Financial Affairs Division
Arizona Department of Insurance
2910 North 44th Street, Suite 210, Phoenix, Arizona 85018-7269
Phone: (602) 364-3245
Web: https://insurance.az.gov

AUDITED FINANCIAL REPORT
GUIDELINES FOR EXEMPTIONS

You must file an Audited Financial Report (AFR) with us on or before **June 1** as a supplement to your Annual Statement unless you qualify for an exemption.

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 direct 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 (orange) Health Annual Statement – Use Page 8, Line 12, Column 2.
*If you file the (blue) Life, Accident and Health Annual Statement – Use Schedule T, Line 96, Column 6.
*If you file the (yellow) Property and Casualty Annual Statement - Use the sum of Annual Statement Page 8, Line 35, Columns 2 and 3.

See Page 2 of this form for the notification to send us. **Do not** mail the notification with your Annual Statement.

We may still require you to file an AFR.

STANDARDIZED 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 Financial Affairs Division.

OTHER HARDSHIP EXEMPTION

If you do not qualify for the automatic or standardized organizational hardship exemptions, you may still apply for an exemption by sending us a letter requesting an organizational or financial hardship exemption and 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.

Reset

AUDITED FINANCIAL REPORT
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,

   Number of policyholders/certificate holders: _____

   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

_____ _____

Telephone Number Email Address

Send this notice before March 31st to:

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