



Financial Affairs Division

Arizona Department of Insurance

100 North 15th Avenue, Suite 261, Phoenix, Arizona 85007-2630

Phone: (602) 364-3245

Web: <https://insurance.az.gov>

**ARIZONA DOMESTIC INSURERS
(NOT APPLICABLE TO LIFE INSURERS)
ACTUARIAL OPINION “FINANCIAL HARDSHIP” EXEMPTION APPLICATION**

Applications must be in **Affidavit form** signed by one of your **executive officers**.

The Affidavit form **must** indicate the basis for the financial hardship, and **must** include the following information:

- a. Projected reasonable cost of obtaining an actuarial opinion,

Must attach: A **written** estimate from a qualified actuary in sufficient detail to present the “projected reasonable cost” of the actuary’s services.

- b. One percent of capital and surplus as of your latest quarterly statement for the calendar year for which the exemption is sought equals \$ _____,
or

If you did not file quarterly financial statements during the subject calendar year, one percent of capital and surplus as of December 31 of the calendar year prior to the year for which the actuarial opinion exemption is being requested equals \$ _____.

- c. Three percent of your net direct plus assumed premiums written during the calendar year for which the exemption is sought as projected from your latest quarterly statement filed with us equals \$ _____, or

If you did not file quarterly financial statements during the subject calendar year, three percent of your net direct plus assumed premiums written during the calendar year for which the actuarial opinion exemption is being requested is estimated to be \$ _____.

Any additional information that is directly relevant to the application may be provided in sufficient detail to permit us to make an informed decision with respect to the requested exemption. If you assume business only, explain why an Actuarial Opinion is not available from your ceding insurer(s).

The application (affidavit and attachment) must include a letter of intent and must be filed no later than **December 1 of the calendar year for which the exemption is to be claimed.**

We may deny the exemption prior to **December 31** of the same year if we deem the exemption inappropriate.

A copy of the approved exemption **must** be filed with the annual statement in all jurisdictions in which you are authorized.