



DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INSURANCE

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Bulletin 18-001

April 16, 2018

**CAPTIVE INSURER (EXCLUDING RISK RETENTION GROUPS) COMPLIANCE  
WITH FINANCIAL ACCOUNTING STANDARDS BOARD ACCOUNTING  
STANDARDS ("FASB") UPDATE ("ASU") 2015-09**

Nevada Revised Statutes ("NRS") 694C.400(2) requires an annual audit and Nevada Administrative Code ("NAC") 694C.210(4)(e)(5) states that the annual audit required must include Notes to Financial Statements required by United States Generally Accepted Accounting Principles ("GAAP"), or as required by any other comprehensive basis of accounting used by the captive insurer and approved by the Commissioner. The accounting standards codified by FASB are a comprehensive basis that is regularly updated. FASB ASU 2015-09 is a recent update pertaining to insurance companies that issue short-duration insurance contracts. The Nevada Division of Insurance ("Division") requires captive insurers (excluding risk retention groups) to submit annual audit reports in compliance with FASB ASU 2015-09, or with a qualified opinion based solely on the non-compliance of FASB ASU 2015-09 and/or any other standard required by the Commissioner that may be a departure from GAAP.

If you have any questions, contact the Division at [captives@doi.nv.gov](mailto:captives@doi.nv.gov).

A handwritten signature in blue ink, appearing to read "Barbara D. Richardson".

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BARBARA D. RICHARDSON  
Commissioner of Insurance