

**Financial Reporting Requirements for  
Insurance Agents and Brokers  
Under the *Insurance Adjusters, Agents and Brokers Act and Regulations***

**Annual Requirement**

Where the licensee maintains a **trust account**, the licensee shall present a statement of financial affairs in the form contained in the attached Position Report and is required to be filed not later than 3 months after each fiscal year end of the licensee. This statement is not required to be audited.

Where the licensee has an “**Undertaking Concerning Increased Deductible**” filed with the Superintendent, the licensee shall file general account financial statements, certified by an officer or director of the licensee, not later than 3 months after the fiscal year end of the licensee. These statements are not required to be audited.

**Semi-Annual Requirement**

Where the licensee maintains a **trust account**, the licensee shall present a statement of financial affairs in the form contained in the attached Position Report and is required to be filed not later than 3 months after the first 6 months of each fiscal year end of the licensee. This statement is not required to be audited.

Where the licensee has an “**Undertaking Concerning Increased Deductible**” filed with the Superintendent, the licensee shall file general account financial statements, certified by an officer or director of the licensee, not later than 3 months after the first 6 months of each fiscal year end of the licensee. These statements are not required to be audited.

**Principles for Management of Trust Funds**

The following general guidelines apply to the management of trust funds related to insurance agents and brokers:

Trust Account Balances

- Trust bank accounts must be clearly identified as trust accounts and such designation should be included in the bank’s description of the account and on all deposit slips and cheques.
- Trust bank accounts cannot be used as collateral or pledged as security.

Interest Income

- Interest income earned on monies deposited in a trust account is the property of the licensee maintaining the account, unless otherwise agreed with the insurer.

Trust Position

- Total Trust assets should always be equal to or greater than total liabilities

Insurance Agents and Brokers requiring further information or clarification on these reporting requirements should contact our office at:

Financial Services Regulation Division  
Service NL  
2<sup>nd</sup> Floor, West Block, Confederation Building  
P.O. Box 8700  
St. John’s, NL A1B 4J6  
Telephone: (709) 729-2595      Fax: (709) 729-3205



**POSITION REPORT**

\_\_\_\_\_  
 (Licensee's Name)

\_\_\_\_\_  
 (Location of Trust Account [Name/Branch])

\_\_\_\_\_  
 (Period Ending Date)

\_\_\_\_\_  
 (Licence Number)

\_\_\_\_\_  
 (Trust Account Number)

**CERTIFICATION**

I, \_\_\_\_\_, being an officer or director of the licensee, do hereby certify that this Position Report has been prepared from the books and records of the company, which books and records are maintained in accordance with the requirements of the Insurance Adjusters, Agents and Brokers Regulations, and to the best of my knowledge and belief is complete and correct.

\_\_\_\_\_  
 (Date)

\_\_\_\_\_  
 (Signature)

**TRUST POSITION**

**ASSETS**

Cash on hand and bank balance of trust accounts	-1	_____
Allowable premiums receivable		
Total premiums receivable	-2	_____
Less: premiums over 90 days (to line 18)	-3	_____
Allowable premiums receivable	-4	_____
Investments held in trust allowed by Regulation	-5	_____
<b>TOTAL ASSETS</b>		<b>-6</b> _____

**LIABILITIES**

Insurance premiums payable	-7	_____
Prepaid premiums	-8	_____
Refunds due to insureds	-9	_____
Retail sales tax on insurance premiums	-10	_____
<b>TOTAL LIABILITIES</b>		<b>-11</b> _____
<b>NET TRUST POSITION</b>		<b>-12</b> _____

## CURRENT POSITION

### CURRENT ASSETS

Cash on hand and bank balances in general accounts		-13	<u>                    </u>
Investments (other than trust investments)		-14	<u>                    </u>
Accounts receivable			
Accounts receivable - other than premiums	-15		<u>                    </u>
Direct bill commission receivable	-16		<u>                    </u>
Other receivables	-17		<u>                    </u>
Premiums receivable over 90 days (after allowance for doubtful accounts)	-18		<u>                    </u>
Total accounts receivable		-19	<u>                    </u>
Due from trust account		-20	<u>                    </u>
Other current assets		-21	<u>                    </u>

**TOTAL CURRENT ASSETS** -22                     

### CURRENT LIABILITIES

Bank overdraft		-23	<u>                    </u>
Demand loans		-24	<u>                    </u>
Notes Payable		-25	<u>                    </u>
Current position on long term debt		-26	<u>                    </u>
Accounts payable (other than premiums)		-27	<u>                    </u>
Other current liabilities		-28	<u>                    </u>

**TOTAL CURRENT LIABILITIES** -29                     

**NET CURRENT POSITION** -30                     

### SHAREHOLDER'S EQUITY

Paid-up share capital at reporting date		-31	<u>                    </u>
Shareholder contribution - other		-32	<u>                    </u>
Retained earnings (deficit) at reporting date		-33	<u>                    </u>
Loans from shareholders at reporting date		-34	<u>                    </u>
Loans to shareholders at reporting date		-35	<u>                    </u>

**TOTAL EQUITY (DEFICIENCY)** -36