



**LOUISIANA CAPTIVE ANNUAL REPORT (LCAR) – All Forms Instructions
Per Form Page by Page LCAR Instructions**

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GENERAL FINANCIAL STATEMENT INSTRUCTIONS (Page by Page)
LCAR FORM (non-NAIC filers)

JURAT

JURAT must be completed in its entirety, verified by the oath of a minimum of two (2) of its executive officers and notarized. The LDI accepts e-notarization and electronic signatures if made in compliance with state laws regarding the permissibility of such actions.

- Enter Licensed Captive Name (K8) in the Data Entry Table.
- Enter in the Data Entry Table for the Current Year End, such as 12/31/2024 or 6/30/2025 (K10) and Prior Year End [required field even if no reporting and/or N/A], such as 12/31/2023 or 6/30/2024 (K11)
- Organized under the laws of the State of is the State of Domicile. (G13)
- Date of License is as per the Certificate of Authority. (G14)
- Captive Address is the principal place of business and in most cases the address of the Louisiana Captive Manager. (E16-17)
- The Annual Report Contact Person (including phone number and Email) should be the person that filled out the LCAR form that can respond to possible questions posed by an LDI analyst/examiner. (F19-21)
- Select “Company Type” – (Association or Pure) from drop-down list (G23). The proper Company Type is needed to correspond to **(4) QUESTIONNAIRE, Q10**, required minimum capitalization.
- Select “Company Status” – (Active or Dormant) from drop-down list (H24). The proper Company Type is needed to correspond to **(4) QUESTIONNAIRE** completion notation. A captive is considered ACTIVE, even if all policies are in run-off (further denoted under **(4) QUESTIONNAIRE**).
- Any new officers or directors elected during the year must have a ‘#’ sign next to their name. [La. R.S. 22:41.3\(C\)](#) requires that an officer, director, or trustee of a domestic regulated entity shall, within thirty days of election, appointment, or otherwise being chosen, submit to the commissioner a request for a letter of no objection to serving in that capacity. See the LDI’s website for further instructions:
<https://www.ldi.la.gov/industry/company-licensing/letter-of-no-objection>

(2) BALANCE SHEET

The captive shall report all items based on US GAAP, as required under [La. R.S 22:550.21\(2\)](#).

ASSETS

Line 1 – Cash and Investments - Includes bonds, stocks, cash and cash equivalents, and short-term investments. **LOCKED CELLS** - Amounts pull in directly from **CASH AND INV SCHEDULE**.

Line 2 (a) – (b) – Other Invested Assets - Write-in any invested asset not detailed in Line 1. **LOCKED CELLS** - Amounts pull in directly from **CASH AND INV SCHEDULE**, but a description of the asset must be entered within 2a and 2b.

Line 5 – Loans to Parent and/or Affiliates – *Note: Captive must have prior written approval for any such loans.*

Lines 6 and 7 – Reinsurance Recoverable on Paid and Unpaid - Unpaid losses (line 6) **LOCKED CELLS** pulls directly from **(7) UNPAID LOSS & LAE**. The total of these two items should reconcile to the amounts listed on **(6a) REINSURANCE CEDED and/or (6b) REINSURANCE ASSUMED**.

Line 9 – Ceded Unearned – **LOCKED CELL** pulls directly from **(6a) REINSURANCE CEDED**.

Line 11 – Letters of Credit – LOC's are not permissible to capitalize a captive, per [La. R.S. 22:550.10\(C\)](#).

Line 15 (a) – (d) – Other Assets - provides for input of "other assets" and amount(s) as needed.

LIABILITIES, CAPITAL, and SURPLUS

Line 17 – Loss and Loss Adjustment Expense Reserves: Loss and LAE reserves are to be reported gross of ceded reinsurance **LOCKED CELLS** pull directly from the amounts reported on **(7) UNPAID LOSS & LAE (Columns 1-3)**.

Line 18 - Reinsurance Payable on Paid Losses & LAE – Include amounts currently payable to fronting companies (i.e. losses & LAE payable on assumed policies).

Line 19 - Insurance Deposit Liability – Include the amount of liability related to insurance transactions accounted for using the deposit method.

Line 27 - Dividends Payable – *Note: All dividends must have prior LDI approval, per [La. R.S. 22:550.15](#).*

Line 32 – Capital and Surplus (d) & (e) – *Note: Additional line added for further breakdown as needed for amounts held for SSA and surplus note.*

CASH AND INV SCHEDULE

The balances on this schedule link directly to **(2) BALANCE SHEET (B8-16)**. This schedule breaks out investments by type.

This can be filled out in summary. *Note: Bank and/or Investment statements are not required as support and should not be filed with the LCAR.*

The schedule must specify the bank or financial institution, the type of account (checking, money market, CD, investment, etc.).

(3) INCOME (and CAPITAL AND SURPLUS ACCOUNT)

Line 1 - Premiums Written – “Current” year (*Column 1*) Direct Premiums Written, Assumed Premiums Written and Ceded Premiums Written are **LOCKED CELLS** and pull directly from the amounts reported on **(5) PREMIUMS**, less the deposit premium, and ceded premium pulls from **(6a) REINSURANCE CEDED**, less the ceded deposit premium. (*Note: Please make certain “Prior” year (Column 2) reporting is manually input accurately per descriptive lines*).

Line 5 - Other Insurance Income – include income to the captive not related to premium or investments such as premium financing income, risk management charges, inspections, or other sources.

Line 7- Net Loss and LAE Incurred – **LOCKED CELL** pulls directly from the amounts reported on **(8) LOSS & LAE PAID & INCURRED**.

Line 10 - General and Administrative - include expenses incurred by the captive for day-to- day operations that are not directly related to an insurance policy.

Line 11- Total Underwriting Expenses – **LOCKED CELL** is the total of Net Loss and LAE Incurred + Subtotal: Other Underwriting Expenses.

Line 13 - Investment Income-Net - include investment income earned from all forms of investments net of investment management fees.

Line 15 - Other Expenses - to deduct for Other Expenses listed on this line, must enter as a negative number.

(4) QUESTIONNAIRE

All questions are grouped by category, Ownership, Appointed Actuary & CPA, Accounting, Plan of Operation, Specific Captive Type/Transactions and Financial Results/Ratios. Please read carefully and complete all questions in full.

Ownership

Q1 - Enter the full name of the ultimate controlling company, address and % ownership (for which financial statements are provided to the LDI) as of the balance sheet date reported. **Q1 (a) and (b)** request the affirmation that parent financials have been filed as required and the as of date. It is understood that depending on the issuance date what is affirmed may relate to the prior year. **Note:** Parent company reports are required to be filed annually upon issuance. If delayed in filing, please provide status updates. Per **Q1 (c)** If there will be or has been a change in ownership, please submit a Business Plan Change, effective date, details of parent or ultimate parent, and organizational chart.

Appointed Actuary & CPA

Q2 - Q3 - Provide the full name, address and any relevant contact information for the indicated entities related to the operations of the captive. **Q2 (a) and 3 (a)** **Select One** if a waiver has been requested.

Accounting

Q4 - The captive shall report all items based on US GAAP, as required under [La. R.S 22:550.21\(2\)](#).

Plan of Operation

Q5 - Affirm that all insurance related business plans changes have been submitted for approval.

Financial Results / Ratios

Q6 - This question contains automatic calculations **LOCKED CELLS** that is based on the Company Type selected on the Jurat for required unimpaired minimum capital. For those below the minimum capital a corrective action plan should be filed with the LDI.

Captive Company Type	Capital
Association	Not less than \$1,000,000
Pure	Not less than \$500,000

Q7-12 - These questions contain automatic calculations **LOCKED CELLS** based on your completed LCAR financial results (2) BALANCE SHEET AND (3) INCOME. Any exceptions require an explanation. Note: For explanations, please provide any specific details as available. For example, please do not provide a general reason such as "due to adverse loss development" but instead to the detailed level such as "due to adverse loss development for WC large claim in the 2023 policy year".

(5) PREMIUMS

- This schedule should disclose Direct (*Column 1*) and Assumed Written Premium (*Column 3*), including any premium accounted for under the deposit method. The amounts in (*Columns 1 and 3*) flow directly to **(3) INCOME**, less the amount reported in (*Columns 2 and 4*) as Deposit Premium. **Note: Please be as accurate as possible to allocate reported information by separate Line of Business (LOB) in accordance with issued policies, which should align to the business plan on file. Detailed LOB information assists for analyzing insurance market trends in the captive industry. For "All Other Lines" please list line descriptions beginning (A50).**
- Controlled unaffiliated premium is not permitted under Title 22 of the Louisiana Revised Statutes.
- *Footnote (b)* - Enter the amount of premium tax paid [LDI Form 1061].
- *Footnote (c)* - if the amount of premium on the premium tax return (Form 1061) is different from that on **(5) PREMIUMS**, an explanation in the space provided is required.

(6a) REINSURANCE CEDED and (6b) REINSURANCE ASSUMED

- These sheets should disclose the breakdown of amounts Ceded to and Assumed by approved Affiliated and Non-Affiliated Reinsurers(eds), including full name of reinsurers(eds) and domiciliary jurisdiction(s). **Note: (6a) REINSURANCE CEDED and REINSURANCE ASSUMED** sheets should be used for filings, and while these sheets are protected, they are now set up to allow to insert rows for additional reporting as needed. If possible do not file as "see attached PDF", as information is needed in EXCEL format for the LDI to effectively complete necessary sorts and credit worthiness reviews.
- The amounts in these schedules flow directly to **(2) BALANCE SHEET**, and (*Column 5*), for Assumed premium, should reconcile to **(5) PREMIUMS** (*Column 7*) for Ceded Premium, less (*Column G*) for Ceded Deposit Premium, is linked directly to **(3) INCOME**.
- The LDI must approve any new Reinsurers from the prior filing.
- **Full Legal Name of Reinsurer** (*Column 1*) - Please provide the full legal name of the reinsurer per the terms of the reinsurance contract (no abbreviations or shortened names).

i.e. ACE (not acceptable), as should be ACE AMERICAN INSURANCE COMPANY.

- **Domiciliary Jurisdiction** (*Column 2*) - Please provide the Domiciliary Jurisdiction (U.S. State or non-U.S. Country) of each reinsurer listed. i.e. For ACE AMERICAN INSURANCE COMPANY, the domicile is PA.
- AM Best Number (*Column 3*), AM Best Rating (*Column 3a*), NAIC Company Code (*Column 4*) – Please provide the Company’s AM Best # and/or NAIC Co code as applicable. Numbers/Codes, if applicable, can be obtained through the following websites: www.naic.org and www.ambest.com. For the AM Best Rating, please list the most current financial strength rating represented by an alphabetical range between A++ and E that is available, and if not rated indicate ‘NR’. *Note We have included reference information in our approved reinsurance listings.* i.e. For ACE AMERICAN INSURANCE COMPANY, AM Best#: 002257 and NAIC #: 22667. Further to (*Column 3a*) its corresponding rating affirmed as of 12/17/2020 is A++.
- Authorized Reinsurance – In accordance with [La. R.S. 22:550.17\(B\)](#), a captive insurer may take credit for reserves on risks or portions of risks ceded to a reinsurer that is in compliance with [Subpart E of Part III of Chapter 2 of Title 22 of the Louisiana Revised Statutes](#). Or when a captive contracts for reinsurance with companies specifically approved by the LDI, as provided for under [La. R.S. 22:550.17\(C\)](#).
- **(6a) REINSURANCE CEDED** - If more than 10% of total surplus (*Column 6*) locked formulas are included to assist with the LDI’s analysis.

(7) UNPAID LOSSES AND LAE

- This schedule should disclose the breakdown of Direct and Assumed reserves by Line of Business, ending with reserves net of reinsurance. Amounts disclosed in this section flow directly to **(2) BALANCE SHEET** and should reconcile to **(8) LOSS & LAE PAID & INCURRED**.
- If reinsurance recoverable (*Column 4*) cannot be broken out by Line of Business, it can be entered in aggregate on Line 50.

(8) LOSSES & LAE PAID & INCURRED

- This schedule should disclose the breakdown of paid losses (*Columns 1-4*), current year reserves (*Column 5*), and the prior year reserves (*Column 6*) to calculate the net incurred losses by line of business. Amounts should reconcile to **(7) UNPAID LOSS & LAE** and some amounts are carried over to **(3) INCOME**.
- If Reinsurance Recovered (*Column 3*) cannot be broken out by Line of Business, it can be entered in aggregate on Line 52.

CROSSCHECK

- This Cross Check Sheet is intended to help the preparer and the LDI identify potential errors in the preparation of the LCAR. Rounding errors can be disregarded.
- This page is required to be filed with the LCAR and any differences must be explained.