



**DEPARTMENT OF INSURANCE
STATE OF ARIZONA**

Financial Affairs Division - Compliance Section
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018-7269
Phone: (602) 364-3245
Fax: (602) 364-3989
www.azinsurance.gov

**ARIZONA DOMESTIC COMPANY AUDITED FINANCIAL REPORT
GUIDELINES FOR EXEMPTIONS**

You must file an audited financial report with us on or before **June 1** as a supplement to your Annual Statement unless you qualify for an exemption.

Please review the following types of exemptions that are available and use only the one exemption provision that applies to you:

AUTOMATIC EXEMPTION

You qualify for an "automatic" exemption if you have....

- a) less than 1,000 policyholders **OR** certificate holders of directly written policies **nationwide** at the end of the calendar year, **AND**
- b) less than \$1 million direct **ARIZONA** premiums written in the calendar year period, **AND**
- c) Less than \$1 million assumed premiums* pursuant to contracts and/or treaties of reinsurance.

*If you file the (yellow) Property and Casualty Annual Statement - Use the sum of Annual Statement Page 8, Line 35, Columns 2 and 3.

*If you file the (orange) Health Annual Statement – Use Page 8, Line 12, Column 2.

See Page 2 for the notice to send us. It is a **fillable pdf that you can complete, print, sign and file** with us. **Do not** mail it to us in the same package with your Annual Statement.

We may still require you to file an annual audited financial report.

ARIZONA COMPANY ORGANIZATIONAL HARDSHIP EXEMPTION

A standardized Organizational Hardship Exemption is available if you are licensed in Arizona only and meet all of the criteria described in **Form E-AFR.OHE**.

An affidavit (sample provided in Form E-AFR.OHE) **must be filed with a letter** requesting this exemption no later than **March 31**. **Do not** mail these items with your Annual Statement. **Mail them separately to the attention of the Compliance Section Manager.**

OTHER HARDSHIP EXEMPTION

If you do not qualify for the exemptions described above, you may still apply for an exemption by sending us a letter requesting an organizational or financial hardship exemption with an affidavit signed by one of your officers avowing to the facts which create the hardship. We will notify you in writing that your application is granted or denied.

**AUTOMATIC EXEMPTION NOTIFICATION
FOR
ARIZONA DOMESTIC COMPANY ONLY**

DATE: _____

COMPANY NAME: _____

NAIC#: _____ CALENDAR YEAR: _____

We are notifying you that we meet the criteria for an automatic exemption from filing an Audited Financial Report. For the calendar year stated above, we had

1. less than 1,000 policyholders **OR** certificate holders of directly written policies **nationwide** at the end of the calendar year, **AND**
2. less than \$1 million direct **ARIZONA** premiums written in the calendar year period, **AND**
3. less than \$1 million assumed premiums pursuant to contracts and/or treaties of reinsurance.

Signature and Title

Date

Toll-Free/Collect Phone Number

E-mail Address

Send this notice before March 31st to:

Arizona Department of Insurance
ATTN: Financial Affairs Division
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018-7269