



**Substitute Senate Bill No. 1102**

**Public Act No. 07-27**

**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:

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 Section 31-331 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2007*):

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

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

Approved May 18, 2007