**Section 925.60 Designation of Independent Certified Public Accountant**

a) Each insurer required by this Part to file an annual audited financial report must, within 60 days after becoming subject to such requirement, register with the Director in writing the name and address of the independent certified public accountant retained to conduct the annual audit set forth in this Part. Insurers not retaining an independent certified public accountant on the effective date of this Part (July 9, 1975) shall register the name and address of their retained independent certified public accountant not less than 6 months before the date when the first audited financial report is to be filed.

b) If the independent certified public accountant, who was not the accountant for the immediately preceding filed annual audited financial report, is engaged to audit the insurer's financial statements, the insurer shall within 30 days after the date the independent certified public accountant is engaged notify the Director of this event. The insurer shall obtain a letter from the accountant and file a copy with the Director stating that the accountant is aware of the provisions of the Code and/or Health Maintenance Organization Act and/or the Limited Health Service Organization Act and the Rules and Regulations of the insurance regulatory authority of the state of domicile that relate to accounting and financial matters and affirming that the accountant will express its opinion on the financial statements in terms of their conformity to the statutory accounting practices prescribed or otherwise permitted by that insurance regulatory authority, specifying such exceptions as the accountant may believe appropriate.

c) If an accountant who was the accountant for the immediately preceding filed annual audited financial report is dismissed or resigns, the insurer shall within 5 business days notify the Director of this event. The insurer shall also furnish the Director with a separate letter within 10 business days after the above notification stating whether in the 24 months preceding such event there were any disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of the former accountant, would have caused the accountant to make reference to the subject matter of the disagreement in connection with the accountant's opinion. The disagreements required to be reported in response to this subsection include both those resolved to the former accountant's satisfaction and those not resolved to the former accountant's satisfaction. Disagreements contemplated by this subsection are those that occur at the decisionmaking level, between personnel of the insurer responsible for presentation of its financial statements and personnel of the accounting firm responsible for rendering the accountant's report. The insurer shall also in writing request such former accountant to furnish it a letter addressed to the insurer stating whether the accountant agrees with the statements contained in the insurer's letter and, if not, stating the reasons for which the accountant does not agree; and the insurer shall furnish such responsive letter from the former accountant to the Director together with its own.

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