**Section 925.90 Scope of Audit and Report of Independent Certified Public Accountant**

a) Financial statements furnished pursuant to Section 925.50 of this Part shall be examined by an independent certified public accountant. The audit of the insurer's financial statements shall be conducted in accordance with generally accepted auditing standards. In accordance with AU-C Section 315, Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement, and AU Section 330, Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained, AICPA Professional Standards (as of June 1, 2014 (no later amendments or editions), by American Institute of Certified Public Accountants, Inc., 1211 Avenue of the Americas, New York NY 10036-8775; website www.aicpa.org) the independent certified public accountant should obtain an understanding of internal control sufficient to plan the audit. To the extent required by AU-C 315 and 330, for those insurers required to file a Management's Report of Internal Control over Financial Reporting pursuant to Section 925.160 of this Part, the independent certified public accountant (as that term is defined in AU-C Section 200, Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance With Generally Accepted Auditing Standards AICPA Professional Standards (as of June 1, 2014 (no later amendments or editions), by American Institute of Certified Public Accountants, Inc., 1211 Avenue of the Americas, New York NY 10036-8775; website www.aicpa.org)). Statement on Auditing Standards (SAS) No. 102, Defining Professional Requirements in Statements on Auditing Standards should consider the most recently available report in planning and performing the audit of the statutory financial statements. Consideration should also be given to other procedures illustrated in the Financial Condition Examiners' Handbook promulgated by the National Association of Insurance Commissioners as the independent certified public accountant deems necessary.

b) Property and casualty insurers shall require the independent certified public accountant to subject the current Schedule P – Part 1 (excluding those amounts related to bulk and incurred but not reported reserves and claims counts) to the auditing procedures applied in the audit of the current statutory financial statements to determine whether Schedule P – Part 1 is fairly stated in all material respects in relation to the basic statutory financial statements taken as a whole. It is expected that the auditing procedures applied by the independent certified public accountant to the claim loss and loss adjustment expense data from which Schedule P – Part 1 is prepared would be applied to activity that occurred in the current calendar year (e.g., tests of payments on claims for all accident years that were paid during the current calendar year).

c) Life, accident, and health insurers shall require the independent certified public accountant to subject the information included in the Supplemental Schedule of Assets and Liabilities and exhibits of the Schedule to the auditing procedure applied in the audit of the current statutory financial statements to determine whether the information is fairly stated in all material respects in relation to the basic statutory financial statements taken as a whole and agrees to the insurer's annual statement filed with the Department.

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