PROTECTED CELL CAPTIVE INSURANCE COMPANY

ADD PROTECTED CELL

This package 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.

If this package 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.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.

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

floir.gov/iportal

Any questions concerning this application package or iApply may be directed to pcappcoord@floir.gov.

INSTRUCTIONS

SECTION I – APPLICATION & FEES

Section I-1 Application Fees

Applicant must pay applicable filing fees pursuant to section 624.501, Florida Statutes, which correspond to the documents being filed. These fees are due at the time of filing and are not refundable.

Section I-2 Fingerprint Fees

Applicant is required to pay a fee directly to the vendor for the processing of the fingerprint cards as required in Section IV-4. Please see Form OIR-C1-938, “Fingerprints and Social Security Number,” for instructions.

Section I-3 Application Checklist and Certification

Applicant should complete pages 7-10 and return them with the application.

SECTION II – LEGAL

Section II-1 Draft Organizational Documents (Incorporated Cells Only)

The Office will not approve drafts of the documents listed below that are inconsistent or not in accordance with applicable law.

1) Submit a copy of the Protected Cell’s proposed Articles of Incorporation, Articles of Organization, or similar charter documents, that comply with applicable Florida Statutes.

A Protected Cell must have its own distinct name or designation, which must include the words "protected cell" or "incorporated cell." Such names or designations may also be reasonably abbreviated, including, without limitation, PC or P.C. for "protected cell"; IC, I.C., IPC, or I.P.C. for "incorporated cell"; and SC, S.C., SPC, or S.P.C. for "series cell."

2) Submit a copy of the Protected Cell’s proposed Bylaws, Operating Agreement, or other internal rules and regulations, that do not conflict with its charter documents and that otherwise comply with applicable Florida Statutes.

Section II-3 Authorization Letter

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

SECTION III – FINANCIAL

Section III-1 Participant Contracts

Submit a copy of the proposed participant contract.

Section III-2 Plan of Operation

It is important for the Office to have a clear understanding of the proposed operations of the Protected Cell and the goals it seeks to achieve. To meet this requirement, submit Applicant's amended Plan of Operation. The amended Plan of Operation must address all major areas of the proposed Protected Cell's operations, including, but not limited to, the following:

1) Provide the name of the Protected Cell and a description of the Protected Cell's specific business objectives.

2) Provide an organizational chart showing Applicant's organizational structure that includes the new Protected Cell.

3) Discuss the initial capitalization of the Protected Cell, what form it will take, how the amount was determined, and the source(s) of additional capital available when needed. Incorporated Protected Cells should include the type of stock(s) or membership units to be authorized, number of shares/units, and par value of each (must not be less than $1 nor more than $100). Please see sections 628.907 and 628.908, Florida Statutes, for required minimums of capital and surplus, as well as acceptable forms of capital.

4) For an Incorporated Protected Cell, provide a brief description of the management experience of each individual (by name) who will be involved in running the Protected Cell if different from Applicant's management. Address experience with the following areas: Underwriting, Rating, Reserving, Reinsurance, Claims Handling, Accounting, Investments, and Financial Reporting. Note that each Incorporated Protected Cell of a Protected Cell Captive Insurance Company must have the same management as the Protected Cell Captive Insurance Company with which it is associated unless the organizational documents of the Protected Cell Captive Insurance Company expressly permit otherwise.

5) Submit Form OIR-C1-1416, Uniform Certificate of Authority Application (UCAA) Lines of Insurance, reflecting the lines of insurance the Protected Cell intends to write in Florida. Only the Florida pages need to be submitted. See section 628.905(1), Florida Statutes.

6) Provide a description of the proposed use of reinsurance, including the purpose of the reinsurance and the degree to which it is to be used in relation to the amount of insurance in force. Include retentions and limits of liability for the proposed reinsurance as well as catastrophe coverage and the largest amount retained on one risk. Include copies of any draft agreements being considered.

7) Submit a copy of the Protected Cell's proposed investment policy. Include the specific investment guidelines of the Protected Cell.

8) Provide pro forma financial statements that include a Balance Sheet, a Profit & Loss Statement, and an Income Statement for 3 years.

9) Furnish a list of all consultant and expert services proposed to be used during the first 3 years of operations, if not already provided to the Office.

10) Provide a statement that Applicant will update its Disaster Coordination or Business Continuity Plan, in compliance with Rules 69O-128.032 and 69O-128.033, Florida Administrative Code ("F.A.C."), if necessitated by the addition of the Protected Cell. Applicant must provide a copy of the Plan if requested.

11) Submit a statement that all of the financial records of the Protected Cell will be made available to the Office, or the Office's designated agent, for inspection or examination.

12) Provide evidence satisfactory to the Office that the Protected Cell Captive Insurance Company associated with the Protected Cell will allocate expenses to the Protected Cell in a fair and equitable manner.

13) Furnish materials demonstrating how the loss and expense experience of the Protected Cell will be accounted for.

14) Provide a copy of the administrative and accounting procedures necessary to properly segregate the Protected Cell and its corresponding assets and liabilities from those of the Protected Cell Captive Insurance Company associated with the Protected Cell.

Section III-3 Draft Holding Company Registration Statement

If Applicant will be part of a holding company system, provide a draft copy of Form OIR-D0-516, "Form B - Insurance Company Holding System Annual Registration Statement." Refer to section 628.801, Florida Statutes, and Rule 69O-143.046, F.A.C.

Section III-4 Statement of Ratio of Assets to Risks

Submit a statement of the quantifiable ratio of the Protected Cell's assets to the risks it will assume.

SECTION IV - MANAGEMENT

Section IV-1 Management of Incorporated Protected Cells

Submit Management Information Form OIR-C1-2221 fully describing all proposed incorporators, directors, officers, organizers, owners, managers, members, and like positions, including any series members of a series limited liability company associated with the proposed Protected Cell.

An Incorporated Protected Cell formed as a corporation must have a minimum of 3 incorporators, of which at least 2 must be Florida residents. Include the citizenship of any incorporator who is not a U.S. citizen. The corporation must also have a minimum of 5 directors, a majority of whom must be U.S. citizens and 1 of whom must be a Florida resident.

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 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”

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, who has been approved for use by the National Association of Insurance Commissioners, directly to the Office at bkgrnd-inv@floir.gov. Submission should be in Microsoft Word format, with appropriate reference to 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. 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.gov.

Section IV-4 Fingerprinting and Social Security Number Submission Cards

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.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. Social Security Numbers are to be segregated on a separate page, which is included as part of Form OIR-C1-938, and must be submitted as part of the Biographical Information Package.

***APPROVAL OF THE APPLICATION MUST BE GRANTED BEFORE THE PROTECTED CELL MAY BE FORMED. UPON APPROVAL, THE OFFICE WILL INSTRUCT APPLICANT TO SUBMIT FINAL VERSIONS OF ANY PREVIOUSLY APPROVED DRAFT DOCUMENTS, AS NECESSARY. FOR AN INCORPORATED PROTECTED CELL, APPLICANT MUST SUBMIT CERTIFIED COPIES OF ANY PREVIOUSLY APPROVED LEGAL DOCUMENTS.**

PROTECTED CELL CAPTIVE INSURANCE COMPANY ADD PROTECTED CELL

CHECKLIST

Applicant Name:_____

_____
(Street Address) (City) (State) (Zip Code)

_____
(Phone Number) (Website)

Contact Person at Company:_____

_____
(Email) (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.** Copy of check(s) for application fees included with submission
- ☐ **2.** Completed Checklist and Certification

SECTION II – LEGAL

- ☐ **1.** Draft Articles of Incorporation
- ☐ **2.** Draft Articles of Organization
- ☐ **3.** Draft Bylaws
- ☐ **4.** Draft Operating Agreement
- ☐ **5.** Certified Articles of Incorporation of Other Involved Corporations
- ☐ **6.** Draft Service of Process
- ☐ **7.** Authorization Letter

PROTECTED CELL CAPTIVE INSURANCE COMPANY ADD PROTECTED CELL

Applicant Name:_____

SECTION III – FINANCIAL

- ☐ **1.** Participant Contract
- ☐ **2.** Plan of Operation
  - ☐ **a.** Name
  - ☐ **b.** Organizational Chart
  - ☐ **c.** Initial Capitalization Description
  - ☐ **d.** Management Experience
  - ☐ **e.** Lines of Insurance Form (OIR-C1-1416)
  - ☐ **f.** Draft Reinsurance Agreement(s)
  - ☐ **g.** Investment Policy
  - ☐ **h.** Pro Forma Financial Statements
  - ☐ **i.** List of Consultants and Experts
  - ☐ **j.** Statement regarding Disaster Coordination/Response Plan
  - ☐ **k.** Financial Records Availability Statement
  - ☐ **l.** Expense Allocation Evidence
  - ☐ **m.** Loss and Expense Accounting Materials
  - ☐ **n.** Administrative and Accounting Procedures
- ☐ **3.** Draft Holding Company Registration Statement
- ☐ **4.** Statement of Ratio of Assets to Risks

PROTECTED CELL CAPTIVE INSURANCE COMPANY ADD PROTECTED CELL

Applicant Name:_____

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

☐ **3.** All information completed on the applicable forms (no blanks)

☐ **a.** "Yes" answers explained

☐ **b.** Signed

☐ **c.** Form OIR-C1-1423, Uniform Certificate of Authority Application (UCAA) Biographical Affidavit, is notarized

☐ **4.** Background investigative reports for all required individuals. The reports must be based on the Biographical Information Packages submitted to the Office with this Application. Proof of the order and confirmation of payment must also be submitted to the Office.

☐ **5.** A Fingerprints and Social Security Number form (Form OIR-C1-938) for each required individual

☐ **a.** All information completed (no blanks)

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

PROTECTED CELL CAPTIVE INSURANCE COMPANY ADD PROTECTED CELL

APPLICATION CERTIFICATION

*This page must be filled out by an officer, director, manager, or individual holding like position.

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 add a Protected Cell to a Protected Cell Captive Insurance Company licensed in Florida; 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 represents that they have the authority to bind Applicant, and that by their signatures on this instrument, Applicant has executed this 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 sections 775.082 and 775.083, Florida Statutes.

By: _____

Print Name: _____

Title: _____

Date: _____