

BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE  
OFFICE OF THE MONTANA STATE AUDITOR

In the matter of the amendment of ) NOTICE OF PROPOSED  
ARM 6.6.3504 regarding annual ) AMENDMENT  
audited financial reports )  
) NO PUBLIC HEARING  
) CONTEMPLATED

TO: All Concerned Persons

1. The Commissioner of Securities and Insurance, Office of the Montana State Auditor (CSI), proposes to amend the above-stated rule.

2. The CSI will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the CSI no later than 5:00 p.m. on June 6, 2018, to advise us of the nature of the accommodation that you need. Please contact Ramona Bidon, CSI, 840 Helena Avenue, Helena, Montana, 59601; telephone (406) 444-2726; TDD (406) 444-3246; fax (406) 444-3499; or e-mail [rbidon@mt.gov](mailto:rbidon@mt.gov).

3. The rule as proposed to be amended provides as follows, new matter underlined, deleted matter interlined:

6.6.3504 CONTENTS OF ANNUAL AUDITED FINANCIAL REPORT

(1) through (2)(f) remain the same.

(i) These notes shall be those required by the appropriate ~~2014~~ 2018 NAIC Annual Statement Instructions and the March ~~2014~~ 2018 NAIC Accounting Practices and Procedures Manual, which are adopted and incorporated by reference, and may be obtained from the NAIC at [http://www.naic.org/prod\\_serv\\_alpha\\_listing.htm](http://www.naic.org/prod_serv_alpha_listing.htm) by writing to the NAIC Executive Headquarters, 1100 Walnut Street, Suite 1500, Kansas City, MO 64106-2197. The notes shall include reconciliation of differences, if any, between the audited statutory financial statements and the annual statement filed pursuant to 33-2-701, 33-4-313, 33-7-118, 33-30-107, 33-31-211, MCA, with a written description of the nature of these differences.

(3) remains the same.

AUTH: 33-1-313, 33-2-1517, MCA

IMP: 33-2-701, 33-2-1517, 33-4-313, 33-5-413, MCA

4. STATEMENT OF REASONABLE NECESSITY: The CSI proposes these changes to ARM 6.6.3504 to adopt the most current standards of the National Association of Insurance Commissioners (NAIC). The NAIC instructions and manual are used throughout the country, and it is a benefit to the industry and regulators to uniformly request information in insurance companies' annual filings. The CSI is

also updating the information on how to obtain the NAIC instructions and manual online, because it is faster and more accessible than the NAIC's mailing address.

5. Concerned persons may submit their data, views, or arguments in writing to: Michael A. Kakuk, Attorney, Office of the Commissioner of Securities and Insurance, Montana State Auditor, 840 Helena Ave., Helena, Montana, 59601; telephone (406) 444-5223; fax (406) 444-3499; or e-mail mkakuk@mt.gov, and must be received no later than 5:00 p.m. on June 22, 2018.

6. If persons who are directly affected by the proposed action wish to express their data, views, or arguments orally or in writing at a public hearing, they must make written request for a hearing and submit this request along with any written comments to Michael A. Kakuk at the above address no later than 5:00 p.m. on June 22, 2018.

7. If the agency receives requests for a public hearing on the proposed action from either 10 percent or 25, whichever is less, of the persons directly affected by the proposed action; from the appropriate administrative rule review committee of the Legislature; from a governmental subdivision or agency; or from an association having not less than 25 members who will be directly affected, a hearing will be held at a later date. Notice of the hearing will be published in the Montana Administrative Register. Ten percent of those directly affected has been determined to be 130 persons based on the number of insurers with a Montana certificate of authority.

8. The CSI maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list may sign up by clicking on the blue button on the CSI's website at: <http://csimt.gov/laws-rules/> and may specify the subject matter they are interested in. Notices will be sent by e-mail unless a mailing preference is noted in the request. Request may also be sent to the CSI in writing. Such written request may be mailed or delivered to the contact information in 2 above, or may be made by completing a request form at any rules hearing held by the CSI.

9. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

10. With regard to the requirements of 2-4-111, MCA, the department has determined that the amendment of the above-referenced rule will significantly and directly impact small businesses.

/s/ Michael A. Kakuk  
Michael A. Kakuk  
Rule Reviewer

/s/ Kristin Hansen  
Kristin Hansen  
Chief Legal Counsel

Certified to the Secretary of State May 15, 2018.