



Florida Office of Insurance Regulation

APPLICATION FOR ACQUISITION OF CONTROLLING STOCK, OWNERSHIP INTEREST, ASSETS, OR CONTROL OF A FLORIDA SPECIALTY INSURER; MERGER OR CONSOLIDATION

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 floir.gov/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 Company Admissions – iApply Login at the following link:

floir.com/iportal

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

OIR-C1-448

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Rule: 69O-136.100, F.A.C.

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INSTRUCTIONS

SECTION I - APPLICATION FEES

Section I-1 Application Fees

An Applicant filing an application to acquire a Legal Expense Insurance Corporation must pay a fee of \$1,500 U.S. Dollars, pursuant to Sections 642.0301(2) and 624.501(1)(a), 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 for the processing of the fingerprint cards required in Section IV-4. Please see Form OIR-C1-938, "Fingerprints and Social Security Number," for instructions.

Disclaimer of Control Pursuant to Section 628.4615(11)

If Applicant is considered a "passive investor" and will be submitting a disclaimer of control or Schedule 13G as per Section 628.4615(11), Florida Statutes, it may omit the items in Section II 3-5, Section III, and Section IV. These omitted items must be provided if requested by the Office to determine the appropriateness of the disclaimer of control or Schedule 13G. If there are any purchase agreements, tender or exchange offers, or similar agreements related to the transaction, they must be provided with the application.

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SECTION II - LEGAL

Section II-1 Description of Transaction

Submit a narrative statement describing the transaction resulting in the acquisition of the controlling stock, ownership interest, assets, or control of a Florida specialty insurer, or a description of the merger or consolidation.

Section II-2 Notification Statement

Submit a statement that the acquiring entity has sent to the insurer and **any** controlling company:

- a. The notification statement by registered mail in compliance with Section 628.4615(2)(a), Florida Statutes, and;
- b. A complete copy of the application pursuant to Section 628.4615(4), Florida Statutes.

Section 628.4615(14)(c), Florida Statutes, defines a controlling company, generally, as an entity holding 25% or more of the voting securities or ownership interests of the specialty insurer.

Section II-3 Certificate of Status

Submit a certificate of status dated within the last year. A certificate of status is a document issued by the public official having supervision of the records of corporations in the Applicant's home state or jurisdiction of domicile, usually the Secretary of State or equivalent office, and shows that the company is duly organized in the state or jurisdiction of domicile and that all taxes and fees have been paid.

Section II-4 Organizational Documents

Submit a copy of Applicant's organizational or charter documents, such as Articles of Incorporation, Partnership Agreements, Trust Agreements, etc., complete with all amendments, certified within the last year by the public official with whom the originals are on file in the state or jurisdiction of domicile. If the originals are not required to be on file with a public official in the state or jurisdiction of domicile, then the copies should be certified by an appropriate representative of Applicant.

Section II-5 Bylaws

Submit a copy of Applicant's Bylaws, Operating Agreement, Constitution, Rules and Regulations, or similar document. This should be certified by Applicant's Secretary as a true and correct copy of the current document and dated within the last year. Only the Secretary's signature will be accepted unless the Applicant does not have this position.

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Section II-6 Service of Process Form

Included in this packet is the Service of Process Form (Form OIR-C1-144). This document must be executed and submitted after an acquisition is completed if the information on record with the Office has changed as a result of the transaction.

Section II-7 Statutory Statements

Submit a detailed response to paragraphs (b)-(f) of Section 628.4615(4), Florida Statutes, listed below. Each of these sections should be clearly labelled and responded to individually.

(b) The source and amount of the funds or other consideration used, or to be used, in making the acquisition.

(c) Any plans or proposals which such persons may have made to liquidate the specialty insurer, to sell any of its assets or merge or consolidate it with any person, or to make any other major change in its business or corporate structure or management; and any plans or proposals which such persons may have made to liquidate any controlling company of the specialty insurer, to sell any of its assets or merge or consolidate it with any person, or to make any other major change in its business or corporate structure or management.

(d) The nature and the extent of the controlling interest which the person or affiliated person of such person proposes to acquire, the terms of the proposed acquisition, and the manner in which the controlling interest is to be acquired of a specialty insurer or controlling company which is not a stock corporation.

(e) The number of shares or other securities which the person or affiliated person of such person proposes to acquire, the terms of the proposed acquisition, and the manner in which the securities are to be acquired.

(f) Information as to any contract, arrangement, or understanding with any party with respect to any of the securities of the specialty insurer or controlling company, including, but not limited to, information relating to the transfer of any of the securities, option arrangements, puts or calls, or the giving or withholding of proxies, which information names the party with whom the contract, arrangement, or understanding has been entered into and gives the details thereof.

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Section II-8 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.

Mergers

If the acquisition is, or includes, the merger of an HMO, Applicant must provide the following in addition to all other items in this application. If Applicant is requesting a waiver pursuant to Section 628.4615(3), Florida Statutes, it must still submit the items below as well as Section III-3(F).

Section II-9 Statement of Compliance

If the merger involves a for-profit HMO, submit a statement that Applicant is in compliance with Section 628.451(1), Florida Statutes. If the merger involves a not-for-profit HMO, the statement should instead reference Section 628.471, Florida Statutes.

Section II-10 Confirmation of Voting Results

Submit confirmation of voting results, board resolution, or equivalent documents.

Section II- 11 Plan of Merger

Submit a copy of the Plan of Merger.

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SECTION III – FINANCIAL

Section III-1 Applicant's Quarterly Financial Statement

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

Section III-2 Applicant's Annual Financial Statement

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

Section III-3 Plan of Operation

A specialty insurer licensed in the state of Florida must keep the Office apprised of its business plan. If the proposed acquisition will result in any substantive changes to the operations of the licensee, submit an updated plan of operation as outlined below.

If the subject of the acquisition 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.

If applicable, Applicant should furnish a three-year Plan of Operations. The plan must include all major areas of the proposed operations and include the following:

- (A) A brief history of the entity since its incorporation.
- (B) A brief description of the management experience of each individual (by name) involved in the operation of the entity.
- (C) A description of products to be offered, broken down by contract type.
- (D) A three-year plan of marketing, including commission rates and the use of salespersons.
- (E) A statement regarding any planned changes in operations during the next three years. If no changes are planned, a statement to that effect.
- (F) In Excel format, a pro forma statutory balance sheet and statutory income and expense statements showing expected premium projections by contract type (omit if no changes in business plan).
- (G) A list of all assumptions used in construction of the pro forma and an explanation of how these assumptions were derived (omit if no changes in business plan).
- (H) A list of all consultant and expert services in use or proposed during the three-year period.

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Section III-4 Previous Florida Business History of Acquiring Company

In this section the acquiring company should detail its history in the state of Florida.

Section III-5 Purchase Agreements, Tender or Exchange Offers, or Similar Documents

Furnish a copy of all purchase agreements, tender or exchange offers and offering documents, or similar documents associated with the acquisition.

Section III-6 Other Agreements

Furnish copies of any agreements whereby the acquiring entity accepts obligations, debts, and encumbrances which would affect the licensee or are relevant to this transaction. Additionally, furnish copies of any other agreements referenced in this filing.

Section III-7 Organizational Charts

Furnish complete organizational charts for the Applicant and for the specialty insurer. Each set of organizational charts should fully disclose the complete corporate structure and the relationship between all entities, including all parent, holding, subsidiary, and any and all affiliated companies, and must clearly state all ownership percentages if applicable. One set of charts should be submitted for the Applicant and one for the specialty insurer showing each respective organization prior to the proposed acquisition, and another set of charts that shows the Applicant's entire structure after the proposed acquisition.

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SECTION IV - MANAGEMENT

Section IV-1 Management Information Forms

Please submit Management Information Form OIR-C1-2221 fully describing the post-acquisition management, ownership, and control, direct or indirect, of the specialty insurer up to and including any 10% or greater interest holders of the ultimate parent (5% if the transaction involves an HMO). A Management Information Form should be submitted for each entity in the ownership chain.

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

Section IV-2 Biographical Affidavits as to Officers, Directors, and Shareholders

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"

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.

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Section IV-3 Background Investigative 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 bkgnd-inv@flor.gov 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@flor.gov (Property & Casualty applicants) or to lhappcoord@flor.gov (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 flor.gov/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

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 FORM & FEES

- ☐ 1. Application fee paid, if applicable
- ☐ 2. All fingerprint fees paid electronically
 - ☐ a. Copies of online payment confirmation

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CHECKLIST

Applicant Name: _____

SECTION II – LEGAL

- ☐ 1. Description of Transaction
- ☐ 2. Statement of compliance with:
 - ☐ a. Notification statement, Section 628.4615(2)(a), Florida Statutes; and
 - ☐ b. Application furnished to appropriate parties, Section 628.4615(4), Florida Statutes
- ☐ 3. Certificate of Status
- ☐ 4. Organizational Documents (Articles of Incorporation or equivalent documents)
 - ☐ a. Certified by domiciliary jurisdiction
- ☐ 5. Bylaws (or equivalent documents)
 - ☐ a. Certified by Secretary
- ☐ 6. Service of Process Form (Form OIR-C1-144) (see instructions in II-7)
- ☐ 7. Statutory Statements, Section 628.4615(4)(b)-(f), Florida Statutes
- ☐ 8. Authorization Letter

For Transactions that are, or Involve, HMO Mergers

- ☐ 9. Statement of Compliance
- ☐ 10. Confirmation of Voting Results
- ☐ 11. Plan of Merger

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CHECKLIST

Applicant Name: _____

SECTION III – FINANCIAL

1. Applicant's quarterly financial statement
☐ a. A copy of Applicant's most recent quarterly financial statement
2. Applicant's annual financial statement
☐ a. A copy of Applicant's most recent annual financial statement
- ☐ 3. Plan of Operation
- ☐ 4. Applicant's statement of previous Florida business history
- ☐ 5. Copies of any purchase agreements, tender or exchange offers, or similar documents
- ☐ 6. Copies of other agreements related to the acquisition or referenced in the filing
7. Organizational Charts
☐ a. Chart showing Applicant's organization prior to acquisition or merger
☐ i. With ownership percentages
☐ b. Chart showing specialty insurer's organization prior to acquisition or merger
☐ i. With ownership percentages
☐ c. Chart showing all entities after the acquisition or merger
☐ i. With ownership percentages

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CHECKLIST

Applicant Name: _____

SECTION IV – MANAGEMENT

- ☐ 1. Management Information Forms (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 Affidavits submitted to the Office with this Application.
 - ☐ a. Proof of order and confirmation of payment submitted to the Office
- ☐ 4. Fingerprint cards for all required individuals (Form OIR-C1-938)
 - ☐ a. All information completed (no blanks)
 - ☐ b. Signed

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APPLICATION CERTIFICATION

To be executed by Applicant if an individual, or by an officer or equivalent of Applicant if not.

The undersigned states that they have personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with the intention of _____ ("Applicant") to acquire a Florida specialty insurer, either directly, indirectly, or via merger; 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 understands 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: _____

[Corporate Seal]

Print Name: _____

Title: _____

Date: _____

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence or

☐ online notarization, this ____ day of _____ 20____, by _____
(name of person)

as _____ for _____.
(type of authority; e.g., officer) (company name)

(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known _____ OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires _____

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