

January 28, 2000

To: All Insurance Companies and Health Maintenance Organizations
From: Arnold Dutcher, Chief Deputy Director
Re: **(CB #2000-1) Emergency Rule - 50 Ill. Admn. Code Part 945**
Property & Casualty Companies - Jacqueline Parker (217/524-2262)
Reply to: Life, Accident & Health Companies - Sara Ross (217/782-9760)
Health Maintenance Organizations - Jeff Martin (217/782-1798)

P.A. 91-0549, which became effective August 14, 1999 was a Department omnibus bill. Among other initiatives, this public act was legislation to implement the National Association of Insurance Commissioners' (NAIC) recent codification of accounting principals. This codification is contained in the NAIC's publication *Accounting Practices and Procedures Manual*, Version 1999. The intended timing was to make this manual effective for annual statements or other financial statements filed with this Department for accounting periods commencing on or after January 1, 2001.

It appears that P.A. 91-0549 has created some confusion as to the actual effective date for the change in accounting rules. As a result, pursuant to the Director's authority we have filed an emergency rule to clarify the accounting principals for accounting periods **beginning prior to** January 1, 2001. The emergency rule also clarifies that the NAIC's *Accounting Practices and Procedures Manual*, Version 1999 is applicable for accounting periods **beginning on or after** January 1, 2001.

Simultaneous with filing the emergency rule, we filed a proposed permanent rule containing identical text. The text of the emergency rule is available at <http://insurance.illinois.gov/industryinfo.htm>. Scroll to Company Information and click on Statutory Accounting-Emergency Rule (945).