

**Government of the District of Columbia**  
**Department of Insurance, Securities and Banking**



**Thomas E. Hampton**  
**Commissioner**


**BULLETIN**  
**08-IB-06-11/14**

**TO: ALL LICENSED DOMESTIC INSURANCE COMPANIES**

**FROM: THOMAS E. HAMPTON, COMMISSIONER**

**SUBJECT: QUALIFICATIONS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT: CPA AUDIT RULE**

**DATE: NOVEMBER 14, 2008**



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The intent of this bulletin is to communicate to all District of Columbia licensed insurance companies the Department's intention to have amended D.C. Official Code § 31-305(b), which sets forth the criteria for determining when an independent certified public accountant will be recognized as "qualified" by the Department for purpose of being registered and designated as an independent certified public accountant pursuant to § 31-304.

The proposed amendment, which the Department anticipates will be enacted by the end of the first quarter 2009, will declare that the Commissioner shall not recognize a person or firm as a "qualified independent certified public accountant" if the person or firm has directly or indirectly entered into an agreement of indemnity or a release from liability. For the purpose of this bulletin, the term "indemnification" means an agreement of indemnity or a release from liability where the intent or effect is to shift or limit in any manner the potential liability of the person or firm for failure to adhere to applicable auditing or professional standards, whether or not resulting in part from knowing of other misrepresentations made by the insurer or its representatives. The proposed amendment will track the National Association of Insurance Commissioner's Annual Financial Reporting Model regulation.

Accordingly, because the proposed amendment will become effective upon enactment, the Department, as a courtesy, is advising insurers to make the appropriate and necessary changes to any engagement letters that will be in-force at that time or that they anticipate will be entered into thereafter.

If you have question concerning this bulletin, please contact Nathaniel Kevin Brown at (202) 442-7785 or by email at [nathaniel.brown@dc.gov](mailto:nathaniel.brown@dc.gov).