

## COMPANY SUPERVISION DIVISION 2023 Annual Report of Organizations Issuing Charitable Gift Annuities – General Instructions

**Why:** The annual report filing helps confirm that Washington State Certificate of Exemption holders:

- Maintain minimum net assets without donor restrictions of five hundred thousand dollars.
- Have a compliant reserve fund meeting all requirements of RCW 48.38.020. At a minimum, the reserve fund requires an actuarially determined base amount, plus a ten percent surplus.

**Online:** All components of the Annual Report are submitted on-line. Do not send the required paperwork by mail or attaching it to an email; **you must** upload the attachments as PDF files.

**Due Date:** Per RCW 48.38.010(10) your Organization must submit its annual report within sixty days of the end of its fiscal year. Failure to do so will most likely result in a fine and the suspension of your Organization's Certificate of Exemption. See below for required documents and their due dates.

**The annual report due date is imposed by statute and cannot be extended or waived.**

**Partially Complete:** If you do not fill out the Annual Report completely and need to save your work to return to it later, click on the "Save" button at the bottom of the page. You may then logout and return to your partially completed Annual Report at a later time. However, the online filing system will not allow you to submit your Annual Report until all required documents for a specific due date have been uploaded.

### **Accuracy:**

- An incomplete or inaccurate annual report filing is not acceptable and will be considered late.
- Do not file blank or placeholder paperwork instead of a final required document. Instead, review the required documents and prepare them in advance of the due date.
- Do not file an unapproved request for an exemption instead of an actuarial exemption. Instead, if you have **no CGA contracts issued in any state**, request an actuarial exemption at least 10 days prior to the Annual Report due date.
- Do not file financial information from the previous reporting cycle. Instead, file the most accurate information you have available at the time the Annual Report filing is due. You can amend that information at a later date if there is a material change in the information previously provided.
- Do not file the IRS extension request or approval notification in place of the final tax form. Instead, file the extension request or approval form online under the header Extension-IRS 990.

### COMMON DOCUMENTS TO COMPLETE ANNUAL REPORTING REQUIREMENTS

#### **In Force Listing of WA State Annuitants**

**Due date:** 60 days after the fiscal year end

- As of the fiscal year ending 2023
- Information to include:
  - Agreement number
  - Type of annuity
  - Annual payments and payment interval
  - The end of year reserve
  - Name, age, and gender of the annuitant
  - Date of issue
  - Table and rate of interest used

**Bank or Brokerage Statement(s)****Due date:** 60 days after the fiscal year end

- As of the fiscal year ending 2023
- Must be official bank/brokerage documents; print screens of online account balances are not valid.
- Verifies the ending balance of the Separate Reserve Fund is sufficient (per RCW 48.38.020).
- The total amount entered on the annual report form in the Separate Reserve Fund Account Detail cannot differ from the total amount disclosed in the bank/brokerage statement(s) that are submitted to the state.

**Separate Reserve Fund Attestation****Due date:** 60 days after the fiscal year end

- The Annual Report is a legal document and must include the attestation of the Officer responsible for maintaining the separate reserve fund.
- The attestation is in MS Word format. Print the blank and once signed, upload it to the portal.
- Keep the original document for your records.

**Actuarial Certification****Due date:** 60 days after the fiscal year end

- As of the fiscal year ending 2023
- Prescribed Statement of Actuarial Opinion- must be issued by a qualified Actuary as defined in RCW 48.38.010(10)(b).
- Includes **All annuities** issued in **All States**- unless:
  - The only exception is when annuity reserves are segregated into a state specific separate reserve fund due to another state's statutes.
- **Exemptions** to filing an Actuarial Certification
  - Must be requested each year; *they are not automatically renewable*.
  - Request exemption by sending an email to: [CompanySupervisionFilings@oic.wa.gov](mailto:CompanySupervisionFilings@oic.wa.gov)
  - Exemption requests must state:
    - There are zero annuities in WA State.
    - Annuities issued in any other state are included in a state specific separate reserve fund due to another state's statutes.
  - Exemptions should be requested 10 business days prior to the annual report due date.
  - File the approved exemption letter with the annual report instead of the actuarial certification.

**Annual Report Attestation****Due date:** 60 days after the fiscal year end

- The Annual Report is a legal document and must include the attestation of an authorized officer of the legal entity holding the Certificate of Exemption.
- The attestation is in MS Word format. Print the blank and once signed, upload it to the portal.
- Keep the original document for your records.

**Contracts for reinsured annuities****Due date:** 60 days after the fiscal year end

- Only applicable if you have reinsured your annuities with a licensed insurance company.
- Submit a copy of the reinsurance contract or  
Supply the date the contract was filed with the OIC and the annuity being covered.
- Keep the original documents for your records.

### **IRS Form 990 Extension**

**Due date:** 4-1/2 months after fiscal year-end

- If you file a Form 990 extension request with the IRS, provide us with documentation.
  - File the IRS extension request or approval notification on the on-line portal.
  - On the portal use the header Extension-IRS 990 to submit this information.

### **IRS Form 990**

**Due date:** 15 days after filing with the IRS

- WAC 284-38-200 requires the filing of a complete copy of your Organization's IRS tax return (Form 990) for the previous fiscal year.
- Organizations permanently exempted by the IRS are not expected to adhere to this requirement. Notify the OIC of your exemption via email by sending the IRS approval to [CompanySupervisionFilings@oic.wa.gov](mailto:CompanySupervisionFilings@oic.wa.gov)

### **Audited Financial Statement**

**Due date:** 15 days after its release date\*

- WAC 284-38-200(2)(a)(i) requires the filing of a complete copy of your Organization's Audited Financial Statement for the previous fiscal year.
- Audited Financial Statement must be prepared in accordance with GAAP.
- Audited Financial Statement must be issued by an independent Certified Public Accountant (CPA).
- The Audited Statement must disclose the liability for annuity contracts on a separate line or provide an explanation within the Statement Notes.
- ✘ Consolidated Audited Financial Statements- *in addition to the items listed above*  
Consolidated Audited statements are not sufficient for compliance with statutory requirements.
  - Statutory requirements are specific only to the legal entity holding the Certificate.
  - A supplemental schedule reporting the breakout of the net assets for individual entities is required.

\*The report is due to the OIC within 15 days of its release date. If not received by then it is considered late and subject to fines. The date on the filing portal is 9 months from your specific year end. This is because under WAC 284-38-200(3) 9 months is the maximum time allowed to complete the submission.

## **REPORTING REQUIREMENTS**

### **Legal Entity**

- Information in the annual report is only for the legal entity holding the Certificate of Exemption.
- Do not substitute the financial information of the:
  - Parent
  - Affiliate
  - Subsidiary
  - Division
- Do not consolidate or combine the entities financial information with:
  - Parent
  - Affiliate
  - Subsidiary
  - Division
- Partial information (such as "regional data" or "annuity fund only") is not acceptable.

### **Financial Information**

- Please keep and be prepared to provide to OIC staff when requested, the preliminary balance sheet and income statement used to enter the data on the Annual Report form.
- Financial information provided in the Annual Report must be presented on a fiscal year basis.

- Unaudited financial information that supports the annual report summaries should be based on your internal accounting records:
  - Summary of net assets
  - Statement of income and expenses
  - Total CGA liability

- Unaudited data is identified as such on page 1 under the Financial Information header.

2. Has the data provided on this Annual Report been audited?  Yes  No

- Once the financial data is audited, material changes are reported by filing an amended annual report.
- If applicable, the current year beginning report values must agree with the corresponding ending values from the previous year.

### **Annuity Contracts, Contract Reserves, and Segregated Accounts:**

#### ***Summary of Annuity Contracts***

- **Washington Only** column equals the number of total annuity contracts for Washington State.
- **Total** column includes all annuity contracts issued **UNLESS**:
  - They are excluded from the Actuarial Certification calculations because they are covered by a state specific separate reserve fund.
  - Annuities covered by a State's specific reserve fund outside of Washington **are included in question #4** in *Certificate Holders' Separate Reserve Fund Requirement*.

#### ***Certificate Holder's Separate Reserve Fund Requirement***

- Calculations must equal the total amount identified in the Actuarial Certification, not just the Washington portion.
- **Annuities Excluded from the Actuarial Certification:**  
When other States require contract reserves to be segregated into a separate fund:
  - Report this information by answering 'Yes' to question 4
  - Provide an explanation in the text box with the following information:
    - The number of gift annuity contracts by state
    - The present value of the gift annuity contracts by state.
    - Whether a license/registration is held- allowing you to issue annuities in those states.
    - They are not included in the total number of annuities in the Summary of Annuity Contracts.
- **Annuities Included in Actuarial Certification:**
  - Report the annuities as part of the total reserve calculation.
  - They are included in the total number of annuities in the Summary of Annuity Contracts.

The amount reported in the **Separate Reserve Fund (Bank/Brokerage)** must balance to the total amount in the **Separate Reserve Fund Account Detail**.

## ANNUAL FILING FEE REQUIREMENT

- The annual filing fee is due on or before March 1<sup>st</sup> of each year.
- Per RCW 48.38.010(10)(c) late or missing fee payments may result in fines, suspension, or revocation of the Certificate of Exemption.
- A \$5.00 fee will be assessed for each new annuity issued during your Exempt Organization's fiscal year in addition to a \$25 annual filing fee.
- How to make your payment:
  - Payment contact is the same person as your annual report filing contact.
  - The same user ID is used to file the annual report and to make a payment.
    - User ID's = 'FIN' followed by your WAOIC number
  - You may pay by credit card, electronic funds transfer, or by check.
  - Payments by check: please include a copy of the printed invoice with your check.

## IMPORTANT DATES AND DEADLINES

### Annual Report Due Dates

Per RCW 48.38.010(10) your Organization must submit its Annual Report, including the Actuarial Certification, within sixty days after the end of its fiscal year. Failure to do so will most likely result in a fine and the suspension of your Organization's Certificate of Exemption.

<u>Fiscal Year-End</u>	<u>Annual Report Due Date</u>
January 31	April 1
February 28	April 29
March 31	May 30
April 30	June 29
May 31	July 30
June 30	August 29
July 31	September 29
August 31	October 30
September 30	November 29
October 31	December 30
November 30	January 29
December 31	March 1

1. 60 days after the end of your Organization's fiscal year – all components of **Annual Report**
2. 15 days after its' release date, maximum time 9 months – **Audited Statement**
3. 15 days after filing with the IRS – **Form 990**
4. March 1 of every year – **Annual Filing Fee**

## FORMS AND FILING INFORMATION

- To access the form for report year 2023 go to [www.insurance.wa.gov](http://www.insurance.wa.gov)
- Once on the OIC website choose the “*For Insurers & Regulated Entities*” tab at the top of the page.



🏠 For Consumers    For Producers    **For Insurers & Regulated Entities**

- At that link, in the left column, is the header ‘*Financial filings*’  
Choose the ‘*Annual financial filing statements*’ link on this page.

### Financial filings

Annual financial filing statements

- On this page choose the links under the heading “*Charitable gift annuities (CGA)*”

### Charitable gift annuities (CGA)

- | [Filing information](#)
- | [File annual report](#)

Here you will find:

- Detailed instructions for each page of the Annual Report.
- Find out who your contact person is using the “Find your Entity Contact” tool.
- Log in and file your annual report  
Note: User ID’s always consist of the letters FIN followed by your WAOIC number.
- Retrieve/reset passwords by using the “Forgot Password?” tool.

## KEEP YOUR INFORMATION CURRENT

- Notify us ***immediately*** if any of this information has changed:
  - Organization name
  - Organization address
  - Contact person(s)
  - Staff responsible for report preparation
- Changes in information filed with your original application for the Certificate of Exemption
  - The Service of Process form, showing the party our Office will notify in the event of suit.  
Note: this form is for your Organization’s protection and can be found at:  
[https://www.insurance.wa.gov/sites/default/files/documents/service-of-process-form\\_1.pdf](https://www.insurance.wa.gov/sites/default/files/documents/service-of-process-form_1.pdf)
  - The Current list of Directors or Officers of the Organization
- Changes should be emailed to [CompanySupervisionFilings@oic.wa.gov](mailto:CompanySupervisionFilings@oic.wa.gov)

## FILING TERMINOLOGY

- **“Actuarial Certification”** is a Prescribed Statement of Actuarial Opinion, issued by a qualified Actuary (as defined in statute.) As a legal document, you must have access to the originally signed version. The use of actuarially-based computer programs and non-Actuaries (even if well-versed in financial matters) is not acceptable. Purporting oneself as an Actuary, without the proper qualification, is a violation of law in Washington State.
- **“Certificate Holder” or “Organization”** refers to the legal entity holding a Certificate of Exemption issued by the Washington Office of Insurance Commissioner who is the holder of the gift annuity reserve funds. Without this Certificate, an Organization cannot legally solicit or issue Gift Annuity contracts to Washington residents.
- **“Annual Report” or “Report”** refers to the annual “Washington Annual Report of Organizations Issuing Charitable Gift Annuities”, combined with the Actuarial Certification, all of which are required under RCW 48.38.010(10).
- **“Audited Statement”** refers to your Audited Financial Statement issued by an independent Certified Public Accountant (CPA). Because statutory requirements are specific to the legal entity holding the Certificate, a consolidated statement may mask statutory deficiencies, and is not sufficient by itself for compliance with statutory requirements. When filing a consolidated statement it is required that a supplemental schedule, specific to the Certificate Holder, be incorporated into the audited statement. The Audited Statement must also disclose the liability for annuity contracts on a separate line, or as an explanation within the Statement Notes. WAC 284-38-200(3) notes that the failure to file an audited financial statement within nine months following the most recent fiscal year end may subject the certificate holder to disciplinary action as allowed under RCW 48.38.050.
- **“Qualified actuary”** means a member in good standing of the American academy of actuaries or a person who has otherwise demonstrated actuarial competence to the satisfaction of the insurance regulatory official of the domiciliary state. Information about, and lists of, actuaries can be found at: <http://www.actuary.org/>
- **“Net assets without donor restrictions”** means the excess of total assets over total liabilities that are not restricted by any donor-imposed stipulations