



Florida Office of Insurance Regulation

**APPLICATION FOR MERGER OR CONVERSION
RECIPROCAL INSURER**

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation ("Office").

Please submit all documents required by this packet in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <https://www.floir.com/iportal> and select "Insurance Regulation Filing System (IRFS)" to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by selecting iApply – Online Company Admissions at the following link:

<https://www.floir.com/iportal>

Any questions concerning this application packet or iApply for Life and Health applicants may be directed to lhappcoord@floir.com. Property and Casualty applicants are directed to pcappcoord@floir.com.

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INSTRUCTIONS

SECTION I - APPLICATION FEES

Section I-1 Application Fees

Applicants filing for a merger must pay the application fee of \$1,500 U.S. Dollars, pursuant to Section 624.501, Florida Statutes, or an amount otherwise in accordance with Section 624.5091, Florida Statutes. This fee is due at the time the application packet is filed and is not refundable.

Section I-2 Fingerprint Fees

Applicants are required to pay a fee directly to the vendor for the processing of the fingerprint cards as required in Section IV-4.

SECTION II - LEGAL

Section II-1 Authorization Letter

Provide a letter of authorization for any person, other than Applicant's personnel, who is authorized to represent the Applicant before the Office in this matter. This letter should be dated within the last year.

Section II-2 Service of Process Form (post-approval)

Included in this packet is the Service of Process Consent & Agreement form (OIR-C1-144). This document must be executed and submitted after the merger or conversion is completed if the information on record with the Office has changed as a result.

FOR MERGERS:

Section II-3 Organizational Documents

Provide drafts of the revised documentation for the surviving entity if any of the documents listed below, previously approved by the Office, will change as a result of the merger. Final or executed copies of the approved drafts will need to be provided once the merger has been completed.

- a. Charter of the Subscriber's Advisory Committee
- b. Subscriber's Agreement and Power of Attorney
- c. Attorney-in-Fact Agreement

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FOR CONVERSIONS:

Section II-4 **Articles of Incorporation**

Applicant should submit draft Articles of Incorporation that comply with the requirements of Section 628.081, Florida Statutes. Applicant should note that, as per Chapter 628, Florida Statutes, Applicant may not incorporate as a domestic stock insurer in Florida without the stamped approval of the Office on its final executed Articles.

Once the application is approved and Applicant is incorporated, it will need to provide the Office with a copy of its articles of incorporation certified by the Florida Secretary of State.

Section II-5 **Bylaws**

Applicant should submit a draft of its proposed Bylaws. The Bylaws must not be inconsistent with the proposed Articles of Incorporation or applicable law.

Once Applicant is incorporated, it will need to provide the Office with a copy of its Bylaws, certified by its corporate Secretary.

Section II-6 **Certificate of Status (post-approval)**

After the application is approved and Applicant is incorporated, it will need to provide the Office with a copy of a Certificate of Status from the Florida Secretary of State.

SECTION III – FINANCIAL

Section III-1 **Description**

Submit a narrative statement describing the merger or conversion. This statement should address, at a minimum, the following points:

For a Merger:

- a. How are the merging subscribers going to be incorporated into the surviving entity?
- b. Discuss the transfer of the merging subscriber savings accounts.
- c. How notice was provided to the subscribers of the merging and surviving entity and how long they had to respond.
- d. How this benefits the current subscribers of both merging entities.

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For a Conversion:

- a. Ownership of the proposed new stock corporation.
- b. How will the subscriber's interests be handled as part of the conversion?
- c. Will the Attorney-in-Fact, or any of its officers, directors, managers, or upstream interest holders have any role in, control of, or direct or indirect influence over, the proposed stock insurer?
- d. How was notice provided to the subscribers of the merging and surviving entities and how long did they have to respond?
- e. How does this benefit the current subscribers?

Section III-2 Confirmation of Voting Results

Submit confirmation of voting results for both entities in the event of a merger, or the licensee in the event of a conversion. Include the total number of subscribers for each respective entity and the total number of votes received in favor of and against for each.

Section III-3 Plan of Merger or Conversion

Submit a copy of the Plan of Merger or Conversion.

Section III-4 Quarterly Financial Statement

Furnish a copy of Applicant's most recent quarterly financial statement.

Section III-5 Annual Financial Statement

Furnish a copy of Applicant's most recent annual financial statement.

Section III-6 Plan of Operation

An insurer licensed in the state of Florida must keep the Office apprised of its business plan. If the proposed merger or conversion will result in any substantive changes to the operations of the surviving entity if a merger, or the licensee if a conversion, submit an updated Plan of Operation as outlined below.

If the subject of the merger or conversion is not in compliance with Florida Statutes, then a plan to bring the insurer into compliance should be submitted to the Office in this section.

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Applicant should furnish a three-year Plan of Operation. The Plan must include all major areas of the proposed operations and include the following:

- a. A description of the management experience of each individual (by name) involved in the operation of the entity.
- b. A description of products to be offered.
- c. A three-year plan of marketing, including commission rates and the use of sales persons.
- d. A statement regarding any planned changes in operations during the next three years. If no changes are planned, a statement to that effect.
- e. In Excel format, a National Association of Insurance Commissioners ("NAIC") UCAA pro forma statement (Form 13), showing expected premium projections reflecting the merger or conversion, along with a statutory balance sheet and income statement.
- f. A list of all assumptions used in creating the pro forma and an explanation of how these assumptions were derived.
- g. A list of all consultant and expert services in use or proposed during the three-year period.

Section III-7 Previous Florida Business History of Surviving Entity (mergers only)

In this section, the surviving entity should detail its history in the state of Florida.

Section III-8 Transaction Agreements

Furnish a copy of any transactional documents associated with the merger or conversion, including, but not limited to, any purchase agreements, financial agreements, or subscriber offerings.

Section III-9 Other Agreements

Furnish copies of any agreements whereby entities involved in the merger or conversion accept obligations, debts, or encumbrances which would affect a licensee, or are relevant to the merger or conversion. Additionally, furnish copies of any other agreements referenced in this filing.

Section III-10 Organizational Charts

Furnish complete organizational charts. Each set of organizational charts should fully disclose the complete organizational structure and the relationship between all entities, including all

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parent, holding, subsidiary, Attorney-in-Fact, or similar parties, and any and all affiliated companies, and must clearly state all ownership percentages if applicable. One set of charts should be submitted showing the licensee's entire structure before the merger or conversion and another set of charts that shows the licensee or surviving entity's entire structure following merger or conversion.

SECTION IV - MANAGEMENT

Section IV-1 Management Information Forms

1. For a Merger: Using OIR-C1-2221, Management Information Form, provide the full names of all proposed members of the Subscribers' Advisory Committee, as well as those of the officers, directors, managers, or equivalent positions, and 10% or greater shareholders/owners of the proposed Attorney-in-Fact, up through and including the ultimate parent corporation, with their respective titles and ownership percentages. A separate form should be used for each entity.
2. For a Conversion: Using OIR-C1-2221, Management Information Form, provide the full names of the post-conversion officers, directors, managers, or equivalent positions, and any 10% or greater shareholders/owners up through and including the ultimate parent corporation or holding company, with their respective titles and ownership percentages. A separate form should be used for each entity.

Forms should contain the First, Middle, and Last Names of listed individuals. Please state if a middle name does not exist.

Section IV-2 Biographical Information Package

Each person listed in Section IV-1, must submit a complete Biographical Information Package.

The Biographical Information Package consists of the following forms:

- OIR-C1-1423, "Uniform Certificate of Authority Application (UCAA) Biographical Affidavit"
- OIR-C1-938, "Fingerprints and Social Security Number"
- OIR-C1-0500, "UCAA Biographical Affidavit Addendum Blank"
- OIR-C1-0501, "UCAA Biographical Affidavit Addendum Education"
- OIR-C1-0502, "UCAA Biographical Affidavit Addendum Employment"
- OIR-C1-0503, "UCAA Biographical Affidavit Addendum General"
- OIR-C1-0504, "UCAA Biographical Affidavit Addendum Licenses"
- OIR-C1-0505, "UCAA Biographical Affidavit Addendum Professional"
- OIR-C1-0506, "UCAA Biographical Affidavit Addendum Residence"
- OIR-C1-0507, "UCAA Biographical Affidavit Addendum Societies"
- OIR-C1-0509, "Uniform Certificate of Authority Application (UCAA) Biographical Affidavit Cover Letter Holding Company Structure"

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Each person must complete forms OIR-C1-1423 and OIR-C1-938, as well as all additional forms that are applicable to that individual.

Each form must be signed, and form OIR-C1-1423 must be notarized.

All questions must be answered. All "Yes" answers must be explained.

Individuals who have previously submitted a Biographical Information Package to the Office may inquire with the Office to determine if the previous submission is recent enough to meet this requirement.

Section IV-3 Background Investigation Report

A background investigation report must be provided for each person required to provide a Biographical Information Package. These reports must be ordered from and submitted by a background investigation vendor directly to the Office at bkgrnd-inv@floir.com who has been approved for use by the National Association of Insurance Commissioners. Submission should be in Microsoft Word format, with appropriate reference to the applicant in the subject of each transmittal e-mail.

Reports should be submitted prior to, or contemporaneously with, the submission of each application filing. The application will not be considered complete until all required background investigation reports are received. Attach proof of payment confirming that all background reports have been ordered when submitting the application.

A list of approved vendors can be found at <https://content.naic.org/industry-ucaa-third-party>. The applicant is responsible for the reports and for handling billing arrangements with the selected vendor. Questions regarding this process may be directed to pcappcoord@floir.com (Property and Casualty applicants) or to lhappcoord@floir.com (Life and Health applicants).

Section IV-4 Fingerprinting and Social Security Number Submission

Each person submitting a Biographical Information Package under Section IV-2 must also submit their fingerprints to the Office. Please refer to our website at www.floir.com/home/company-admissions/fingerprint-instructions for specific instructions on the payment for and submission of fingerprints. Information about the uses and retention of fingerprints is included in form OIR-C1-938.

In addition, pursuant to Section 119.071(5), Florida Statutes, social security numbers collected by an agency are confidential and exempt from disclosure under Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution, and must be segregated on a separate page, which is included as part of form OIR-C1-938, which must be submitted as part of the Biographical Information Package.

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CHECKLIST

SECTION I - APPLICATION FORM & FEES

Applicant Name: _____

Federal Identification Number: _____

Home Office Address: _____
(Street Address) (City) (State) (Zip Code)

Phone Number: _____

Please complete and check off all items prior to submission. Applicant should provide an explanation for any items that have not been checked off and submitted.

SECTION I - APPLICATION FEES

- ☐ 1. Application fee paid
- ☐ 2. All fingerprint fees paid electronically (Form OIR-C1-938)
 - ☐ a. Copies of online payment confirmation
- ☐ 3. Checklist & Certification

SECTION II – LEGAL

- ☐ 1. Authorization Letter
- ☐ 2. Service of Process (post-approval, if necessary)

MERGERS:

- ☐ 3. Drafts of Organizational Documents (if amending)
 - ☐ a. Charter Subscriber's Advisory Committee
 - ☐ b. Subscriber's Agreement and Power of Attorney
 - ☐ c. Attorney-in-Fact Agreement

CONVERSIONS:

- ☐ 4. Draft Articles of Incorporation

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- ☐ 5. Draft Bylaws
- ☐ 6. Certificate of Status (post-approval)

SECTION III – FINANCIAL

1. Description should include at least the following:

MERGERS:

- ☐ a. Incorporation of subscribers
- ☐ b. Transfer of subscriber savings accounts
- ☐ c. Notice
- ☐ d. Benefits to subscribers

CONVERSIONS:

- ☐ a. Ownership
- ☐ b. Subscriber's interests
- ☐ c. Control
- ☐ d. Notice
- ☐ e. Current subscribers
- ☐ 2. Confirmation of voting results
- ☐ 3. Plan of merger or conversion
- ☐ 4. Quarterly financial statement
- ☐ 5. Annual financial statement
- ☐ 6. Plan of operation
 - ☐ a. Management experience
 - ☐ b. Description of products

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- ☐ c. Plan of marketing
- ☐ d. Planned changes in operations
- ☐ e. Pro forma
- ☐ f. List of assumptions
- ☐ g. Consultant and expert services
- ☐ 7. Previous Florida business history (mergers only)
- ☐ 8. Transaction agreements
- ☐ 9. Other agreements
- ☐ 10. Organizational charts

SECTION IV – MANAGEMENT

- ☐ 1. Management Information Form (Form OIR-C1-2221) submitted for all required entities
- ☐ 2. Biographical Information Package submitted for all required individuals
 - ☐ a. All information completed (no blanks)
 - ☐ b. "Yes" answers explained
 - ☐ c. Signed
 - ☐ d. Notarized
- ☐ 3. Background investigative reports for all required individuals. The reports must be based on the Biographical Affidavit Packages submitted to the Office with this Application.
 - ☐ a. Proof of order and confirmation of payment submitted to the Office
- ☐ 4. A Fingerprints and Social Security Number form (Form OIR-C1-938) for each required individual.
 - ☐ a. All information completed (no blanks)

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- b. Fingerprints submitted for each individual required to file a Biographical Information Package

APPLICATION CERTIFICATION

The below certification must be executed by two members of the SAC of Applicant.

The undersigned state that they are members of the Subscriber's Advisory Committee having personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with the intention of _____ ("Applicant") to merge or convert pursuant to Section 629. 291, Florida Statutes; that they have read all of the responses, information, exhibits, and documents submitted with, and in support of, this application; and that the submissions are true, correct, and complete to the best of their knowledge. The undersigned further represent that they have the authority to bind the Applicant, and that by their signatures on the instrument, the Applicant has executed the instrument.

The undersigned understand that whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duties is guilty of a misdemeanor of the second degree, pursuant to Section 837.06, Florida Statutes, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

By: _____

Print Name: _____

Title: _____

Date: _____

By: _____

Print Name: _____

Title: _____

Date: _____