



## MARYLAND AUTO INSURANCE

### Questions by Potential Bidders

#### Independent Audit RFP

The following documents questions and answers which have been raised by potential bidders during the RFP period April 28 – May 14, 2025.

1. May we schedule a call with Maryland Auto to discuss the organization and the services being requested?

Maryland Auto will hold an open Q&A session virtually on May 16 from 11:00am – 12:00pm EST. If you wish to attend, email Amy Knell at [amy.knell@marylandauto.net](mailto:amy.knell@marylandauto.net).

2. May we obtain a copy of your prior financial statements?

Maryland Auto will distribute internal financial statements upon request.

3. Can you please provide the most recent audited financial statements for both the uninsured and insured divisions for the year ended December 31, 2024, as well as the internal control and governance letters, including any adjusting journal entries and proposed adjusting journal entries?

Maryland Auto will provide the 2024 audited financial statements to qualified accounting firms. Internal control and governance letters will not be provided. Firms are encouraged to attend the Q&A session noted above in response to question 1.

4. When has the remote audit taken place previously? Have interim procedures been performed in the November / December timeframe and when has year-end fieldwork taken place?

There is a statutory deadline which requires the audit to be finalized before March 15. Typically, the audit is finalized at least two weeks in advance of the March Board meeting, which takes place the second week in March.

In recent years, interim procedures have been performed in November or December, with year-end fieldwork commencing the third full week in January.

5. My firm is not a registered vendor with the state of Maryland through the eMaryland Marketplace. Since this proposal is to be submitted directly to a contact at MAIF, is vendor registration required?

No, vendor registration is not required.

6. Could you provide the annual statement for the insured division for the year ended December 31, 2024?

The annual statement will not be provided at this stage in the RFP. Also refer to responses to questions 2 and 3.

7. Does Maryland Auto prepare the financial statements?

Historically the external auditor has compiled the financial statements from Maryland Auto's trial balance. However, Maryland Auto could compile the financial statements.

8. Does Maryland Auto maintain the fixed asset accounting/tracking?

Yes.

9. Is the scope limited to the audits and necessary communication letters, or are there required regulatory filings that are expected to be completed by the auditor?

The auditor is not expected to file required regulatory filings.

10. What were the fees paid for each of the division's financial statements for the December 31, 2024 audits? This helps us determine the approximate number of hours given many CPA firm bill rates are similar.

Fees will not be disclosed. However, we are happy to answer questions related to hours during the Q&A.

11. Given the work was done remote most likely in the past, are the number of hours spent on each audit (approximate) known? Typically, we would ask for how long the auditors were on-site for, how many, what levels, etc.

The audit has been conducted entirely remotely the last few years.

Typically, interim fieldwork is scheduled for one week in November or December. Year-end fieldwork usually starts the third full week in January.

12. What is the deadline for each division's financial statements? When would you like the audits complete?

Audits are required to be finalized before the March board meeting, which occurs the second week in March. It is strongly preferred that the audits be issued by February 28.

13. Can you confirm if an actuary is utilized for each division?

Yes, an independent actuary is utilized for each division.

14. Any presentations or other required meetings with audit & finance committee members or others?

The auditor is expected to attend the September Audit Committee meeting to present the audit plan, the March Audit Committee meeting to present the audit results, as well as the March Board meeting. Auditors can attend the meetings virtually.

15. Could you provide a copy of the reinsurance contract(s)?

Maryland Auto does not currently have reinsurance.

16. Will we have an opportunity to present our proposal to the Maryland Auto Insurance Fund, or provide a draft version requesting initial feedback?

No presentations or draft submissions will be accepted. If your firm is selected to advance during the initial RFP phase virtual interviews will be conducted by the Maryland Auto team.