

## 2020 Kansas Statutes

**40-4347. Same; annual report.** (a) Prior to March 1 of each year, each captive insurance company shall submit to the commissioner a report of its financial condition, verified by oath by two of its executive officers or other authorized persons.

(b) A special purpose insurance captive shall report using statutory accounting principles, unless the commissioner requires, approves or accepts the use of generally accepted accounting principles or another comprehensive basis of accounting, in each case with any appropriate or necessary modifications or adaptations required or approved or accepted by the commissioner and as supplemented by additional information required by the commissioner. The commissioner shall, by rules and regulations or order, establish the form and content of the annual report to be filed by a special purpose insurance captive.

(c) A special purpose insurance captive shall file a report of financial condition on a quarterly basis to be designated by the commissioner. The contents and form of the report shall be governed by subsection (b).

(d) A special purpose insurance captive shall file annually with the commissioner an actuarial opinion on reserves for all risks assumed by the special purpose insurance captive pursuant to its reinsurance contracts provided by an internal actuary and may discount its reserves in accordance with that actuarial opinion, subject to approval by the commissioner. A special purpose insurance captive shall file biennially an opinion of a qualified independent actuary acceptable to the commissioner concerning the methods and assumptions used to set reserves. Each opinion shall be governed by K.S.A. 40-409, and amendments thereto. The opinion and memorandum shall be filed with the report of financial condition required by subsection (a).

(e) A special purpose insurance captive may make written application to file its annual report on a fiscal year basis. If an alternative reporting date is granted, the commissioner shall establish the due date and content of any filing required by the special purpose insurance captive in addition to its annual report.

(f) Unless otherwise approved in advance by the commissioner, a special purpose insurance captive company shall maintain its books, records, documents, accounts, vouchers and agreements in Kansas. A special purpose insurance captive shall make its books, records, documents, accounts, vouchers and agreements available for inspection by the commissioner at any time. A special purpose insurance captive shall keep its books and records in such manner that its financial condition, affairs and operations can be readily ascertained and so that the commissioner may readily verify its financial statements and determine its compliance with this act.

(g) Unless otherwise approved in advance by the commissioner, all original books, records, documents, accounts, vouchers and agreements shall be preserved and kept available in this state for the purpose of examination and inspection and until such time as the commissioner approves the destruction or other disposition of such books, records, documents, accounts, vouchers and agreements. If the commissioner approves the keeping of the items listed in this subsection outside this state, the special purpose insurance captive shall maintain within this state a complete and true copy of each such original. Books, records, documents, accounts, vouchers and agreements may be photographed, reproduced on film, or stored and reproduced electronically.

**History:** L. 2018, ch. 50, § 30; July 1.