



Audited Financial Statement Exception Application

Requests DUE BY: May 15, 2021

Exceptions are not automatically granted. Any questions regarding this application, please contact the Department at: doi.tpa@doi.idaho.gov

Application Checklist

1.	Application Form (TPA007)
2.	Written Explanation of Hardship
3.	Unaudited Financial Statements with Notes
4.	2 Officer's Certification
5.	Current Surety Bond

Applicant Name: _____

License Number: _____ Today's Date: _____

Total funds handled for the benefit of Idaho residents: \$ _____

Bond Amount: \$ _____

Explanation of Hardship *[please include the cost of an audit in your explanation and attach any supporting documentation that evidences your hardship justification (e.g. CPA audit price quote)]:*

A TPA's statement of hardship is evaluated by the Department on a case by case basis. Factors to justify a hardship exemption include but are not limited to, potential adverse impact to a TPA's financial condition due to the cost of the audit, a newly formed TPA with less than two years of operating experience, or a major organizational event that temporarily impedes the ability to produce an audit. Note: Because the TPA received an approval in the past is NOT an example of good cause.



Application Contact Person Information

_____	_____
Name	Title
_____	_____
E-Mail Address	Telephone

Idaho Code §§ 41-911(2)(e), 41-914(1)(b): In lieu of submitting audited financial statements, and upon written application by an applicant and good cause shown, *the director may grant a hardship exemption* from filing audited financial statements and allow the submission of unaudited financial statements. Acceptable formats for unaudited financial statements, which shall include notes, are:

- (i) Reports compiled or reviewed by a certified public accountant; or
- (ii) Internal financial reports prepared in accordance with GAAP, certified by at least two (2) officers, owners, or directors of the administrator.

If unaudited financial statements are submitted, the applicant must also secure and maintain a surety bond in a form prescribed by the director for the use and benefit of the director to be held in trust for the benefit and protection of covered persons and any insurer or self-funded plan against loss by reason of acts of fraud or dishonesty, for the greater of ten percent (10%) of funds handled for the benefit of Idaho residents or twenty thousand dollars (\$20,000).

Sample Notes to Financial Statements Categories

1. Nature of Operations
2. Significant Accounting Policies
 - a. Basis of Presentation (e.g. GAAP)
 - b. Income Taxes
 - c. Use of Fair Values
 - d. Goodwill
 - e. Intangible Assets
 - f. Commitments/Contingencies
3. Investments
4. Transactions with Affiliates and Subsidiaries
5. Acquisitions



OFFICERS CERTIFICATION

We, the undersigned, are officers of _____, and do hereby certify, under penalty of perjury, that all of the information submitted in this application and attached financial statements are true and complete and have been prepared in accordance with GAAP (or departures from thereof have been disclosed), and applicable notes have been included/attached. We are aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license or registration revocation and may subject us and the applicant to civil or criminal penalties.

Signature Date

Printed Name Title

Signature Date

Printed Name Title

Subscribed and sworn to before me this _____ day of _____, 20 ____

Notary Public

[SEAL]

Printed Notary Name

My Commission Expires

Submit Completed Exception Application to:

Idaho Department of Insurance
Analysis Section
700 W. State Street, 3rd Floor
Boise, ID 83720-0043

Email: doi.tpa@doi.idaho.gov