



General Assembly

Substitute Bill No. 1102

January Session, 2007

* _____SB01102LAB__041707_____*

AN ACT REQUIRING THE USE OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES FOR CERTAIN AUDITS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 31-331 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2007*):

3 Except as herein otherwise provided, such associations shall be
4 subject to the same regulation and control as is or may be imposed by
5 law upon other corporations or associations taking similar risks in this
6 state, and over them the Insurance Commissioner shall have all the
7 jurisdiction given him by sections 38a-14 and 38a-17 over insurance
8 companies, provided with respect to any such association organized
9 prior to June 6, 1996, with a membership composed exclusively of
10 health care providers and whose premium base is derived entirely
11 from health care organizations, the commissioner may accept a
12 statement of financial condition that shall be audited by an
13 independent certified public accountant using generally accepted
14 accounting principles if such statement also includes a conversion to
15 the accounting standards prescribed by section 38a-70. Such statement
16 of financial condition shall be submitted to the commissioner by such
17 association, annually, on or before the first day of March, signed and
18 sworn to by its president or vice president and secretary or an assistant
19 secretary, of its financial condition on the thirty-first day of December

20 next preceding, prepared in such form and detail as may be prescribed
21 by the commissioner and shall include a certification by an actuary or
22 reserve specialist of all reserve liabilities prepared in accordance with
23 subsection (e) of section 38a-53. In addition to such annual statement of
24 financial condition, any such association shall file, quarterly,
25 unaudited financial statements using generally accepted accounting
26 principles if such statements also include a conversion to the
27 accounting standards prescribed by section 38a-70.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	31-331

INS *Joint Favorable Subst.*

LAB *Joint Favorable*