**Section 925.50 Contents of Annual Audited Financial Report**

a) The annual audited financial report shall report the financial position of the insurer as of the end of the most recent calendar year and the results of its operations, cash flows and changes in capital and surplus for the report year in conformity with statutory accounting practices for preparation of the annual statement as described in Section 136 of the Code, or as otherwise permitted by the insurance regulatory authority of the insurer's state of domicile.

b) The annual audited financial report shall include the following:

1) Report of the independent certified public accountant.

2) Balance sheet reporting admitted assets, liabilities, capital and surplus or net worth.

3) Statement of operations or statement of revenues and expenses and net worth.

4) Statement of cash flows.

5) Statement of changes in capital and surplus or net worth.

6) Notes to financial statements. These notes shall be those required by the appropriate NAIC Annual Statement Instructions and the NAIC Accounting Practices and Procedures Manual, pursuant to Section 136 of the Code.

The notes shall include a reconciliation with a written description of differences, if any, between the annual audited financial report and the annual statement filed pursuant to Section 136 of the Code.

7) The financial statements included in the annual audited financial report shall be prepared in a format using language and groupings substantially the same as the relevant sections of the annual statement of the insurer filed with the Director and:

A) The financial statements shall be comparative, presenting the amounts as of December 31 of the current year and the amounts as of the immediately preceding December 31. (However, in the first year in which an insurer is required to file an annual audited financial report, the comparative data may be omitted.)

B) Amounts may be rounded to the nearest thousand dollars.

8) Supplementary Data and Information. This shall include any additional clarifying information or data which the Director may require to be disclosed.

(Source: Amended at 39 Ill. Reg. 6485, effective April 24, 2015)