



**KAREN WELDIN STEWART  
INSURANCE COMMISSIONER**

**Instructions for completing the Annual Report**  
***Pure Captives and Series Business Units (SBUs) only***

The format of the 2014 Annual Report is substantially similar to prior years. As such, these instructions are not intended to be all-inclusive but rather cover the more important points and changes for this year.

The instructions are divided by page to coincide with the layout of our Annual Report.

**UPDATES for 2014 & 2015**

- Each entity (SBUs included) must file their own separate Annual Report (i.e. each core and SBU).
- Jurat page requires Core and SBU name (SBUs only)
- Separate combined balance sheet & Income Statement are no longer required.
- A copy of the premium tax report should be submitted for each entity
- Audited financials may be on an individual entity or combined basis (SBUs only)
- The section pertaining to Actuarial Triangles was eliminated



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- All write-in or “other” items on the balance sheet, now require a brief description.
- General premium categories have been eliminated. Each direct line of coverage should be listed on an individual line. Pooled coverages may be listed by the pool name rather than by the individual line of coverage assumed through the pool.

**Title Page (Page 1)**

Company Name/Date

Company Name – should match Certificate of Authority

Date of Period Ending – Enter Date here. The formulas will carry this date forward on all subsequent sheets.

Corporate Info/Contact

Organized Under the Laws of ... - List state incorporated in

Incorporated on – List Date of Incorporation

Commenced business on – Enter the date when the captive first became obligated for any insurance risk by issuance of policy or assuming reinsurance risk.

Annual Report contact – Person Department may contact with questions. Often, this is the Captive Manger.

Officers

List officers title and full name. President, Secretary, Treasurer and Vice President are filled in by default, but these may be tailored to best describe officers of the individual captive. As noted at bottom, if the individual did not occupy the position in the previous annual report, please indicate so by placing a # after their name.

Directors

List full name of any Directors. As noted at bottom, if the individual did not occupy the position in the previous annual report, please indicate so by placing a # after their name.

Signature Line



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Please read and agree to above statement. “President and Secretary” are filled in by default but may be changed to suit your needs. **At least two signatures are required.** The signatures must be notarized.

Filing Note: This is the only page that must be submitted in paper form with wet signatures.

**Balance Sheet (Page 2)**

Column 1 – Record the amount by Category for the current reporting period

Column 2 – Record the amount by Category for the prior reporting period

Assets

Cash and Invested Assets (Lines 1 to 4)

Properly classify Invested assets into Bonds, Common & Preferred Stock, Cash & Cash Equivalents, Savings & Certificate of Deposit, and Other Invested Assets. For any assets that are listed under Line 5, (Other Invested Assets), please see next instruction. All values and classifications should be in accordance with guidance set forth in Generally Accepted Accounting Principles (GAAP).

Line 5 Other Invested Assets – Please list each Other Asset and provide a sufficient description for the reviewer to obtain a basic understanding of the nature of the Asset. We have allowed for three entrees. If more entrees are required, please provide a separate attached schedule, write in “see attached schedule”, and enter the total of the attached schedule.

Line 14 Letter of credit – Only include LOCs used to capitalize the Company. Do not include LOCs used for collateral under a reinsurance agreement.

Line 15 Other Assets - Please list each other asset and provide a sufficient description for the reviewer to obtain a basic understanding of the nature of the investment.

Liabilities

Line 17 Losses - Gross reserves including IBNR

Line 19 Reinsurance Payable on paid losses & LAE – This amount should agree to amount on Page 6 Reinsurance



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Line 29. Other Liabilities - please list each Other Liability and provide a sufficient description for the reviewer to obtain a basic understanding of the nature of the liability. We have allowed for three entrees. If more entrees are required, please provide a separate attached schedule, write in "see attached schedule", and enter the total of the attached schedule.

**Income Statement (Page 3)**

Underwriting Income

Line 1 Net Premiums Written – (Direct Written Premium + Assumed Premium – Ceded Premium)

Underwriting Income

Line 27 Other - please list each item and provide a sufficient description for the reviewer to obtain a basic understanding of the nature of the item.

**Questionnaire (Page 4)**

Question 7 – This question refers to Direct Written Business net of reinsurance. Of the policies written, what is the largest policy limit for both a per occurrence and aggregate amount (net of reinsurance). The response should be in the form of a dollar amount.

Question 8 – Has the largest net aggregate limit increased from last year?

Question 17 – The Department must maintain up-to-date proformas on file so that our analyst may follow the trends of the captive. At time of admission, applicants provide 5 year proformas on an expected as well as an adverse basis. If this is the captives fifth reporting year, please provide us with 3 additional years of proformas (expected scenario only).



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Question 18 – At time of admission 5 year proformas on both an expected and adverse basis are provided to the Department. Going forward the Department only requires 3 year proformas on an expected basis. If this reporting period is your fifth year, please provide updated 3 year proformas (expected basis only).

**Premium (Page 5)**

Premium Schedule – Each direct line of coverage should be listed on an individual line. Pooled coverages may be listed by the pool name rather than by the individual line of coverage assumed through the pool.

Column 1 – Gross Written Premium for the listed line of business

Column 2 – Gross Assumed Premium for the listed line of business

Column 3 – Premium Ceded for the listed line of business

Column 4 – Net Premium equals Column 1 + Column 2 – Column 3

Column 5 – Reinsurance accounted for by deposit method – This is not common. It is a method of accounting for premium when the policy or reinsurance agreement does not qualify as insurance.

**Reinsurance (Page 6)**

Reinsurance Ceded

Top Left Column - Please list the name of each pool

Columns 1 to 4 - Complete amounts for Reinsurance Recoverable

Reinsurance Payable



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Bottom Left Column - Please list the name of each pool

Columns 5 to 8 - Complete amounts for Reinsurance Recoverable

**Unpaid Losses & LAE (Page 7)**

Unpaid Losses

Top Left Column - Each direct line of coverage should be listed on an individual line. Pooled coverages may be listed by the pool name rather than by the individual line of coverage assumed through the pool.

Columns 1 to 5 - Complete amounts for Unpaid Losses

Unpaid LAE

Lower Left Column - Each direct line of coverage should be listed on an individual line. Pooled coverages may be listed by the pool name rather than by the individual line of coverage assumed through the pool.

Columns 6 to 10 - Complete amounts for Unpaid LAE



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**Losses & LAE Paid and Incurred (Page 8)**

Losses

Top Left Column - Each direct line of coverage should be listed on an individual line. Pooled coverages may be listed by the pool name rather than by the individual line of coverage assumed through the pool.

Columns 1 to 8 - Complete amounts for Losses Paid Less Salvage

LAE

Bottom Left Column - Each direct line of coverage should be listed on an individual line. Pooled coverages may be listed by the pool name rather than by the individual line of coverage assumed through the pool.

Columns 9 to 16 - Complete amounts for LAE Paid Less Salvage

**Crosscheck (Page 9)**

Once you are finished entering data, please review the crosscheck page for any errors.

After you have cleared any crosscheck issues, please convert it to a PDF format. The PDF version shall be submitted to [captive@state.de.us](mailto:captive@state.de.us) no later than March 1st of each year, or within 60 days of the fiscal year-end for those with alternate year-end dates.

If you have any questions as you are completing the annual report, please contact Jamie Bafundo or Rasa Zubielaite by phone or email.

On behalf of Insurance Commissioner Karen Weldin Stewart, thank you for domiciling in Delaware.

Email address to file Annual Report

[captive@state.de.us](mailto:captive@state.de.us)



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