page 32 - Ratio Analysis

Line 25 - Add aggregate reinsurance attachment point.

## **QUARTERLY STATEMENT**

Title Page

Table of Contents

Page 1 - Jurat Page

Page 2 - Assets

Page 3 - Liabilities, Surplus and other Funds

Line 1 - Include net losses incurred during the statement year in the gray box in description column.

Page 4 - Statement of Income

Column 1, all lines - Include written premiums.

Column 1, lines 1.1 - 1.4 - Include earned premiums.

Column 2 and 3 - Include earned premiums.

Line 2 - Include direct losses incurred during the statement year in the gray box in description column.

Page 5 – Statement of Cash Flow

Line 7 - Include in the capital gains tax in the gray box in the description column.

Page 6 – Schedule D – Part 3- Showing of All Long-Term Bonds and Stocks ACQUIRED December 31 current year \*

Page 7 – Schedule D – Part 4- Showing of All Long-Term Bonds and Stocks SOLD, REDEEMED, or



otherwise DISPOSED of current year \*

Page 8– Schedule D – Part 5 - Showing of All Long-Term Bonds and Stocks ACQUIRED during the year and fully DISPOSED of during current year \*

\* The only foreign investments admitted are Canadian owned companies.

Page 9 – Schedule E – Part 1- Cash and Schedule E – Part 2 – Cash Equivalent

Page 10 - Schedule E – Part 2 – Verification

Page 11 – Ratio Analysis

Includes ratios from numbers pulled from the statement. 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