

Your Organization Internal Audit					Subject:	Review of Reinsurance Activities
INTERNAL CONTROL QUESTIONNAIRE					Department:	Underwriting
Purpose: To determine the existence and adequacy of internal controls and/or procedures for Reinsurance Activities						
	QUESTION	Yes	No	N/A	Comment/Response	
A:	Control Area: Billings for Recoverables on Paid Claims/Indemnity & Loss Adjustment Expenses					
	Billings for Recoverables on Paid Claims/Indemnity and Loss Adjustment Expenses (LAE's)					
1	Are there written procedures regarding billings for recoverables on paid indemnity and LAE's?					
2	Have the procedures been formally approved by management?					
3	Are the procedures consistently followed?					
4	Is source data readily available for preparing all billings?					
5	Are billings system generated?					
7	Is a complete detailed listing of all outstanding billings maintained?					
8	Is the detailed listing of outstanding billings reconciled to the G/L balance for recoverables on paid indemnity and LAE's? If so, state how often.					
9	Is there a review and sign off requirement on all billings?					
10	Is there a regular follow-up on billings outstanding past the due dates?					
B.	Other Questions:					
1	List all the source documents, reports, etc., used in determining the billing amounts. (Insert lines as necessary)					
	a.					
	b.					
	c.					

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Internal Audit**

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2 List all the departments/organizations which receive a copy of the billings?
a.
b.
c.

3 In your own words, briefly narrate the procedures you follow (written or unwritten) in preparing billings for paid indemnity and LAE's. (You may use point format if you wish. Also state how often the procedure is done , e.g. monthly, quarterly, annually, etc.)

4 Has there been a major change in the process or procedures followed for billings for paid indemnity and LAE's since the last external auditor's report (2002)? If so, briefly explain the changes.
a.
b.
c.

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5	Is there any other area of concern with regards to billings for paid indemnity and LAE's that you want internal audit to address? a. b. c.				