



Texas Department of Insurance

Financial Regulation Division—Financial Analysis Section, Mail Code 303-1A

333 Guadalupe • P. O. Box 149104, Austin, Texas 78714-9104

512-322-5002 telephone • 512-322-5082 fax • www.tdi.texas.gov

DATE: January 10, 2014

TO: ALL TEXAS DOMESTICS AND COMMERCIALY DOMICILED INSURERS
LICENSED TO TRANSACT BUSINESS IN TEXAS

ATTN: PRESIDENTS AND CHIEF EXECUTIVE OFFICERS

FROM: DOUG SLAPE, CFE, CISA
CHIEF ANALYST, FINANCIAL ANALYSIS SECTION

RE: **WAIVER OF REQUIREMENT FOR ULTIMATE CONTROLLING PERSON (UCP)
TO FILE AUDITED OR REVIEWED FINANCIAL STATEMENTS WITH FORM B**

Pursuant to 28 TAC § 7.210(i)(5) and (6), the UCP is required to file audited or reviewed (*if UCP is an individual*) financial statements with the Form B unless the requirement is waived.

Beginning with the Form B due April 30, 2014 and effective until further notice, a UCP meeting the following criteria is eligible for a waiver from the 28 TAC § 7.210(i)(5) and (6) requirements:

- A. The UCP does not prepare audited or reviewed financial statements in the ordinary course of business, AND
- B. The insurer's total direct or assumed premiums reported in its most recently filed annual statement are less than \$300 million.

A formal application for the waiver is not necessary if the above eligibility criteria are met. Receipt of a waiver letter from the Texas Department of Insurance is also not necessary. Notwithstanding a UCP's eligibility for the waiver, the Texas Department of Insurance reserves the right to require audited or reviewed financial statements at any time.

A UCP which satisfies criterion A, who has an insurer with total direct or assumed premiums reported in its most recently filed annual statement of \$300 million or more, may submit a request for a waiver which will be evaluated on a case by case basis.

Please contact your financial analyst if you have any questions regarding the waiver or to request a waiver.