**Section 925.80 Consolidated or Combined Audits**

a) An insurer may make written application to the Director for approval to file a consolidated or combined annual audited financial report in lieu of separate annual audited financial reports if the insurer is part of a group of insurance companies which utilizes a pooling or 100% reinsurance agreement that affects the solvency and integrity of the insurer's reserves and the insurer cedes all of its direct and assumed business to the pool. In these cases, a columnar consolidating or combining worksheet shall be bound into and filed with the report as follows:

1) Amounts shown on the consolidated or combined annual audited financial report shall be shown on the worksheet;

2) Amounts for each insurer subject to this Section shall be stated separately;

3) Noninsurance operations may be shown on the worksheet on a combined or individual basis;

4) Explanations of consolidating and eliminating entries shall be included; and

5) A reconciliation shall be included of any differences between the amounts shown in the individual insurer columns of the worksheet and comparable amounts shown on the annual statements of the insurers.

b) The Director shall require any insurer to file separate annual audited financial reports although permission had previously been given to file on a consolidated or combined basis if the Director determines the reasons and/or circumstances given for approval of the consolidated audit, pursuant to subsection (a), no longer exist.

(Source: Amended at 33 Ill. Reg. 6974, effective May 11, 2009)