

ALABAMA DEPARTMENT OF INSURANCE
ADMINISTRATIVE CODE

CHAPTER 482-1-141
ANNUAL FINANCIAL REPORTING

482-1-141-.16 Conduct Of Insurer In Connection With The
Preparation Of Required Reports And Documents.

(1) No director or officer of an insurer shall, directly or indirectly:

(a) Make or cause to be made a materially false or misleading statement to an accountant in connection with any audit, review or communication required under this chapter.

(b) Omit to state, or cause another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which the statements were made, not misleading to an accountant in connection with any audit, review or communication required under this chapter.

(2) No officer or director of an insurer, or any other person acting under the direction thereof, shall directly or indirectly take any action to coerce, manipulate, mislead or fraudulently influence any accountant engaged in the performance of an audit pursuant to this chapter if that person knew or should have known that the action, if successful, could result in rendering the insurer's financial statements materially misleading.

(3) For purposes of paragraph (2), actions that, "if successful, could result in rendering the insurer's financial statements materially misleading" include, but are not limited to, actions taken at any time with respect to the professional engagement period to coerce, manipulate, mislead or fraudulently influence an accountant to do any of the following:

(a) To issue or reissue a report on an insurer's financial statements that is not warranted in the circumstances (due to material violations of statutory accounting principles prescribed by the commissioner, generally accepted auditing standards, or other professional or regulatory standards).

(b) Not to perform audit, review or other procedures required by generally accepted auditing standards or other professional standards;

(c) Not to withdraw an issued report.

(d) Not to communicate matters to an insurer's audit committee

Author: Commissioner of Insurance

Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-3-26, 27-7-43.

History: New: Filed January 31, 2008; effective July 1, 2008. Filed with LRS February 1, 2008. Rule is not subject to the Alabama Administrative Procedure Act. **Revised:** Filed June 14, 2018; effective January 1, 2019. Filed with LRS June 14, 2018. Rule is not subject to the Alabama Administrative Procedure Act.

Ed. Note: A new Rule .15 was added and the previous Rule .15 was renumbered to .16 per certification filed June 14, 2018; effective January 1, 2019.