

Date: December 1, 2015

To: Township Mutual Fire Insurance Companies

From: Commissioner of Commerce, Minnesota Department of Commerce
85 7th Place East, Suite 500, Saint Paul, Minnesota 55101-2198

Subject: Annual Statement and Other Filing Requirements

The following documents are available on the Commerce website at:
www.mn.gov/commerce under Industries & Agencies > Insurance > Filings & Examinations > Financial Filings, then choose the Township Mutual tab.

- Policy Regarding Territory Expansion
- Business Plan (Questionnaire)
- Biographical Affidavit
- Annual Filing Instructions
- Annual Statement Blank
- Annual Statement Preparation Instructions
- Articles and Bylaws - Instructions and Forms
- Bulletin 2006-3

Companies will not be sent an invoice for their renewal fees. The township mutual renewal fee, due March 31, 2016, is \$30. The Minnesota Office of Technology Surcharge is no longer collected. Please remit payment with the Renewal Info sheet in this package.

Once the Annual Statement is completed, print two copies on legal size paper (8 ½ x 14) and attach light yellow (pastel) (110 index card stock) front and back covers. The cover document is part of the Annual Statement Blank. Mail one copy to the Minnesota Department of Commerce and retain the second copy for your file. **The copy mailed to the Department should have one staple in the upper left hand corner.**

The annual statement must be received by the Commissioner on or before March 1, 2016. The penalty for a late filing is \$100.00 for each day in default per Minn. Stat. §72A.061, Subd. 1. Any filings mailed to another Minnesota governmental office or address will not be considered filed with this Department.

Item	Description and Filing Requirement	Filing Due Date
1.	ANNUAL STATEMENT	March 1, 2016
	<p>The signatures of the officers attesting to the accuracy of the annual statement must be original signatures with an original notarization. Please make sure CUSIP numbers are accurate for each bond on Schedule D.</p> <p>The Supplemental Compensation and Expense Exhibit is required to be completed and filed as a separate document along with the Annual Statement due March 1, 2016. Each township mutual is required to e-mail a copy in Adobe/pdf to Karen.Hicks@state.mn.us. The Exhibit will remain a public document, but available only upon request.</p>	
2.	INDEPENDENT EXAMINATION REPORT	Within 60 days of completion
	<p>Commerce Bulletin 2006-3 explains what is required to comply with Minn. Stat. §67A.241 specifically regarding the contents of the report. Each township mutual is required to e-mail a copy in Adobe/pdf to Karen.Hicks@state.mn.us.</p>	
3.	Article or Bylaw Filing Requirements for Township Mutual Companies	Within 30 days of adoption
	<p>Amended and Restated Articles of Incorporation and Bylaws need to be filed on forms available through the Commerce Department's website noted above. The filing must be accompanied by a fee of \$10.00 for Articles and \$10.00 for Bylaws, payable to the Minnesota Department of Commerce. <u>This filing must include a copy of the notice given to members prior to the meeting and a copy of the minutes of the annual or special meeting of the members.</u></p>	
4.	<p>To provide guidance toward achieving sound management, consistency in reporting, and compliance with laws and rules applicable to the township mutual community, the Minnesota Department of Commerce has compiled a list of "Best Practices for Township Mutuals" that is included with this packet of filing instructions. The compilation was developed from information learned during meetings with companies and financial examinations conducted by the Department.</p>	

If you have any questions, please contact Nina Twardowski at (651) 539-1756 or Nina.Twardowski@state.mn.us.

Best Practices for Township Mutuals

Annual Meetings

- Advance notification to all policyholders is recommended.
- Minimum quorum should be at least 15.

Duties of Board of Directors

- Board meetings should be held regularly (preferably monthly) and provide appropriate oversight with ratification of transaction decisions including recording of checks in check registers, and review of investment transactions, claim payments and inspections completed.

Governance

- Succession planning should be a part of overall strategic planning to determine the manner in which company operations will continue whenever key personnel are unavailable or unable to complete their duties on a short-term or long-term basis.
- A conflict of interest disclosure policy should be established by the Board for annual written disclosure to the Board of any interest or affiliation on the part of officers, directors or employees that may conflict with their official duties.

Internal Control

- A written investment policy should be adopted by the Board.
- Inspection criteria should be established that specifies who will conduct inspections, a timeframe for completion, a checklist of what should be inspected, and the manner in which the inspections should be documented.
- In any circumstance in which the company does not collect the premium directly from policyholder, company agents should provide annual evidence of being bonded naming the company as beneficiary.

Insurance Company Renewal Information

Do not mail your check with your annual financial statement or your premium tax return.

The insurance company renewal fees are stated in Minn. Stat. 60A.14, subd. 1.

Note the Minnesota Office of Technology Surcharge is no longer being collected.

The Department **will not be issuing invoices** to insurance companies. **Please print this page and return it with your check.** This page must be included with each check. A separate check must be issued for each insurance company. Please submit your payment by **March 31, 2016.**

Township Mutual Insurance Company - **\$30.00**

The above payment consists of: \$15.00 annual statement filing (2016)
 15.00 company license (6/1/16 – 6/1/17)

If you have any questions regarding renewal fees, contact Margie Pinedo at (651) 539-1730 or e-mail to Margie.Pinedo@state.mn.us.

Insurance Company Renewal

All checks must be made payable to: Minnesota Department of Commerce.

Full Name of Insurance Company

NAIC Number

Name of Contact Person

Daytime Phone Number

Contact Person Email Address

Amount of Check

Mail Payment to:

Minnesota Dept. of Commerce
Insurance Division
85 7th Place East, Suite 500
St. Paul, MN 55101-2198