

FINANCIAL SERVICES COMMISSION

Office of Insurance Regulation

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August 16, 2017

MEMBERS

Governor Rick Scott

Attorney General Pam Bondi

Chief Financial Officer Jimmy Patronis

Commissioner Adam Putnam

**Contact: Caitlin Murray
(850-413-5005)**

9:00 A.M.
LL-03, The Capitol
Tallahassee, Florida

ITEM	SUBJECT	RECOMMENDATION
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1. Request for Approval of Minutes of the Financial Services Commission for June 14, 2017.

<http://www.myflorida.com/myflorida/cabinet/agenda17/0614/transcript.pdf>

(ATTACHMENT 1)

FOR APPROVAL

2. Request for Approval for Final Adoption of Repeal of Rule 69O-125.002; Unfair Discrimination in Insurance Rates-Multi-Policy Discounts.

This rule has become obsolete due to changes to Section 627.0655, F.S. which governs the approval of multi-policy discounts.

(ATTACHMENT 2)

APPROVAL FOR FINAL ADOPTION

3. Request for Approval for Final Adoption of Repeal of Rules 69O-136.002,.006: Foreign and Alien Insurers Filing for a Certificate of Authority; Domestic Insurers Filing for an Application for Permit.

These two rules are being repealed as a part of reorganizing and streamlining the application process governed by Rule Chapter 136, F.A.C.

(ATTACHMENT 3)

FOR WITHDRAWAL

4. Request for Approval for Final Adoption of Rule 69O-136.004,.005,.012,.018,.031,.032 and .034: Application procedures for Companies Seeking to Do Business in Florida- Electronic Filing Rules.

Chapters 624, 625, 628, 629 and 632, Florida Statutes, provide authority for the Office to issue Certificates of Authority and licenses to insurers and related entities. Rule Chapter 69O-136 adopts the necessary forms to be used and governs the filing process. The rules are amended to provide for electronic filing and update the rules to adopt the forms which are currently in use by the Office.

(ATTACHMENT 4)

FOR WITHDRAWAL

5. Request for Approval for Publication of Repeal of Rules 69O-154.110,.111; Certificate of Creditable Coverage; Demonstration of Creditable Coverage If Certificate is not Provided.

These two rules are being repealed due to a change in the governing statute that no longer requires insurers to provide a certificate of credible coverage.

(ATTACHMENT 5)

APPROVAL FOR PUBLICATION

6. Request for Approval for Publication of Repeal of Rule 69O-149.204; Outline of Coverage.

This rule is being repealed due to a change in the statute no longer requires an insurer to offer a Standard Health Benefit Plan.

(ATTACHMENT 6)

APPROVAL FOR PUBLICATION

7. Request for Approval for Publication of Rules 69O-162.008,.012; Contract Provision, Expense, Mortality and Investment Increment Factor; Valuation of Account Assets; Reserve Liability.

Amend rules to refer to updated Annuity Mortality Tables for individual and group annuity contracts.

(ATTACHMENT 7)

APPROVAL FOR PUBLICATION

8. Office of Insurance Regulation New Performance Measures.

(ATTACHMENT 8)

FOR APPROVAL

9. Office of Insurance Regulation FY 2018-2019 Legislative Budget Request and 2018 Legislative Priorities.

(ATTACHMENT 9)

FOR APPROVAL

1 OFFICE OF INSURANCE REGULATION

2 *****

3 GOVERNOR SCOTT: Next, I'd like to recognize
4 David Altmaier with the Office of Insurance
5 Regulation.

6 Good morning.

7 COMMISSIONER ALTMAIER: Good morning,
8 Governor, and good morning members of the Cabinet.
9 It's always nice to be here and nice to see each of
10 you this morning.

11 The first item on the agenda is the adoption
12 of the minutes from the Financial Services
13 Commission for March 14, 2017. We respectfully ask
14 your approval of that those minutes.

15 GOVERNOR SCOTT: Is there a motion on the
16 item?

17 ATTORNEY GENERAL BONDI: So moved.

18 GOVERNOR SCOTT: Is there a second?

19 CFO ATWATER: So moved.

20 GOVERNOR SCOTT: Comments or objections?
21 Hearing none, the motion carries.

22 COMMISSIONER ALTMAIER: Thank you. The second
23 agenda item is the request for approval of final
24 adoption of the repeal of Rule 690.128025. The
25 provisions of this rule are now codified statute

1 rending the rule obsolete, so we have gone through
2 the motions for that one, and we respectfully
3 request -- excuse me -- your approval for final
4 adoption of that repeal.

5 GOVERNOR SCOTT: Is there a motion on the
6 item?

7 ATTORNEY GENERAL BONDI: So moved.

8 GOVERNOR SCOTT: Is there a second?

9 CFO ATWATER: Second.

10 GOVERNOR SCOTT: Comments or objections?
11 Hearing none, the motion carries.

12 COMMISSIONER ALTMAIER: Thank you.

13 Agenda Item Number 3 is the request for
14 approval for final adoption of amendments to Rule
15 690.1371001 and 690.138001. These rules simply
16 update to the most current version of the
17 accounting guidance and examination procedures that
18 our team utilizes as they review the financial
19 condition of our insurance companies, and we
20 respectfully request at your approval for final
21 adoption of those amended rules.

22 GOVERNOR SCOTT: Is there a motion on Item 3?

23 ATTORNEY GENERAL BONDI: So moved.

24 GOVERNOR SCOTT: Is there a second?

25 CFO ATWATER: Second.

1 GOVERNOR SCOTT: Comments or objections?

2 Hearing none, the motion carries.

3 COMMISSIONER ALTMAIER: Thank you. And Agenda
4 Item Number 4 is many, many rules that we have
5 updated to implement our electronic filing process
6 that has been in place for awhile now. These rules
7 needed to be updated to recognize that process.
8 These have gone through the workshop and process
9 and we would respectfully request your approval of
10 the final adoption of those rules.

11 GOVERNOR SCOTT: Is there a motion on the
12 item?

13 ATTORNEY GENERAL BONDI: So moved.

14 GOVERNOR SCOTT: Is there a second?

15 CFO ATWATER: Second.

16 GOVERNOR SCOTT: Comments or objections?
17 Hearing none, the motion carries.

18 COMMISSIONER ALTMAIER: Thank you. Agenda
19 Item Number 5 is a series of rules that we have
20 identified as being obsolete, due to their
21 provisions being codified in the statute or
22 determined to be unnecessary, and so we have gone
23 through the process of workshopping those rules,
24 and we respectfully request your approval for the
25 final adoption of those rules.

1 GOVERNOR SCOTT: Is there a motion on the
2 item?

3 ATTORNEY GENERAL BONDI: So moved.

4 GOVERNOR SCOTT: Is there a second?

5 CFO ATWATER: Second.

6 GOVERNOR SCOTT: Any comments or objections?
7 Hearing none, the motion carries.

8 COMMISSIONER ALTMAIER: Thank you.

9 Agenda Item Number 6 is a series of rules that
10 we would like to approve for publication to repeal.
11 These are another set of rules that have had their
12 requirements codified in statute and the rule is no
13 longer necessary because of that, so we would
14 respectfully request your approval to publish
15 these.

16 GOVERNOR SCOTT: Is there a motion on the
17 item?

18 COMMISSIONER PUTNAM: So moved.

19 CFO ATWATER: Second.

20 GOVERNOR SCOTT: Comments or objections?
21 Hearing none, the motion carries.

22 COMMISSIONER ALTMAIER: Thank you.

23 Agenda Items Numbers 7 and 8 are both related
24 to streamline the application process that
25 companies undertake to gain admission into our

1 states, so many of the rules that you see listed
2 here will be updated to recognize either updated
3 forms that will be more consistent for use across
4 the country, as well as submitting for our
5 electronic filing process, as well as eliminating
6 redundancies and things of that nature that exist.
7 That will hopefully make it easier for companies to
8 come to the state of Florida and conduct business.

9 So we would respectfully request for Agenda
10 Item 7, and if it's okay with you, Agenda Item
11 Number 8, approval to publish the rules that are
12 listed therein.

13 GOVERNOR SCOTT: All right. We're doing 7 and
14 8.

15 Is there a motion on Items 7 and 8?

16 ATTORNEY GENERAL BONDI: So moved.

17 GOVERNOR SCOTT: Is there a second?

18 CFO ATWATER: Second.

19 GOVERNOR SCOTT: Comments or objections?
20 Hearing none, the motion carries.

21 COMMISSIONER ALTMAIER: Thank you very much.

22 And so, it is my pleasure to move to Agenda
23 Item Number 9, which is the performance evaluation
24 and leadership assessments. It's hard to believe.
25 It feels like last week I was interviewing for the

1 position and here I am giving the annual review,
2 and I just want to take a moment before I start and
3 thank you for each of your support over the past
4 year. You have and your offices have been
5 extraordinarily accessible to me and my staff as
6 we've transitioned this year and dealt with a wide
7 range of insurance-related issues, and so, I can't
8 thank you enough for the support that each of you
9 and your offices have shown to us.

10 We'll just touch on our performance measures
11 for the past year which cover from April 1st
12 through March 31st. Talk about a couple of the key
13 issues that our office dealt with over this past
14 year and then talk a little bit at a high level
15 about what we would like to accomplish in the
16 coming year.

17 So here are our performance measures. They're
18 broken out by each quarter, and you can see that we
19 have performed very well. These numbers are a
20 direct testament to the quality of the staff and
21 the team that we have with the Office of Insurance
22 Regulation. I have had the opportunity to visit
23 with many of my colleagues around the country. I
24 have a great deal of respect for all of them, but I
25 remain convinced that the staff we have at the OIR

1 represents the best of the best in the insurance
2 regulatory community, and I'm very proud of their
3 ability to transition to a new leadership style and
4 to a new way of doing things over the past year and
5 still maintain a high level of work that they have
6 done.

7 I would be remiss if I didn't take the
8 opportunity at this time to thank one employee in
9 particular, and that is Belinda Miller, my chief of
10 staff for the past year, and chief of staff of
11 Commissioner McCarty.

12 As you've likely seen, she's announced her
13 retirement from state government, effective at the
14 beginning of July. Belinda has been an icon in
15 Florida insurance for almost 30 years now. She has
16 been our chief of staff. Before that, she was our
17 general counsel. Before that, she was our deputy
18 commissioner of property and casualty insurance.
19 So there are not many senior level positions that
20 she has not held, and she has been instrumental to
21 me personally in transitioning into my new role, as
22 well as instrumental to the office over the years
23 in making sure that consumer protections and market
24 stability are both present in our offices.

25 And so, as she exits to pursue other

1 professional opportunities, I just wanted to take
2 this moment and thank her for the excellent service
3 she has shown to the State of Florida over her
4 very, very accomplished career.

5 We have had a number of different issues, as I
6 mentioned, that we have dealt with at the OIR.
7 This year, I want to start on the property and
8 casualty side. There's a number of different
9 things that are listed here; probably the one of
10 the most import is our assignment of benefits issue
11 that we have spent just about every single day
12 since taking the job working on this issue.

13 We have made a substantial amount of progress
14 on this issue: The visibility, the media, the
15 assignment of benefits has received over this past
16 year has just been incredible. Some of the data
17 points that surrounding that debate are becoming
18 more and more convincing with respect for the need
19 for reform here.

20 We were ultimately unsuccessful in
21 accomplishing legislative reform for this issue, so
22 we will now look at policy form changes to address
23 this issue in an attempt to curb what we believe
24 are unacceptable rising costs in this market. We
25 are going to continue to see homeowners insurance

1 companies raise their rates for our consumers, and
2 in a best-case scenario and worst-case scenario,
3 just simply stop offering their products in certain
4 regions of the state, which has the potential to
5 undo a lot of the great work that has been
6 accomplished over the several years in depopulating
7 citizens.

8 So this remains one of our number one
9 priorities on the Property and Casualty insurance
10 side. We do believe that there is light at the end
11 of the tunnel. We do believe that there are ideas
12 on the table that not only would maintain consumer
13 protections and their ability to have their claims
14 paid, but also protects their ability to pay
15 affordable insurance rates and have the opportunity
16 to shop their insurance products across a wide
17 range of carriers and so we will continue to commit
18 a substantial amount of resources to this issue.

19 Also, on the Property and Casualty side, you
20 are all very well aware that we broke our streak
21 for this last year for land-falling hurricanes with
22 Hurricane Hermine. We also had a bit of a scare
23 with Hurricane Matthew as it became very close to
24 becoming a very significant insurance event.

25 Here are some claims information that we dealt

1 with on both of these storms. Neither of these
2 events represented a significant insurance blip
3 with respect for the ability for insurance
4 companies to pay their claims and to service their
5 consumers. In fact, I was very pleased with the
6 response that our insurance industry had to both of
7 these events. I was very pleased with the
8 reinsurance protection they had in place and their
9 financial capacity to respond to these events, but
10 also their ability to put in place the logistical
11 elements of a catastrophe response and getting
12 their adjusters in the field and making sure their
13 consumers were able to contact them during this
14 time of catastrophe.

15 So, obviously, we are two weeks into hurricane
16 season already, and we have been active for several
17 months now making sure that both of those two
18 things are in place for the upcoming hurricane
19 season so that continues to be something we can all
20 be proud of. On the life and health side, there
21 are a number of different issues. You all are very
22 well aware of the federal health exchange debate
23 that's ongoing in Washington DC right now.
24 Regardless of how that turns out, we still continue
25 to have significant stability with respect to that

1 marketplace. As you recall, I was here -- it
2 doesn't feel long ago -- and informed you that in
3 47 of our 67 counties, we just have one plan that's
4 offering coverage. We saw 19 percent increased on
5 average for our consumers.

6 Those same uncertainties that were present
7 last year are present this year, and we can couple
8 that with the fact that we are still unclear about
9 what may happen with the federal cautionary
10 reductions. That totals just over a billion
11 dollars for our Florida domestic marketplace that
12 companies that are offering business here that
13 could potentially, not only impact their financial
14 condition, but also the rates that their consumers
15 pay.

16 In just about a week, on June 21st, we're
17 going to receive the rate filings from the plans
18 beyond our exchange in 2018, and we will have more
19 clarity at that point in time about their
20 participation throughout the state, as well as the
21 rate impacts that might have on our consumers.

22 We did also commit a significant amount of
23 resources to long-term care insurance this year. I
24 am very pleased with some of the innovative
25 approaches that our staff has taken towards

1 long-term care this year, and I think it's a very
2 innovative approach that represents the capacity of
3 our team and our staff to respond to this issue in
4 a manner that not only protects consumers and their
5 pocketbooks, but also makes sure that companies are
6 interested in continuing to offer that to
7 Floridians because that is, indeed, a very
8 important product.

9 And you are all very well aware that the
10 long-term industry, as a whole, not just in Florida
11 but nationwide, is very challenged right now from a
12 rate standpoint and is very -- we are seeing
13 consumers that are faced with significant rate
14 increases, triple digit rate increases at times, as
15 well as a lack of companies that are interested in
16 offering this coverage.

17 We were faced with, almost right out of the
18 gate, this past summer, with two very substantial
19 rate increases from very large carriers. We were
20 able to develop an approach for those two carriers,
21 as well as all of the other carriers in our
22 long-term marketplace to phase in the many of the
23 rate increases they were asking for, and then to
24 provide rate guarantees to their consumers for
25 periods of up to seven years, if not a bit longer

1 in some cases. So this allows for consumers to
2 plan for these rate increases. One of the biggest
3 complaints we've heard from consumers is -- we
4 traveled the state hearing their questions and
5 concerns -- was their ability to plan for these
6 type of rate increases and now they have the
7 ability to do that.

8 At the same time, we have a lot of insurance
9 companies; the opportunity to collect the premium
10 they need to pay those claims when they arise, and
11 we are hopeful this will be the start of a process
12 that can potentially rejuvenize this marketplace
13 and allow this important product to be continued to
14 be offered to our consumers.

15 For the coming year, we are going to continue
16 not only to monitor the insurance companies that
17 are operating in our state to insure that they are
18 servicing the needs of their consumers, first and
19 foremost. We have professional quality service,
20 but also with the financial capacity to do so.

21 We will continue to look at the individual
22 companies at our marketplace, but, also, at a high
23 level, we will continue to review the impediments
24 that can exist in our marketplace that can
25 discourage companies from making reliable insurance

1 available to our consumers at affordable prices.
2 Issues such as assignment of benefits, issues such
3 as long-term care, and the Affordable Care Act.
4 And as we identify trends in our marketplace that
5 challenge the ability for insurance companies to do
6 that, challenge the ability at the Office of
7 Insurance Regulation to maintain a stable market,
8 we will continue to advance ideas through your
9 offices, through our Legislature; to remove those
10 hurdles from our marketplace so that Florida
11 remains a place that not only insurance companies
12 are happy to do business in, but also, that our
13 consumers have the ability to obtain very high
14 quality products from a number of different
15 companies that will be there for them on their very
16 worst day.

17 And so, that remains our goal and our mission
18 and so it's a mission and we're very proud of the
19 work our staff has done over the past year in
20 helping to carry out that goal.

21 So again, that brings us to the end, and I
22 just want to reiterate my thanks to each one of you
23 for the commitment you've shown to us at our
24 office, but also to the very insurance marketplace
25 we have in Florida. As I mentioned, each of you

1 and your staffs have been very accessible to us as
2 we have navigated these issues. I feel the
3 communication from our office to each of your
4 offices have been really good. I hope your teams
5 would tell you the same about us and if not,
6 hopefully, you will let us know so we can improve
7 upon that. But it's been a very distinct honor and
8 pleasure to serve as your insurance commissioner
9 for the past year, so thank you for the
10 opportunity. And I'm happy to take any questions
11 about our review.

12 GOVERNOR SCOTT: Does anybody have any
13 questions?

14 CFO ATWATER: Just a couple of comments.

15 ATTORNEY GENERAL BONDI: I just have a quick
16 comment. Over the last year, my staff and I cannot
17 say enough good things about. The communication
18 level has been great. You answer your phone
19 constantly. You're always there for us, and I just
20 want to thank you.

21 COMMISSIONER ALTMAIER: Thank you.

22 GOVERNOR SCOTT: CFO.

23 CFO ATWATER: Yeah. General, that's just what
24 I was going to add as well.

25 I think you've really set a standard for

1 commissioners communicating with us on matters of
2 what you saw coming down the pipeline; whether they
3 were public policies, personnel change issues or
4 whatever it was. It was pretty extraordinary, so I
5 want to say thank you for that.

6 I appreciate you mentioning Belinda Miller.
7 What an extraordinary talent, and the people of
8 Florida have been blessed to have her presence, so
9 I hope we all get a chance to say a personal
10 good-bye to Belinda before she gets on her way.

11 A couple of things. I appreciate you bringing
12 up the Assignment of Benefits issue. I thought
13 y'all did an exceptional job, again, of laying out
14 the consequences of none of us not addressing it,
15 as well as the courage and the insight to lay out a
16 pathway forward, and I regret that some of that was
17 not obviously addressed by our Legislature at this
18 session; I'm intrigued by the fact that you think
19 we can accomplish some of this through our own
20 policies and forums, so I will be very interested
21 in having that conversation with you. Anything we
22 can continue to do from our office or with a
23 consumer advocate, we wish to do. The Assignment
24 of Benefits, for the most part, is a design scam.
25 We don't want to harm any individual out there in

1 getting the absolute quick and full coverage that
2 they deserve on a claim, but the majority of this
3 right now is costing the honest Floridian
4 tremendous pain.

5 And as you mentioned, not only are we going to
6 have rates going up due to not addressing this; if
7 we cannot get it through the legislative process or
8 otherwise, but an additional fear is all the work
9 that was done to move the attractiveness of a
10 private marketplace absorbing accounts back from
11 Citizens and putting them in a vibrant marketplace,
12 some of that is going to be lost as well. So
13 again, my thanks to you.

14 It's been a very dynamic year. You've handled
15 it exceptionally well, from property to long-term
16 care, and we are very fortunate to have you.

17 Thank you, Commissioner.

18 COMMISSIONER ALTMAIER: Thanks, CFO.

19 GOVERNOR SCOTT: Commissioner?

20 COMMISSIONER PUTNAM: I just want to follow on
21 to the comments that have already been made. We
22 found you to be very accessible. The open lines of
23 communication to us have been outstanding, and
24 we're grateful for that. And I also want to
25 publicly encourage you to pursue all options,

1 internally and legislatively, in getting their arms
2 around the systemized fraud that's known as AOB.
3 So I would encourage you to keep us updated on the
4 tactics that you've identified internally that are
5 within your administrative powers and continue to
6 pursue that. Because it will cost the citizens of
7 Florida money and it will continue to grow as a
8 problem, if unchecked, and so we're counting on you
9 to be that check.

10 Thank you.

11 COMMISSIONER ALTMAIER: Thank you,
12 Commissioner.

13 GOVERNOR SCOTT: David, would you tell us --
14 give us an overview of your management team now.

15 COMMISSIONER ALTMAIER: Absolutely. So we do
16 have a vacancy at the chief of staff position. I
17 have a short list of names that I'm considering to
18 fill that position. I'm hopeful that within the
19 next week or two, I will be touching base with each
20 of your offices to let you know who that person is.
21 We have two new deputy commissioners that I think
22 are just extraordinarily talented individuals.

23 On the property and casualty side, Suzanne
24 Murphy is our Deputy Commissioner of P&C, and she
25 has been -- I just can't say enough about her

1 usefulness and her help to me over the past year.
2 She has a wide range of experience in our property
3 and casualty side, from Citizens to government work
4 to regulatory work. She's very well thought of
5 nationally on a number of different issues. My
6 only thought with Suzanne is every time I go to ask
7 her to do something, is she puts all of her
8 resources into it, and I'm concerned that I am
9 going to burn her out at some point. It doesn't
10 seem like that's an issue at this point in time,
11 but hopefully, she will tell me "no" on a couple of
12 things and I can rely on a few other individuals in
13 the office, but otherwise, she is extraordinary
14 talented.

15 In my opinion, every good regulatory agency
16 should have a nuclear physicist on staff, so Eric
17 Johnson is our deputy commissioner of life and
18 health insurance. Eric is responsible for the
19 innovative ideas on long-term care. He is just an
20 extraordinarily intellectual person. He is very
21 thoughtful. He is very engaging with the industry
22 he regulates. He is very engaged with the
23 consumers and other stakeholders that rely upon the
24 industry that he regulates, and he is very
25 thoughtful about the regulatory action he

1 recommends, and he very thoroughly understands the
2 impacts and the ramifications that too heavy-handed
3 or too light of a hand, from the regulatory side,
4 can have on our marketplace. And he has managed to
5 balance that fine line very well in the months that
6 he has been on the job.

7 So those are our primary management teams.
8 We, of course, have our communications, and our
9 government affairs staff are very robust
10 departments that report through our chief of staff
11 and they, especially on the government affair side,
12 have been very busy over the last eight or nine
13 months with all of the insurance issues that have
14 come to the attention of our bodies, so I am very
15 proud of the work they have done.

16 Suzanne and Eric really make my job much
17 easier than it probably ought to be and I'm very
18 thankful they're on the staff. I'm looking to
19 bringing on board a new chief of staff and having
20 the same level of cohesiveness that we have had
21 historically in addressing the issues that are so
22 important to our consumers.

23 GOVERNOR SCOTT: Is there a motion to accept
24 the report?

25 CFO ATWATER: So moved.

1 GOVERNOR SCOTT: Is there a second?

2 ATTORNEY GENERAL BONDI: Second.

3 GOVERNOR SCOTT: Comments or objections?

4 Hearing none, the motion carries.

5 COMMISSIONER ALTMAIER: Thank you all very
6 much.

7 GOVERNOR SCOTT: Thank you. Good job.

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

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M E M O R A N D U M

DATE: July 27, 2017
TO: David Altmaier, Commissioner, Office of Insurance Regulation
THROUGH: Anoush Brangaccio, General Counsel
FROM: Virginia Christy 
Stephen Fredrickson 
SUBJECT: Cabinet Agenda for August 16, 2017
Request for Final Approval to Adopt Repeal of
Rule 69O-125.002
Assignment # 208589-17

The Office of Insurance Regulation requests that this proposed repeal be presented to the Cabinet aides on or before August 9, 2017 and to the Financial Services Commission on August 16, 2017, with a request for Final Approval to Adopt the proposed rules. A notice of the Final Rule Hearing will be published in the *Florida Administrative Register* on July 26, 2017.

The notice of proposed rules was published on June 28, 2017 in Volume 43, No. 125, of the *Register*. The hearing was not requested, therefore, the hearing was not held. No changes have been made in this rule.

This rule has become obsolete due to changes in the law governing the approval of multi-policy discounts. Section 627.0655, F.S. as amended, now has codified the contents of the rule and accordingly the rule is no longer necessary.

Sections 624.308(1), 626.9611, 624.307(1), 626.9541(1)(g), 627.062, 627.0651, 627.072, 627.151, F.S., provide rulemaking authority and laws implemented for this rule.

The Legal Services Office has communicated with the Joint Administrative Procedures Committee, and ascertained that their review of the rules has been completed.

Stephen Fredrickson is the attorney handling this rule. Attached are: 1) the proposed rule(s); 2) any incorporated materials, such as forms; 3) copies of the rulemaking statutory authority and law implemented.

Approved for signature:


Anoush Brangaccio, General Counsel

Approved for submission to Financial Services
Commission:


David Altmaier, Commissioner
Office of Insurance Regulation

69O-125.002 Unfair Discrimination in Insurance Rates - Multi-policy Discounts.

Rulemaking Specific Authority 624.308(1), 626.9611 FS. Law Implemented 624.307(1), 626.9541(1)(g), 627.062, 627.0651, 627.072, 627.151 FS. History— New 2-7-85, Formerly 4-43.06, 4-43.006, 4-125.002 Repealed

69O-125.002 Unfair Discrimination in Insurance Rates - Multi-policy Discounts.

~~No insurer or person authorized to engage in the business of insurance in the State of Florida shall include, in the premium charged an insured for any policy, contract, or certificate of insurance, a discount based on the fact that another policy, contract, or certificate of any type has been purchased by the insured, unless such discount bears a reasonable relation to a reduction in expected losses or expenses. Such discount must be supported by credible documentation, which may include reasonable judgment factors as to expense or experience savings or other administrative cost savings.~~

Specific Authority 624.308(1), 626.9611 FS. Law Implemented 624.307(1), 626.9541(1)(g), 627.062, 627.0651, 627.072, 627.151 FS. History—New 2-7-85, Formerly 4-43.06, 4-43.006, 4-125.002.

690-125.002

624.308 Rules.—

- (1) The department and the commission may each adopt rules pursuant to ss. 120.536(1) and 120.54 to implement provisions of law conferring duties upon the department or the commission, respectively.
- (2) In addition to any other penalty provided, willful violation of any such rule shall subject the violator to such suspension or revocation of certificate of authority or license as may be applicable under this code as for violation of the provision as to which such rule relates.

626.9611 Rules.—

- (1) The department or commission may, in accordance with chapter 120, adopt reasonable rules as are necessary or proper to identify specific methods of competition or acts or practices which are prohibited by s. 626.9541 or s. 626.9551, but the rules shall not enlarge upon or extend the provisions of ss. 626.9541 and 626.9551.
- (2) The department and the commission shall, in accordance with chapter 120, adopt rules to protect members of the United States Armed Forces from dishonest or predatory insurance sales practices by insurers and insurance agents. The rules shall identify specific false, misleading, deceptive, or unfair methods of competition, acts, or practices which are prohibited by s. 626.9541 or s. 626.9551. The rules shall be based upon model rules or model laws adopted by the National Association of Insurance Commissioners which identify certain insurance practices involving the solicitation or sale of insurance and annuities to members of the United States Armed Forces which are false, misleading, deceptive, or unfair.

624.307 General powers; duties.—

- (1) The department and office shall enforce the provisions of this code and shall execute the duties imposed upon them by this code, within the respective jurisdiction of each, as provided by law.

626.9541 Unfair methods of competition and unfair or deceptive acts or practices defined.—

- (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE ACTS.—The following are defined as unfair methods of competition and unfair or deceptive acts or practices:

(g) Unfair discrimination.—

1. Knowingly making or permitting unfair discrimination between individuals of the same actuarially supportable class and equal expectation of life, in the rates charged for a life insurance or annuity contract, in the dividends or other benefits payable thereon, or in any other term or condition of such contract.
2. Knowingly making or permitting unfair discrimination between individuals of the same actuarially supportable class, as determined at the time of initial issuance of the coverage, and essentially the same hazard, in the amount of premium, policy fees, or rates charged for a policy or contract of accident, disability, or health insurance, in the benefits payable thereunder, in the terms or conditions of such contract, or in any other manner.
3. For a health insurer, life insurer, disability insurer, property and casualty insurer, automobile insurer, or managed care provider to underwrite a policy, or refuse to issue, reissue, or renew a policy, refuse to pay a claim, cancel or otherwise terminate a policy, or increase rates based upon the fact that an insured or applicant who is also the proposed insured has made a claim or sought or should have sought medical or psychological treatment in the past for abuse, protection from abuse, or shelter from abuse, or that a

claim was caused in the past by, or might occur as a result of, any future assault, battery, or sexual assault by a family or household member upon another family or household member as defined in s. 741.28. A health insurer, life insurer, disability insurer, or managed care provider may refuse to underwrite, issue, or renew a policy based on the applicant's medical condition, but may not consider whether such condition was caused by an act of abuse. For purposes of this section, the term "abuse" means the occurrence of one or more of the following acts:

- a. Attempting or committing assault, battery, sexual assault, or sexual battery;
- b. Placing another in fear of imminent serious bodily injury by physical menace;
- c. False imprisonment;
- d. Physically or sexually abusing a minor child; or
- e. An act of domestic violence as defined in s. 741.28.

This subparagraph does not prohibit a property and casualty insurer or an automobile insurer from excluding coverage for intentional acts by the insured if such exclusion is not an act of unfair discrimination as defined in this paragraph.

4. For a personal lines property or personal lines automobile insurer to:

- a. Refuse to issue, reissue, or renew a policy; cancel or otherwise terminate a policy; or charge an unfairly discriminatory rate in this state based on the lawful use, possession, or ownership of a firearm or ammunition by the insurance applicant, insured, or a household member of the applicant or insured. This sub-subparagraph does not prevent an insurer from charging a supplemental premium that is not unfairly discriminatory for a separate rider voluntarily requested by the insurance applicant to insure a firearm or a firearm collection whose value exceeds the standard policy coverage.
- b. Disclose the lawful ownership or possession of firearms of an insurance applicant, insured, or household member of the applicant or insured to a third party or an affiliated entity of the insurer unless the insurer discloses to the applicant or insured the specific need to disclose the information and the applicant or insured expressly consents to the disclosure, or the disclosure is necessary to quote or bind coverage, continue coverage, or adjust a claim. For purposes of underwriting and issuing insurance coverage, this sub-subparagraph does not prevent the sharing of information between an insurance company and its licensed insurance agent if a separate rider has been voluntarily requested by the policyholder or prospective policyholder to insure a firearm or a firearm collection whose value exceeds the standard policy coverage.

627.062 Rate standards.—

(1) The rates for all classes of insurance to which the provisions of this part are applicable may not be excessive, inadequate, or unfairly discriminatory.

(2) As to all such classes of insurance:

(a) Insurers or rating organizations shall establish and use rates, rating schedules, or rating manuals that allow the insurer a reasonable rate of return on the classes of insurance written in this state. A copy of rates, rating schedules, rating manuals, premium credits or discount schedules, and surcharge schedules, and changes thereto, must be filed with the office under one of the following procedures:

1. If the filing is made at least 90 days before the proposed effective date and is not implemented during the office's review of the filing and any proceeding and judicial review, such filing is considered a "file and use" filing. In such case, the office shall finalize its review by issuance of a notice of intent to approve or a notice of intent to disapprove within 90 days after receipt of the filing. The notice of intent to approve and the notice of intent to disapprove constitute agency action for purposes of the Administrative Procedure Act.

Requests for supporting information, requests for mathematical or mechanical corrections, or notification to the insurer by the office of its preliminary findings does not toll the 90-day period during any such proceedings and subsequent judicial review. The rate shall be deemed approved if the office does not issue a notice of intent to approve or a notice of intent to disapprove within 90 days after receipt of the filing.

2. If the filing is not made in accordance with subparagraph 1., such filing must be made as soon as practicable, but within 30 days after the effective date, and is considered a "use and file" filing. An insurer making a "use and file" filing is potentially subject to an order by the office to return to policyholders those portions of rates found to be excessive, as provided in paragraph (h).

3. For all property insurance filings made or submitted after January 25, 2007, but before May 1, 2012, an insurer seeking a rate that is greater than the rate most recently approved by the office shall make a "file and use" filing. For purposes of this subparagraph, motor vehicle collision and comprehensive coverages are not considered property coverages.

(b) Upon receiving a rate filing, the office shall review the filing to determine if a rate is excessive, inadequate, or unfairly discriminatory. In making that determination, the office shall, in accordance with generally accepted and reasonable actuarial techniques, consider the following factors:

1. Past and prospective loss experience within and without this state.
2. Past and prospective expenses.
3. The degree of competition among insurers for the risk insured.
4. Investment income reasonably expected by the insurer, consistent with the insurer's investment practices, from investable premiums anticipated in the filing, plus any other expected income from currently invested assets representing the amount expected on unearned premium reserves and loss reserves. The commission may adopt rules using reasonable techniques of actuarial science and economics to specify the manner in which insurers calculate investment income attributable to classes of insurance written in this state and the manner in which investment income is used to calculate insurance rates. Such manner must contemplate allowances for an underwriting profit factor and full consideration of investment income that produces a reasonable rate of return; however, investment income from invested surplus may not be considered.
5. The reasonableness of the judgment reflected in the filing.
6. Dividends, savings, or unabsorbed premium deposits allowed or returned to policyholders, members, or subscribers in this state.
7. The adequacy of loss reserves.
8. The cost of reinsurance. The office may not disapprove a rate as excessive solely due to the insurer having obtained catastrophic reinsurance to cover the insurer's estimated 250-year probable maximum loss or any lower level of loss.
9. Trend factors, including trends in actual losses per insured unit for the insurer making the filing.
10. Conflagration and catastrophe hazards, if applicable.
11. Projected hurricane losses, if applicable, which must be estimated using a model or method found to be acceptable or reliable by the Florida Commission on Hurricane Loss Projection Methodology, and as further provided in s. 627.0628.
12. Projected flood losses for personal residential property insurance, if applicable, which may be estimated using a model or method, or a straight average of model results or output ranges, independently found to be acceptable or reliable by the Florida Commission on Hurricane Loss Projection Methodology and as further provided in s. 627.0628.
13. A reasonable margin for underwriting profit and contingencies.
14. The cost of medical services, if applicable.
15. Other relevant factors that affect the frequency or severity of claims or expenses.

(c) In the case of fire insurance rates, consideration must be given to the availability of water supplies and the experience of the fire insurance business during a period of not less than the most recent 5-year period for which such experience is available.

(d) If conflagration or catastrophe hazards are considered by an insurer in its rates or rating plan, including surcharges and discounts, the insurer shall establish a reserve for that portion of the premium allocated to such hazard and maintain the premium in a catastrophe reserve. Removal of such premiums from the reserve for purposes other than paying claims associated with a catastrophe or purchasing reinsurance for catastrophes must be approved by the office. Any ceding commission received by an insurer purchasing reinsurance for catastrophes must be placed in the catastrophe reserve.

(e) After consideration of the rate factors provided in paragraphs (b), (c), and (d), the office may find a rate to be excessive, inadequate, or unfairly discriminatory based upon the following standards:

1. Rates shall be deemed excessive if they are likely to produce a profit from Florida business which is unreasonably high in relation to the risk involved in the class of business or if expenses are unreasonably high in relation to services rendered.
2. Rates shall be deemed excessive if, among other things, the rate structure established by a stock insurance company provides for replenishment of surpluses from premiums, if the replenishment is attributable to investment losses.
3. Rates shall be deemed inadequate if they are clearly insufficient, together with the investment income attributable to them, to sustain projected losses and expenses in the class of business to which they apply.
4. A rating plan, including discounts, credits, or surcharges, shall be deemed unfairly discriminatory if it fails to clearly and equitably reflect consideration of the policyholder's participation in a risk management program adopted pursuant to s. 627.0625.
5. A rate shall be deemed inadequate as to the premium charged to a risk or group of risks if discounts or credits are allowed which exceed a reasonable reflection of expense savings and reasonably expected loss experience from the risk or group of risks.
6. A rate shall be deemed unfairly discriminatory as to a risk or group of risks if the application of premium discounts, credits, or surcharges among such risks does not bear a reasonable relationship to the expected loss and expense experience among the various risks.

(f) In reviewing a rate filing, the office may require the insurer to provide, at the insurer's expense, all information necessary to evaluate the condition of the company and the reasonableness of the filing according to the criteria enumerated in this section.

(g) The office may at any time review a rate, rating schedule, rating manual, or rate change; the pertinent records of the insurer; and market conditions. If the office finds on a preliminary basis that a rate may be excessive, inadequate, or unfairly discriminatory, the office shall initiate proceedings to disapprove the rate and shall so notify the insurer. However, the office may not disapprove as excessive any rate for which it has given final approval or which has been deemed approved for 1 year after the effective date of the filing unless the office finds that a material misrepresentation or material error was made by the insurer or was contained in the filing. Upon being notified, the insurer or rating organization shall, within 60 days, file with the office all information that, in the belief of the insurer or organization, proves the reasonableness, adequacy, and fairness of the rate or rate change. The office shall issue a notice of intent to approve or a notice of intent to disapprove pursuant to paragraph (a) within 90 days after receipt of the insurer's initial response. In such instances and in any administrative proceeding relating to the legality of the rate, the insurer or rating organization shall carry the burden of proof by a preponderance of the evidence to show that the rate is not excessive, inadequate, or unfairly discriminatory. After the office notifies an insurer that a rate may be excessive, inadequate, or unfairly discriminatory, unless the office withdraws the notification, the insurer may not alter the rate except to conform to the office's notice until the earlier of 120 days after the date the

notification was provided or 180 days after the date of implementing the rate. The office, subject to chapter 120, may disapprove without the 60-day notification any rate increase filed by an insurer within the prohibited time period or during the time that the legality of the increased rate is being contested.

(h) If the office finds that a rate or rate change is excessive, inadequate, or unfairly discriminatory, the office shall issue an order of disapproval specifying that a new rate or rate schedule, which responds to the findings of the office, be filed by the insurer. The office shall further order, for any "use and file" filing made in accordance with subparagraph (a)2., that premiums charged each policyholder constituting the portion of the rate above that which was actuarially justified be returned to the policyholder in the form of a credit or refund. If the office finds that an insurer's rate or rate change is inadequate, the new rate or rate schedule filed with the office in response to such a finding is applicable only to new or renewal business of the insurer written on or after the effective date of the responsive filing.

(i) Except as otherwise specifically provided in this chapter, for property and casualty insurance the office may not directly or indirectly:

1. Prohibit any insurer, including any residual market plan or joint underwriting association, from paying acquisition costs based on the full amount of premium, as defined in s. 627.403, applicable to any policy, or prohibit any such insurer from including the full amount of acquisition costs in a rate filing; or

2. Impede, abridge, or otherwise compromise an insurer's right to acquire policyholders, advertise, or appoint agents, including the calculation, manner, or amount of such agent commissions, if any.

(j) With respect to residential property insurance rate filings, the rate filing must account for mitigation measures undertaken by policyholders to reduce hurricane losses.

(k)1. A residential property insurer may make a separate filing limited solely to an adjustment of its rates for reinsurance, the cost of financing products used as a replacement for reinsurance, financing costs incurred in the purchase of reinsurance, and the actual cost paid due to the application of the cash build-up factor pursuant to s. 215.555(5)(b) if the insurer:

- a. Elects to purchase financing products such as a liquidity instrument or line of credit, in which case the cost included in filing for the liquidity instrument or line of credit may not result in a premium increase exceeding 3 percent for any individual policyholder. All costs contained in the filing may not result in an overall premium increase of more than 15 percent for any individual policyholder.

- b. Includes in the filing a copy of all of its reinsurance, liquidity instrument, or line of credit contracts; proof of the billing or payment for the contracts; and the calculation upon which the proposed rate change is based demonstrating that the costs meet the criteria of this section.

2. An insurer that purchases reinsurance or financing products from an affiliated company may make a separate filing only if the costs for such reinsurance or financing products are charged at or below charges made for comparable coverage by nonaffiliated reinsurers or financial entities making such coverage or financing products available in this state.

3. An insurer may make only one filing per 12-month period under this paragraph.

4. An insurer that elects to implement a rate change under this paragraph must file its rate filing with the office at least 45 days before the effective date of the rate change. After an insurer submits a complete filing that meets all of the requirements of this paragraph, the office has 45 days after the date of the filing to review the rate filing and determine if the rate is excessive, inadequate, or unfairly discriminatory.

The provisions of this subsection do not apply to workers' compensation, employer's liability insurance, and motor vehicle insurance.

(3)(a) For individual risks that are not rated in accordance with the insurer's rates, rating schedules, rating manuals, and underwriting rules filed with the office and that have been submitted to the insurer for individual rating, the insurer must maintain documentation on each risk subject to individual risk rating. The documentation must identify the named insured and specify the characteristics and classification of the risk supporting the reason for the risk being individually risk rated, including any modifications to existing approved forms to be used on the risk. The insurer must maintain these records for at least 5 years after the effective date of the policy.

(b) Individual risk rates and modifications to existing approved forms are not subject to this part or part II, except for paragraph (a) and ss. 627.402, 627.403, 627.4035, 627.404, 627.405, 627.406, 627.407, 627.4085, 627.409, 627.4132, 627.4133, 627.415, 627.416, 627.417, 627.419, 627.425, 627.426, 627.4265, 627.427, and 627.428, but are subject to all other applicable provisions of this code and rules adopted thereunder.

(c) This subsection does not apply to private passenger motor vehicle insurance.

(d)1. The following categories or kinds of insurance and types of commercial lines risks are not subject to paragraph (2)(a) or paragraph (2)(f):

- a. Excess or umbrella.
 - b. Surety and fidelity.
 - c. Boiler and machinery and leakage and fire extinguishing equipment.
 - d. Errors and omissions.
 - e. Directors and officers, employment practices, fiduciary liability, and management liability.
 - f. Intellectual property and patent infringement liability.
 - g. Advertising injury and Internet liability insurance.
 - h. Property risks rated under a highly protected risks rating plan.
 - i. General liability.
 - j. Nonresidential property, except for collateral protection insurance as defined in s. 624.6085.
 - k. Nonresidential multiperil.
 - l. Excess property.
 - m. Burglary and theft.
 - n. Travel insurance, if issued as a master group policy with a situs in another state where each certificateholder pays less than \$30 in premium for each covered trip and where the insurer has written less than \$1 million in annual written premiums in the travel insurance product in this state during the most recent calendar year.
 - o. Medical malpractice for a facility that is not a hospital licensed under chapter 395, a nursing home licensed under part II of chapter 400, or an assisted living facility licensed under part I of chapter 429.
 - p. Medical malpractice for a health care practitioner who is not a dentist licensed under chapter 466, a physician licensed under chapter 458, an osteopathic physician licensed under chapter 459, a chiropractic physician licensed under chapter 460, a podiatric physician licensed under chapter 461, a pharmacist licensed under chapter 465, or a pharmacy technician registered under chapter 465.
 - q. Any other commercial lines categories or kinds of insurance or types of commercial lines risks that the office determines should not be subject to paragraph (2)(a) or paragraph (2)(f) because of the existence of a competitive market for such insurance or similarity of such insurance to other categories or kinds of insurance not subject to paragraph (2)(a) or paragraph (2)(f), or to improve the general operational efficiency of the office.
2. Insurers or rating organizations shall establish and use rates, rating schedules, or rating manuals to allow the insurer a reasonable rate of return on insurance and risks described in subparagraph 1. which are written in this state.
3. An insurer shall notify the office of any changes to rates for insurance and risks described in subparagraph 1. within 30 days after the effective date of the change. The

notice must include the name of the insurer, the type or kind of insurance subject to rate change, and the average statewide percentage change in rates. Actuarial data with regard to rates for such risks must be maintained by the insurer for 2 years after the effective date of changes to those rates and are subject to examination by the office. The office may require the insurer to incur the costs associated with an examination. Upon examination, the office, in accordance with generally accepted and reasonable actuarial techniques, shall consider the rate factors in paragraphs (2)(b), (c), and (d) and the standards in paragraph (2)(e) to determine if the rate is excessive, inadequate, or unfairly discriminatory.

4. A rating organization shall notify the office of any changes to loss cost for insurance and risks described in subparagraph 1. within 30 days after the effective date of the change. The notice must include the name of the rating organization, the type or kind of insurance subject to a loss cost change, loss costs during the immediately preceding year for the type or kind of insurance subject to the loss cost change, and the average statewide percentage change in loss cost. Actuarial data with regard to changes to loss cost for risks not subject to paragraph (2)(a) or paragraph (2)(f) must be maintained by the rating organization for 2 years after the effective date of the change and are subject to examination by the office. The office may require the rating organization to incur the costs associated with an examination. Upon examination, the office, in accordance with generally accepted and reasonable actuarial techniques, shall consider the rate factors in paragraphs (2)(b)-(d) and the standards in paragraph (2)(e) to determine if the rate is excessive, inadequate, or unfairly discriminatory.

(4) The establishment of any rate, rating classification, rating plan or schedule, or variation thereof in violation of part IX of chapter 626 is also in violation of this section.

(5) With respect to a rate filing involving coverage of the type for which the insurer is required to pay a reimbursement premium to the Florida Hurricane Catastrophe Fund, the insurer may fully recoup in its property insurance premiums any reimbursement premiums paid to the fund, together with reasonable costs of other reinsurance; however, except as otherwise provided in this section, the insurer may not recoup reinsurance costs that duplicate coverage provided by the fund. An insurer may not recoup more than 1 year of reimbursement premium at a time. Any under-recoupment from the prior year may be added to the following year's reimbursement premium, and any over-recoupment must be subtracted from the following year's reimbursement premium.

(6)(a) If an insurer requests an administrative hearing pursuant to s. 120.57 related to a rate filing under this section, the director of the Division of Administrative Hearings shall expedite the hearing and assign an administrative law judge who shall commence the hearing within 30 days after the receipt of the formal request and enter a recommended order within 30 days after the hearing or within 30 days after receipt of the hearing transcript by the administrative law judge, whichever is later. Each party shall have 10 days in which to submit written exceptions to the recommended order. The office shall enter a final order within 30 days after the entry of the recommended order. The provisions of this paragraph may be waived upon stipulation of all parties.

(b) Upon entry of a final order, the insurer may request an expedited appellate review pursuant to the Florida Rules of Appellate Procedure. It is the intent of the Legislature that the First District Court of Appeal grant an insurer's request for an expedited appellate review.

(7) The provisions of this subsection apply only to rates for medical malpractice insurance and control to the extent of any conflict with other provisions of this section.

(a) Any portion of a judgment entered or settlement paid as a result of a statutory or common-law bad faith action and any portion of a judgment entered which awards punitive damages against an insurer may not be included in the insurer's rate base and used to justify a rate or rate change. Any common-law bad faith action identified as such, any portion of a settlement entered as a result of a statutory or common-law action, or any portion of a settlement wherein an insurer agrees to pay specific punitive damages may not

be used to justify a rate or rate change. The portion of the taxable costs and attorney's fees which is identified as being related to the bad faith and punitive damages may not be included in the insurer's rate base and used to justify a rate or rate change.

(b) Upon reviewing a rate filing and determining whether the rate is excessive, inadequate, or unfairly discriminatory, the office shall consider, in accordance with generally accepted and reasonable actuarial techniques, past and present prospective loss experience, using loss experience solely for this state or giving greater credibility to this state's loss data after applying actuarially sound methods of assigning credibility to such data.

(c) Rates shall be deemed excessive if, among other standards established by this section, the rate structure provides for replenishment of reserves or surpluses from premiums when the replenishment is attributable to investment losses.

(d) The insurer must apply a discount or surcharge based on the health care provider's loss experience or establish an alternative method giving due consideration to the provider's loss experience. The insurer must include in the filing a copy of the surcharge or discount schedule or a description of the alternative method used, and provide a copy, as approved by the office, to policyholders at the time of renewal and to prospective policyholders at the time of application for coverage.

(e) For medical malpractice rates subject to paragraph (2)(a), the medical malpractice insurer shall make a rate filing under this section, sworn to by at least two executive officers of the insurer, at least once each calendar year.

(8)(a) The chief executive officer or chief financial officer of a property insurer and the chief actuary of a property insurer must certify under oath and subject to the penalty of perjury, on a form approved by the commission, the following information, which must accompany a property rate filing subject to paragraph (2)(a):

1. The signing officer and actuary have reviewed the rate filing;

2. Based on the signing officer's and actuary's knowledge, the rate filing does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading;

3. Based on the signing officer's and actuary's knowledge, the information and other factors described in paragraph (2)(b), including, but not limited to, investment income, fairly present in all material respects the basis of the rate filing for the periods presented in the filing; and

4. Based on the signing officer's and actuary's knowledge, the rate filing reflects all premium savings that are reasonably expected to result from legislative enactments and are in accordance with generally accepted and reasonable actuarial techniques.

(b) A signing officer or actuary who knowingly makes a false certification under this subsection commits a violation of s. 626.9541(1)(e) and is subject to the penalties under s. 626.9521.

(c) Failure to provide such certification by the officer and actuary shall result in the rate filing being disapproved without prejudice to be refiled.

(d) The certification made pursuant to paragraph (a) is not rendered false if, after making the subject rate filing, the insurer provides the office with additional or supplementary information pursuant to a formal or informal request from the office. However, the actuary who is primarily responsible for preparing and submitting such information must certify the information in accordance with the certification required under paragraph (a) and the penalties in paragraph (b), except that the chief executive officer, chief financial officer, or chief actuary need not certify the additional or supplementary information.

(e) The commission may adopt rules and forms to administer this subsection.

(9) The burden is on the office to establish that rates are excessive for personal lines residential coverage with a dwelling replacement cost of \$1 million or more or for a single condominium unit with a combined dwelling and contents replacement cost of \$1 million or

more. Upon request of the office, the insurer shall provide such loss and expense information as the office reasonably needs to meet this burden.

(10) Any interest paid pursuant to s. 627.70131(5) may not be included in the insurer's rate base and may not be used to justify a rate or rate change.

627.0651 Making and use of rates for motor vehicle insurance.—

(1) Insurers shall establish and use rates, rating schedules, or rating manuals to allow the insurer a reasonable rate of return on motor vehicle insurance written in this state. A copy of rates, rating schedules, and rating manuals, and changes therein, shall be filed with the office under one of the following procedures:

(a) If the filing is made at least 60 days before the proposed effective date and the filing is not implemented during the office's review of the filing and any proceeding and judicial review, such filing shall be considered a "file and use" filing. In such case, the office shall initiate proceedings to disapprove the rate and so notify the insurer or shall finalize its review within 60 days after receipt of the filing. Notification to the insurer by the office of its preliminary findings shall toll the 60-day period during any such proceedings and subsequent judicial review. The rate shall be deemed approved if the office does not issue notice to the insurer of its preliminary findings within 60 days after the filing.

(b) If the filing is not made in accordance with the provisions of paragraph (a), such filing shall be made as soon as practicable, but no later than 30 days after the effective date, and shall be considered a "use and file" filing. An insurer making a "use and file" filing is potentially subject to an order by the office to return to policyholders portions of rates found to be excessive, as provided in subsection (11).

(2) Upon receiving notice of a rate filing or rate change, the office shall review the rate or rate change to determine if the rate is excessive, inadequate, or unfairly discriminatory. In making that determination, the office shall in accordance with generally accepted and reasonable actuarial techniques consider the following factors:

(a) Past and prospective loss experience within and outside this state.

(b) The past and prospective expenses.

(c) The degree of competition among insurers for the risk insured.

(d) Investment income reasonably expected by the insurer, consistent with the insurer's investment practices, from investable premiums anticipated in the filing, plus any other expected income from currently invested assets representing the amount expected on unearned premium reserves and loss reserves. Such investment income shall not include income from invested surplus. The commission may adopt rules utilizing reasonable techniques of actuarial science and economics to specify the manner in which insurers shall calculate investment income attributable to motor vehicle insurance policies written in this state and the manner in which such investment income is used in the calculation of insurance rates. Such manner shall contemplate the use of a positive underwriting profit allowance in the rates that will be compatible with a reasonable rate of return plus provisions for contingencies. The total of the profit and contingency factor as specified in the filing shall be utilized in computing excess profits in conjunction with s. 627.066. In adopting such rules, the commission shall in all instances adhere to and implement the provisions of this paragraph.

(e) The reasonableness of the judgment reflected in the filing.

(f) Dividends, savings, or unabsorbed premium deposits allowed or returned to Florida policyholders, members, or subscribers.

(g) The cost of repairs to motor vehicles.

(h) The cost of medical services, if applicable.

(i) The adequacy of loss reserves.

(j) The cost of reinsurance.

(k) Trend factors, including trends in actual losses per insured unit for the insurer making the filing.

(1) Other relevant factors which impact upon the frequency or severity of claims or upon expenses.

(3) Rates shall be deemed excessive if they are likely to produce a profit from Florida business that is unreasonably high in relation to the risk involved in the class of business or if expenses are unreasonably high in relation to services rendered.

(4) Rates shall be deemed excessive if, among other things, the rate structure established by a stock insurance company provides for replenishment of surpluses from premiums, when such replenishment is attributable to investment losses.

(5)(a) Rates shall be deemed inadequate if they are clearly insufficient, together with the investment income attributable to them, to sustain projected losses and expenses in the class of business to which they apply.

(b) The office has the responsibility to ensure that rates for private passenger vehicle insurance are adequate. To that end, the commission shall adopt rules establishing standards defining inadequate rates on private passenger vehicle insurance as defined in s. 627.041(8). In the event that the office finds that a rate or rate change is inadequate, the office shall order that a new rate or rate schedule be thereafter filed by the insurer and shall further provide information as to the manner in which noncompliance of the standards may be corrected. When a violation of this provision occurs, the office shall impose an administrative fine pursuant to s. 624.4211.

(6) One rate shall be deemed unfairly discriminatory in relation to another in the same class if it clearly fails to reflect equitably the difference in expected losses and expenses.

(7) Rates are not unfairly discriminatory because different premiums result for policyholders with like loss exposures but different expense factors, or like expense factors but different loss exposures, so long as rates reflect the differences with reasonable accuracy.

(8) Rates are not unfairly discriminatory if averaged broadly among members of a group; nor are rates unfairly discriminatory even though they are lower than rates for nonmembers of the group. However, such rates are unfairly discriminatory if they are not actuarially measurable and credible and sufficiently related to actual or expected loss and expense experience of the group so as to assure that nonmembers of the group are not unfairly discriminated against. Use of a single United States Postal Service zip code as a rating territory shall be deemed unfairly discriminatory unless filed pursuant to paragraph (1)(a) and the justification for its rate incorporates sufficient actual or expected loss and loss adjustment expense experience so as to be actuarially sound. The office shall require that any rate filing resulting from the use of a single zip code as a rating territory does not contain a rate or rate change that is excessive, inadequate, or unfairly discriminatory.

(9) In reviewing the rate or rate change filed, the office may require the insurer to provide at the insurer's expense all information necessary to evaluate the condition of the company and the reasonableness of the filing according to the criteria enumerated herein.

(10) The office may, at any time, review a rate or rate change, the pertinent records of the insurer, and market conditions; and, if the office finds on a preliminary basis that the rate or rate change may be excessive, inadequate, or unfairly discriminatory, the office shall so notify the insurer. However, the office may not disapprove as excessive any rate for which it has given final approval or which has been deemed approved for a period of 1 year after the effective date of the filing unless the office finds that a material misrepresentation or material error was made by the insurer or was contained in the filing. Upon being so notified, the insurer or rating organization shall, within 60 days, file with the office all information which, in the belief of the insurer or organization, proves the reasonableness, adequacy, and fairness of the rate or rate change. In such instances and in any administrative proceeding relating to the legality of the rate, the insurer or rating organization shall carry the burden of proof by a preponderance of the evidence to show that the rate is not excessive, inadequate, or unfairly discriminatory. After the office notifies an insurer that a rate may be excessive, inadequate, or unfairly discriminatory, unless the

office withdraws the notification, the insurer shall not increase the rate until the earlier of 120 days after the date the notification was provided or 180 days after the date of the implementation of the rate. The office may, subject to chapter 120, disapprove without the 60-day notification any rate increase filed by an insurer within the prohibited time period or during the time that the legality of the increased rate is being contested.

(11) In the event the office finds that a rate or rate change is excessive, inadequate, or unfairly discriminatory, the office shall issue an order of disapproval specifying that a new rate or rate schedule which responds to the findings of the office be filed by the insurer. The office shall further order for any "use and file" filing made in accordance with paragraph (1)(b), that premiums charged each policyholder constituting the portion of the rate above that which was actuarially justified be returned to such policyholder in the form of a credit or refund. If the office finds that an insurer's rate or rate change is inadequate, the new rate or rate schedule filed with the office in response to such a finding shall be applicable only to new or renewal business of the insurer written on or after the effective date of the responsive filing.

(12) Any portion of a judgment entered as a result of a statutory or common-law bad faith action and any portion of a judgment entered which awards punitive damages against an insurer shall not be included in the insurer's rate base, and shall not be used to justify a rate or rate change. Any portion of a settlement entered as a result of a statutory or common-law bad faith action identified as such and any portion of a settlement wherein an insurer agrees to pay specific punitive damages shall not be used to justify a rate or rate change. The portion of the taxable costs and attorney's fees which is identified as being related to the bad faith and punitive damages in these judgments and settlements shall not be included in the insurer's rate base and shall not be utilized to justify a rate or rate change.

(13)(a) Underwriting rules not contained in rating manuals shall be filed for private passenger automobile insurance and homeowners insurance.

(b) The submission of rates, rating schedules, and rating manuals to the office by a licensed rating organization of which an insurer is a member or subscriber will be sufficient compliance with this subsection for any insurer maintaining membership or subscribership in such organization, to the extent that the insurer uses the rates, rating schedules, and rating manuals of such organization. All such information shall be available for public inspection, upon receipt by the office, during usual business hours.

(14)(a) Commercial motor vehicle insurance is not subject to subsection (1), subsection (2), or subsection (9) or s. 627.0645.

(b) The rates for insurance described in this subsection may not be excessive, inadequate, or unfairly discriminatory.

(c) Insurers shall establish and use rates, rating schedules, or rating manuals to allow the insurer a reasonable rate of return on commercial motor vehicle insurance written in this state.

(d) An insurer must notify the office of any changes to rates for type of insurance described in this subsection no later than 30 days after the effective date of the change. The notice shall include the name of the insurer, the type or kind of insurance subject to rate change, and the average statewide percentage change in rates. Actuarial data with regard to rates for risks described in this subsection shall be maintained by the insurer for 2 years after the effective date of changes to those rates and are subject to examination by the office. The office may require the insurer to incur the costs associated with an examination. Upon examination, the office shall, in accordance with generally accepted and reasonable actuarial techniques, consider the factors in paragraphs (2)(a)-(l) and apply subsections (3)-(8) to determine if the rate is excessive, inadequate, or unfairly discriminatory.

(e) A rating organization must notify the office of any changes to loss cost for the type of insurance described in this subsection no later than 30 days after the effective date of the change. The notice shall include the name of the rating organization, the type or kind of

insurance subject to a loss cost change, loss costs during the immediately preceding year for the type or kind of insurance subject to the loss cost change, and the average statewide percentage change in loss cost. Actuarial data with regard to changes to loss cost for risks not subject to subsection (1), subsection (2), or subsection (9) shall be maintained by the rating organization for 2 years after the effective date of the change and are subject to examination by the office. The office may require the rating organization to incur the costs associated with an examination. Upon examination, the office shall, in accordance with generally accepted and reasonable actuarial techniques, consider the rate factors in paragraphs (2)(a)-(l) and apply subsections (3)-(8) to determine if the rate is excessive, inadequate, or unfairly discriminatory.

627.072 Making and use of rates.—

(1) As to workers' compensation and employer's liability insurance, the following factors shall be used in the determination and fixing of rates:

- (a) The past loss experience and prospective loss experience within and outside this state;
- (b) The conflagration and catastrophe hazards;
- (c) A reasonable margin for underwriting profit and contingencies;
- (d) Dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members, or subscribers;
- (e) Investment income on unearned premium reserves and loss reserves;
- (f) Past expenses and prospective expenses, both those countrywide and those specifically applicable to this state; and
- (g) All other relevant factors, including judgment factors, within and outside this state.

(2) A retrospective rating plan may contain a provision that allows for negotiation of a premium between the employer and the insurer for employers having exposure in more than one state and an estimated annual standard premium in this state of \$100,000 or more and an estimated annual countrywide standard premium of \$750,000 or more for workers' compensation. Provisions within a retrospective rating plan authorizing negotiated premiums are exempt from subsection (1). Such plans and associated forms must be filed by a rating organization and approved by the office. However, a premium negotiated between the employer and the insurer pursuant to an approved retrospective rating plan is not subject to this part. Only insurers having at least \$500 million in surplus as to policyholders may engage in the negotiation of premiums with eligible employers.

(3) As to all rates which are subject to this part, the systems of expense provisions included in the rates for use by an insurer or group of insurers may differ from those of other insurers or groups of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to any kind of insurance or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable.

(4) As to all rates which are subject to this part, risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any difference among risks that can be demonstrated to have a probable effect upon losses or expenses. Such classifications and modifications shall apply to all risks under the same or substantially the same circumstances or conditions.

(5)(a) In the case of workers' compensation and employer's liability insurance, the office shall consider utilizing the following methodology in rate determinations: Premiums, expenses, and expected claim costs would be discounted to a common point of time, such as the initial point of a policy year, in the determination of rates; the cash-flow pattern of premiums, expenses, and claim costs would be determined initially by using data from 8 to

10 of the largest insurers writing workers' compensation insurance in the state; such insurers may be selected for their statistical ability to report the data on an accident-year basis and in accordance with subparagraphs (b)1., 2., and 3., for at least 21/2 years; such a cash-flow pattern would be modified when necessary in accordance with the data and whenever a radical change in the payout pattern is expected in the policy year under consideration.

(b) If the methodology set forth in paragraph (a) is utilized, to facilitate the determination of such a cash-flow pattern methodology:

1. Each insurer shall include in its statistical reporting to the rating bureau and the office the accident year by calendar quarter data for paid-claim costs;
2. Each insurer shall submit financial reports to the rating bureau and the office which shall include total incurred claim amounts and paid-claim amounts by policy year and by injury types as of December 31 of each calendar year; and
3. Each insurer shall submit to the rating bureau and the office paid-premium data on an individual risk basis in which risks are to be subdivided by premium size as follows:

Number of Risks in

Premium Range	Standard Premium Size
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(to be filled in by carrier)	\$300—999
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(to be filled in by carrier)	1,000—4,999
------------------------------	-------------

(to be filled in by carrier)	5,000—49,999
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(to be filled in by carrier)	50,000—99,999
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(to be filled in by carrier)	100,000 or more
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Total:

627.151 Basis of approval or disapproval of workers' compensation or employer's liability insurance filing; scope of disapproval power.—

(1) In determining at any time whether to approve or disapprove a filing as to workers' compensation or employer's liability insurance, or to permit the filing otherwise to become effective, the office shall give consideration only to the applicable standards and factors referred to in ss. 627.062 and 627.072.

(2) As to workers' compensation and employer's liability insurances, no manual of classifications, rule, rating plan, rating system, plan of operation, or any modification of any of the foregoing which establishes standards for measuring variations in hazards or expense provisions, or both, shall be disapproved if the rates thereby produced meet the applicable requirements of this part.

M E M O R A N D U M

DATE: July 27, 2017
TO: David Altmaier, Commissioner, Office of Insurance Regulation
THROUGH: Anoush Brangaccio, General Counsel
FROM: Virginia Christy *VC*
Stephen Fredrickson *SF*
SUBJECT: Cabinet Agenda for August 16, 2017
Request for Final Approval to Adopt Repeal of
Rule 69O-136.002, .006
Assignment #208610-17

The Office of Insurance Regulation requests that this proposed repeal be presented to the Cabinet aides on or before August 9, 2017 and to the Financial Services Commission on August 16, 2017, with a request for Final Approval to Adopt the proposed rules. A notice of the Final Rule Hearing will be published in the *Florida Administrative Register* on July 26, 2017.

The notice of proposed rules was published on June 28, 2017 in Volume 43, No. 125, of the *Register*. The hearing was not requested, therefore, the hearing was not held. No changes have been made to this rule.

These two rules adopt various forms used for issuing Certificates of Authority to insurers. Rule Chapter 136 is being streamlined to eliminate duplication and also being updated to provide for electronic filing and adoption of forms which are currently in use by the Office. These two rules are being repealed as part of the reorganization and streamlining of the rule chapter.

Sections 624.308, 624.307(1), 624.34, 624.401, 624.404, 624.407, 624.413, 624.422, 624.501, 626.7451(11), 628.161, 628.907, F.S., provide rulemaking authority and laws implemented for these rules.

The Legal Services Office has communicated with the Joint Administrative Procedures Committee, and ascertained that their review of the rules has been completed.

Stephen Fredrickson is the attorney handling these rules. Attached are: 1) the proposed rule(s); 2) any incorporated materials, such as forms; 3) copies of the rulemaking statutory authority and law implemented.

Approved for signature:

Anoush Brangaccio
Anoush Brangaccio, General Counsel

Approved for submission to Financial Services
Commission:

David Altmaier
David Altmaier, Commissioner
Office of Insurance Regulation

69O-136.002 Foreign and Alien Insurers Filing for a Certificate of Authority.

Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 624.34, 624.401, 624.404, 624.407, 624.413, 624.422, 624.501, 626.7451(11), 628.161, 628.907 FS. History—New 2-26-92, Amended 9-19-00, 11-18-02, Formerly 4-136.002, Repealed_____.

69O-136.006 Domestic Insurers Filing for an Application for Permit.

Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 624.34, 624.401, 624.404, 624.407, 624.413, 624.422, 624.501, 626.7451(11), 628.051 FS. History—New 2-26-92, Amended 9-19-00, 11-18-02, Formerly 4-136.006 Repealed_____.

69O-136.002 Foreign and Alien Insurers Filing for a Certificate of Authority. - Repeal

All foreign entities seeking a certificate of authority shall comply with the requirements of Sections 624.404, 624.413 and related F.S., and shall submit the following forms:

- (1) Form OIR-C1-144, "Service of Process Consent & Agreement," rev. 1/97;
- (2) Form OIR-C1-422, "Biographical Statement and Affidavit," rev. 10/26/98;
- (3) Form OIR-C1-450, "Authority For Release of Information," rev. 5/00;
- (4) Form OIR-C1-884, "Application for Certificate of Authority Foreign and Alien Insurer," rev. 2/00;
- (5) Form OIR-C1-881, "Invoice, Application for Certificate of Authority," rev. 10/97;
- (6) Form OIR-C1-903, "Invoice, Request for Payment of Fingerprint Charges," rev. 4/97;
- (7) Form OIR-C1-887, "Application for Certificate of Authority to Conduct Business in the State of Florida," rev. 9/98;
- (8) Form OIR-C1-901, "Life, Accident and Health Insurers, Lines of Business by Company Code," rev. 5/91;
- (9) Form OIR-C1-877, "Property and Casualty Insurers, Lines of Business by Company Code," rev. 11/05/99;
- (10) Form OIR-C1-896, "Life, Accident, and Health Insurance Company Pro Forms (Pages 1-4)," rev. 11/98;
- (11) Form OIR-C1-896, "Property & Casualty Insurance Company Pro Forms (Pages 5-22)," rev. 11/98;
- (12) Form OIR-C1-888, "Disclosure Form Property and Casualty Insurers Only," rev. 4/97;
- (13) Form OIR-C1-889, "Certification, Property and Casualty Insurers Only," rev. 4/97;
- (14) Form OIR-C1-1301, "Subscription Agreement Form," rev. 5/99;
- (15) Form OIR-C1-1298, "Management Information Form," rev. 4/97;
- (16) An investigative report in accordance with the instructions on Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," rev. 2/01;
- (17) Form OIR-C1-938, "Fingerprint Card Instructions," rev. 7/99; and,
- (18) Form OIR-C1-1389, "NAIC Company Code Application," rev. 5/00.

Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 624.34, 624.401, 624.404, 624.407, 624.413, 624.422, 624.501, 626.7451(11), 628.161, 628.907 FS. History—New 2-26-92, Amended 9-19-00, 11-18-02, Formerly 4-136.002.

69O-136.006 Domestic Insurers Filing for an Application for Permit. - Repeal

All domestic insurers filing an Application for Permit, pursuant to Chapter 628, F.S., for the following: Domestic Property and Casualty Insurers, Title Insurers, and Life and Health Insurers, pursuant to Section 628.051, F.S.; Domestic Assessable Mutual Insurers, pursuant to Section 628.051, F.S.; and Domestic Captive Insurers, pursuant to Chapter 628, Part III, F.S., shall submit the following common forms:

- (1) Form OIR-C1-903, "Invoice, Request For Payment of Fingerprint Charges," rev. 4/97;
- (2) Form OIR-C1-516, "Insurance Holding Company System Registration Statement," rev. 4/97;
- (3) Form OIR-C1-422, "Biographical Statement and Affidavit," rev. 10/26/98;
- (4) Form OIR-C1-450, "Authority For Release of Information," rev. 5/00;
- (5) An investigative report in accordance with the instructions on Form OIR-C1-905, "Instructions For Furnishing Background Investigative Reports," rev. 2/01;
- (6) Form OIR-C1-844, "Management Information," rev. 4/97;
- (7) Form OIR-C1-938, "Fingerprint Card Instructions," rev. 7/99;
- (8) Form OIR-C1-872, "Application for Permit Domestic Insurer," rev. 2/00;
- (9) Form OIR-C1-875, "Invoice, Domestic Insurer Application for Permit," rev. 4/97;
- (10) Form OIR-C1-876, "Application for Permit to Form a Domestic Insurer," rev. 4/97;
- (11) Form OIR-C1-901, "Life, Accident and Health Insurers Lines of Business by Company Code Form," rev. 5/91;
- (12) Form OIR-C1-877, "Property and Casualty Insurers Lines of Business by Company Code Form," rev. 11/05/99;
- (13) Form OIR-C1-896, "Life, Accident, and Health Insurance Company Pro Forms (Pages 1-4)," rev. 11/98; and,
- (14) Form OIR-C1-896, "Property & Casualty Insurance Company Pro Forms (Pages 5-22)," rev. 11/98.

Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 624.34, 624.401, 624.404, 624.407, 624.413, 624.422, 624.501, 626.7451(11), 628.051 FS. History—New 2-26-92, Amended 9-19-00, 11-18-02, Formerly 4-136.006.

624.308 Rules.—

- (1) The department and the commission may each adopt rules pursuant to ss. 120.536(1) and 120.54 to implement provisions of law conferring duties upon the department or the commission, respectively.
- (2) In addition to any other penalty provided, willful violation of any such rule shall subject the violator to such suspension or revocation of certificate of authority or license as may be applicable under this code as for violation of the provision as to which such rule relates.

624.307 General powers; duties.—

- (1) The department and office shall enforce the provisions of this code and shall execute the duties imposed upon them by this code, within the respective jurisdiction of each, as provided by law.

624.34 Authority of Department of Law Enforcement to accept fingerprints of, and exchange criminal history records with respect to, certain persons.—

- (1) The Department of Law Enforcement may accept fingerprints of organizers, incorporators, subscribers, officers, stockholders, directors, or any other persons involved, directly or indirectly, in the organization, operation, or management of:
 - (a) Any insurer or proposed insurer transacting or proposing to transact insurance in this state.
 - (b) Any other entity which is examined or investigated or which is eligible to be examined or investigated under the provisions of the Florida Insurance Code.
- (2) The Department of Law Enforcement may accept fingerprints of individuals who apply for a license as an agent, customer representative, adjuster, service representative, navigator, or managing general agent or the fingerprints of the majority owner, sole proprietor, partners, officers, and directors of a corporation or other legal entity that applies for licensure with the department or office under the Florida Insurance Code.
- (3) The Department of Law Enforcement may, to the extent provided for by federal law, exchange state, multistate, and federal criminal history records with the department or office for the purpose of the issuance, denial, suspension, or revocation of a certificate of authority, certification, or license to operate in this state.
- (4) The Department of Law Enforcement may accept fingerprints of any other person required by statute or rule to submit fingerprints to the department or office or any applicant or licensee regulated by the department or office who is required to demonstrate that he or she has not been convicted of or pled guilty or nolo contendere to a felony or a misdemeanor.
- (5) The Department of Law Enforcement shall, upon receipt of fingerprints from the department or office, submit the fingerprints to the Federal Bureau of Investigation to check federal criminal history records.
- (6) Statewide criminal records obtained through the Department of Law Enforcement, federal criminal records obtained through the Federal Bureau of Investigation, and local criminal records obtained through local law enforcement agencies shall be used by the department and office for the purpose of issuance, denial, suspension, or revocation of certificates of authority, certifications, or licenses issued to operate in this state.

624.401 Certificate of authority required.—

- (1) No person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance, in this state except as authorized by a subsisting certificate of authority issued to the insurer by the office, except as to such transactions as are expressly otherwise provided for in this code.

(2) No insurer shall from offices or by personnel or facilities located in this state solicit insurance applications or otherwise transact insurance in another state or country unless it holds a subsisting certificate of authority issued to it by the office authorizing it to transact the same kind or kinds of insurance in this state.

(3) This state hereby preempts the field of regulating insurers and their agents and representatives; and no county, city, municipality, district, school district, or political subdivision shall require of any insurer, agent, or representative regulated under this code any authorization, permit, or registration of any kind for conducting transactions lawful under the authority granted by the state under this code.

(4)(a) Any person who acts as an insurer, transacts insurance, or otherwise engages in insurance activities in this state without a certificate of authority in violation of this section commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(b) However, any person acting as an insurer without a valid certificate of authority who violates this section commits insurance fraud, punishable as provided in this paragraph. If the amount of any insurance premium collected with respect to any violation of this section:

1. Is less than \$20,000, the offender commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084, and the offender shall be sentenced to a minimum term of imprisonment of 1 year.

2. Is \$20,000 or more, but less than \$100,000, the offender commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084, and the offender shall be sentenced to a minimum term of imprisonment of 18 months.

3. Is \$100,000 or more, the offender commits a felony of the first degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084, and the offender shall be sentenced to a minimum term of imprisonment of 2 years.

624.404 General eligibility of insurers for certificate of authority.—To qualify for and hold authority to transact insurance in this state, an insurer must be otherwise in compliance with this code and with its charter powers and must be an incorporated stock insurer, an incorporated mutual insurer, or a reciprocal insurer, of the same general type as may be formed as a domestic insurer under this code; except that:

(1) No insurer shall be authorized to transact insurance in this state which does not maintain reserves as required by part I of chapter 625 applicable to the kind or kinds of insurance transacted by such insurer, wherever transacted in the United States, or which transacts insurance in the United States on the assessment premium plan, stipulated premium plan, cooperative plan, or any similar plan.

(2) No foreign or alien insurer or exchange shall be authorized to transact insurance in this state unless it is otherwise qualified therefor under this code and has operated satisfactorily for at least 3 years in its state or country of domicile; however, the office may waive the 3-year requirement if the foreign or alien insurer or exchange:

(a) Has operated successfully and has capital and surplus of \$5 million;

(b) Is the wholly owned subsidiary of an insurer which is an authorized insurer in this state;

(c) Is the successor in interest through merger or consolidation of an authorized insurer; or

(d) Provides a product or service not readily available to the consumers of this state.

(3)(a) The office shall not grant or continue authority to transact insurance in this state as to any insurer the management, officers, or directors of which are found by it to be incompetent or untrustworthy; or so lacking in insurance company managerial experience as to make the proposed operation hazardous to the insurance-buying public; or so lacking in insurance experience, ability, and standing as to jeopardize the reasonable promise of successful operation; or which it has good reason to believe are affiliated directly or indirectly through ownership, control, reinsurance transactions, or other insurance or

business relations, with any person or persons whose business operations are or have been marked, to the detriment of policyholders or stockholders or investors or creditors or of the public, by manipulation of assets, accounts, or reinsurance or by bad faith.

(b) The office shall not grant or continue authority to transact insurance in this state as to any insurer if any person, including any subscriber, stockholder, or incorporator, who exercises or has the ability to exercise effective control of the insurer, or who influences or has the ability to influence the transaction of the business of the insurer, does not possess the financial standing and business experience for the successful operation of the insurer.

(c) The office may deny, suspend, or revoke the authority to transact insurance in this state of any insurer if any person, including any subscriber, stockholder, or incorporator, who exercises or has the ability to exercise effective control of the insurer, or who influences or has the ability to influence the transaction of the business of the insurer, has been found guilty of, or has pleaded guilty or nolo contendere to, any felony or crime punishable by imprisonment of 1 year or more under the law of the United States or any state thereof or under the law of any other country which involves moral turpitude, without regard to whether a judgment of conviction has been entered by the court having jurisdiction in such case. However, in the case of an insurer operating under a subsisting certificate of authority, the insurer shall remove any such person immediately upon discovery of the conditions set forth in this paragraph when applicable to such person or upon the order of the office, and the failure to so act by said insurer shall be grounds for revocation or suspension of the insurer's certificate of authority.

(d) The office may deny, suspend, or revoke the authority of an insurer to transact insurance in this state if any person, including any subscriber, stockholder, or incorporator, who exercises or has the ability to exercise effective control of the insurer, or who influences or has the ability to influence the transaction of the business of the insurer, which person the office has good reason to believe is now or was in the past affiliated directly or indirectly, through ownership interest of 10 percent or more, control, or reinsurance transactions, with any business, corporation, or other entity that has been found guilty of or has pleaded guilty or nolo contendere to any felony or crime punishable by imprisonment for 1 year or more under the laws of the United States, any state, or any other country, regardless of adjudication. However, in the case of an insurer operating under a subsisting certificate of authority, the insurer shall immediately remove such person or immediately notify the office of such person upon discovery of the conditions set forth in this paragraph, either when applicable to such person or upon order of the office; the failure to remove such person, provide such notice, or comply with such order constitutes grounds for suspension or revocation of the insurer's certificate of authority.

(4)(a) No authorized insurer shall act as a fronting company for any unauthorized insurer which is not an approved reinsurer.

(b) A "fronting company" is an authorized insurer which by reinsurance or otherwise generally transfers more than 50 percent to one unauthorized insurer which does not meet the requirements of s. 624.610(3)(a), (b), or (c), or more than 75 percent to two or more unauthorized insurers which do not meet the requirements of s. 624.610(3)(a), (b), or (c), of the entire risk of loss on all of the insurance written by it in this state, or on one or more lines of insurance, on all of the business produced through one or more agents or agencies, or on all of the business from a designated geographical territory, without obtaining the prior approval of the office.

(c) The office may, in its discretion, approve a transfer of risk in excess of the limits in paragraph (b) upon presentation of evidence, satisfactory to the office, that the transfer would be in the best interests of the financial condition of the insurer and in the best interests of the policyholders.

(5) No insurer shall be authorized to transact insurance in this state which, during the 3 years immediately preceding its application for a certificate of authority, has violated any of the insurance laws of this state and after being informed of such violation has failed to

correct the same; except that, if all other requirements are met, the office may nevertheless issue a certificate of authority to such an insurer upon the filing by the insurer of a sworn statement of all such insurance so written in violation of law, and upon payment to the office of a sum of money as additional filing fee equivalent to all premium taxes and other state taxes and fees as would have been payable by the insurer if such insurance had been lawfully written by an authorized insurer under the laws of this state. This fee, when collected, shall be deposited to the credit of the Insurance Regulatory Trust Fund.

(6) Nothing in this code shall be deemed to prohibit the granting and continuance of a certificate of authority to a domestic title insurer organized as a business trust, if the declaration of trust of such insurer was filed in the office of the Secretary of State prior to January 1, 1959, and if the insurer otherwise meets the applicable requirements of this code. Such an insurer may hereinafter in this code be referred to as a "business trust insurer."

(7) For the purpose of satisfying the requirements of ss. 624.407 and 624.408, the investment portfolio of an insurer applying for an initial certificate of authority to do business in this state shall value its bonds and stocks in accordance with the provisions of the latest edition of the publication "Purposes and Procedures Manual of the NAIC Securities Valuation Office" by the National Association of Insurance Commissioners, July 1, 2002, and subsequent amendments thereto, if the valuation methodology remains substantially unchanged.

624.407 Surplus required; new insurers.—

(1) To receive authority to transact any one kind or combinations of kinds of insurance, as defined in part V of this chapter, an insurer applying for its original certificate of authority in this state shall possess surplus as to policyholders at least the greater of:

- (a) For a property and casualty insurer, \$5 million, or \$2.5 million for any other insurer;
- (b) For life insurers, 4 percent of the insurer's total liabilities;
- (c) For life and health insurers, 4 percent of the insurer's total liabilities, plus 6 percent of the insurer's liabilities relative to health insurance;
- (d) For all insurers other than life insurers and life and health insurers, 10 percent of the insurer's total liabilities;

(e) Notwithstanding paragraph (a) or paragraph (d), for a domestic insurer that transacts residential property insurance and is:

- 1. Not a wholly owned subsidiary of an insurer domiciled in any other state, \$15 million.
- 2. A wholly owned subsidiary of an insurer domiciled in any other state, \$50 million; or

(f) Notwithstanding paragraphs (a), (d), and (e), for a domestic insurer that only transacts limited sinkhole coverage insurance for personal lines residential property pursuant to s. 627.7151, \$7.5 million.

(2) Notwithstanding subsection (1), a new insurer may not be required to have surplus as to policyholders greater than \$100 million.

(3) The requirements of this section shall be based upon all the kinds of insurance actually transacted or to be transacted by the insurer in any and all areas in which it operates, whether or not only a portion of such kinds of insurance are transacted in this state.

(4) As to surplus as to policyholders required for qualification to transact one or more kinds of insurance, domestic mutual insurers are governed by chapter 628, and domestic reciprocal insurers are governed by chapter 629.

(5) For the purposes of this section, liabilities do not include liabilities required under s. 625.041(5). For purposes of computing minimum surplus as to policyholders pursuant to s. 625.305(1), liabilities include liabilities required under s. 625.041(5).

624.413 Application for certificate of authority.—

(1) To apply for a certificate of authority, an insurer shall file its application therefor with the office, upon a form adopted by the commission and furnished by the office, showing its name; location of its home office and, if an alien insurer, its principal office in the United States; kinds of insurance to be transacted; state or country of domicile; and such additional information as the commission reasonably requires, together with the following documents:

(a) One copy of its corporate charter, articles of incorporation, existing and proposed nonfacultative reinsurance contracts, declaration of trust, or other charter documents, with all amendments thereto, certified by the public official with whom the originals are on file in the state or country of domicile.

(b) If a mutual insurer, a copy of its bylaws, as amended, certified by its secretary or other officer having custody thereof.

(c) If a foreign or alien reciprocal insurer, a copy of the power of attorney of its attorney in fact and of its subscribers' agreement, if any, certified by the attorney in fact; and, if a domestic reciprocal insurer, the declaration provided for in s. 629.081.

(d) A copy of its financial statement as of December 31 next preceding, containing information generally included in insurer financial statements prepared in accordance with generally accepted insurance accounting principles and practices and in a form generally utilized by insurers for financial statements, sworn to by at least two executive officers of the insurer, or certified by the public official having supervision of insurance in the insurer's state of domicile or of entry into the United States. To facilitate uniformity in financial statements, the commission may by rule adopt the form for financial statements approved by the National Association of Insurance Commissioners in 2002, and may adopt subsequent amendments thereto if the form remains substantially consistent.

(e) Supplemental quarterly financial statements for each calendar quarter since the beginning of the year of its application for the certificate of authority, sworn to by at least two of its executive officers. To facilitate uniformity in financial statements, the commission may by rule adopt the form for quarterly financial statements approved by the National Association of Insurance Commissioners in 2002, and may adopt subsequent amendments thereto if the form remains substantially consistent.

(f) If a foreign or alien insurer, a copy of the report of the most recent examination of the insurer certified by the public official having supervision of insurance in its state of domicile or of entry into the United States. The end of the most recent year covered by the examination must be within the 5-year period preceding the date of application. In lieu of the certified examination report, the office may accept an audited certified public accountant's report prepared on a basis consistent with the insurance laws of the insurer's state of domicile, certified by the public official having supervision of insurance in its state of domicile or of entry into the United States.

(g) If a foreign or alien insurer, a certificate of compliance from the public official having supervision of insurance in its state or country of domicile showing that it is duly organized and authorized to transact insurance therein and the kinds of insurance it is so authorized to transact.

(h) If a foreign or alien insurer, a certificate of the public official having custody of any deposit maintained by the insurer in another state in lieu of a deposit or part thereof required in this state under s. 624.411 or s. 624.412, showing the amount of such deposit and the assets or securities of which comprised.

(i) If a life insurer, a certificate of valuation.

(j) If an alien insurer, a copy of the appointment and authority of its United States manager, certified by its officer having custody of its records.

(2) The application shall be accompanied by the applicable fees and license tax as specified in s. 624.501.

624.422 Service of process; appointment of Chief Financial Officer as process agent.—

- (1) Each licensed insurer, whether domestic, foreign, or alien, shall be deemed to have appointed the Chief Financial Officer and her or his successors in office as its attorney to receive service of all legal process issued against it in any civil action or proceeding in this state; and process so served shall be valid and binding upon the insurer.
- (2) Prior to its authorization to transact insurance in this state, each insurer shall file with the department designation of the name and address of the person to whom process against it served upon the Chief Financial Officer is to be forwarded. The insurer may change the designation at any time by a new filing.
- (3) Service of process upon the Chief Financial Officer as the insurer's attorney pursuant to such an appointment shall be the sole method of service of process upon an authorized domestic, foreign, or alien insurer in this state.

624.501 Filing, license, appointment, and miscellaneous fees.—The department, commission, or office, as appropriate, shall collect in advance, and persons so served shall pay to it in advance, fees, licenses, and miscellaneous charges as follows:

- (1) Certificate of authority of insurer.
 - (a) Filing application for original certificate of authority or modification thereof as a result of a merger, acquisition, or change of controlling interest due to a sale or exchange of stock, including all documents required to be filed therewith, filing fee.....\$1,500.00
 - (b) Reinstatement fee.....\$50.00
- (2) Charter documents of insurer.
 - (a) Filing articles of incorporation or other charter documents, other than at time of application for original certificate of authority, filing fee.....\$10.00
 - (b) Filing amendment to articles of incorporation or charter, other than at time of application for original certificate of authority, filing fee.....\$5.00
 - (c) Filing bylaws, when required, or amendments thereof, filing fee.....\$5.00
- (3) Annual license tax of insurer, each domestic insurer, foreign insurer, and alien insurer (except that, as to fraternal benefit societies insuring less than 200 members in this state and the members of which as a prerequisite to membership possess a physical handicap or disability, such license tax shall be \$25).....\$1,000.00
- (4) Statements of insurer, filing (except when filed as part of application for original certificate of authority), filing fees:
 - (a) Annual statement.....\$250.00
 - (b) Quarterly statement.....\$250.00
- (5) All insurance representatives, application for license, application for reinstatement of suspended license, each filing, filing fee.....\$50.00
- (6) Insurance representatives, property, marine, casualty, and surety insurance.
 - (a) Agent's original appointment and biennial renewal or continuation thereof, each insurer or unaffiliated agent making an appointment:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

- (b) Customer representative's original appointment and biennial renewal or continuation thereof:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(c) Nonresident agent's original appointment and biennial renewal or continuation thereof, appointment fee, each insurer or unaffiliated agent making an appointment.....\$60.00

(d) Service representatives; managing general agents.

Original appointment and biennial renewal or continuation thereof, each insurer or managing general agent, whichever is applicable.....\$60.00

(7) Life insurance agents.

(a) Agent's original appointment and biennial renewal or continuation thereof, each insurer or unaffiliated agent making an appointment:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b) Nonresident agent's original appointment and biennial renewal or continuation thereof, appointment fee, each insurer or unaffiliated agent making an appointment.....\$60.00

(8) Health insurance agents.

(a) Agent's original appointment and biennial renewal or continuation thereof, each insurer or unaffiliated agent making an appointment:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b) Nonresident agent's original appointment and biennial renewal or continuation thereof, appointment fee, each insurer or unaffiliated agent making an appointment.....\$60.00

(9)(a) Except as provided in paragraph (b), all limited appointments as agent, as provided for in s. 626.321. Agent's original appointment and biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b) For all limited appointments as agent, as provided in s. 626.321(1)(c) and (d), the agent's original appointment and biennial renewal or continuation thereof for each insurer is equal to the number of offices, branch offices, or places of business covered by the license multiplied by the fees set forth in paragraph (a).

(10) Fraternal benefit society agents. Original appointment and biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(11) Surplus lines agent. Agent's appointment and biennial renewal or continuation thereof, appointment fee.....\$150.00

(12) Adjusters:

(a) Adjuster's original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00

(b) Nonresident adjuster's original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00

(c) Emergency adjuster's license, appointment fee.....\$10.00

(d) Fee to cover actual cost of credit report, when such report must be secured by department.

(13) Examination—Fee to cover actual cost of examination.

(14) Temporary license and appointment as agent or adjuster, where expressly provided for, rate of fee for each month of the period for which the license and appointment is issued.....\$5.00

(15) Issuance, reissuance, reinstatement, modification resulting in a modified license being issued, duplicate copy of any insurance representative license, or an appointment being reinstated.....\$5.00

(16) Additional appointment continuation fees as prescribed in chapter 626.....\$5.00

(17) Filing application for permit to form insurer as referred to in chapter 628, filing fee.....\$25.00

(18) Annual license fee of rating organization, each domestic or foreign organization.....\$25.00

(19) Miscellaneous services:

(a) For copies of documents or records on file with the department, commission, or office, per page.....\$.15

(b) For each certificate of the department, commission, or office under its seal, authenticating any document or other instrument (other than a license or certificate of authority).....\$5.00

(c) For preparing lists of agents, adjusters, and other insurance representatives, and for other miscellaneous services, such reasonable charge as may be fixed by the office or department.

- (d) For processing requests for approval of continuing education courses, processing fee.....\$100.00
- (e) Insurer's registration fee for agent exchanging business more than 24 times in calendar year under s. 626.752, s. 626.793, or s. 626.837, registration fee per agent per year.....\$30.00
- (20) Adjusting firm, original or renewal 3-year license.....\$60.00
- (21) Limited surety agent or professional bail bond agent, as defined in s. 648.25, each agent and each insurer represented. Original appointment and biennial renewal or continuation thereof, each agent or insurer, whichever is applicable:

Appointment fee.....\$44.00

State tax.....24.00

County tax.....12.00

Total.....\$80.00

- (22) Certain military installations, as authorized under s. 626.322: original appointment and biennial renewal or continuation thereof, each insurer.....\$20.00
- (23) Filing application for original certificate of authority for third-party administrator or original certificate of approval for a service company, including all documents required to be filed therewith, filing fee.....\$100.00
- (24) Fingerprinting processing fee—Fee to cover fingerprint processing.
- (25) Sales representatives, miscellaneous lines. Original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00
- (26) Reinsurance intermediary:
 - (a) Application filing and license fee.....\$50.00
 - (b) Original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00
- (27) Title insurance agents:
 - (a) Agent's original appointment or biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

- (b) Agency original appointment or biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(c) Filing for title insurance agent's license:

Application for filing, each filing, filing
fee.....\$10.00

(d) Additional appointment continuation fee as prescribed by s. 626.843.....\$5.00

(e) Title insurer and title insurance agency administrative surcharge:

1. On or before January 30 of each calendar year, each title insurer shall pay to the office for each licensed title insurance agency appointed by the title insurer and for each retail office of the insurer on January 1 of that calendar year an administrative surcharge of \$200.00.

2. On or before January 30 of each calendar year, each licensed title insurance agency shall remit to the department an administrative surcharge of \$200.00.

The administrative surcharge may be used solely to defray the costs to the department and office in their examination or audit of title insurance agencies and retail offices of title insurers and to gather title insurance data for statistical purposes to be furnished to and used by the office in its regulation of title insurance.

(28) Late filing of appointment renewals for agents, adjusters, and other insurance representatives, each appointment.....\$20.00

626.7451 Managing general agents; required contract provisions.—No person acting in the capacity of a managing general agent shall place business with an insurer unless there is in force a written contract between the parties which sets forth the responsibility for a particular function, specifies the division of responsibilities, and contains the following minimum provisions:

(11) A licensed managing general agent, when placing business with an insurer under this code, may charge a per-policy fee not to exceed \$25. In no instance shall the aggregate of per-policy fees for a placement of business authorized under this section, when combined with any other per-policy fee charged by the insurer, result in per-policy fees which exceed the aggregate amount of \$25. The per-policy fee shall be a component of the insurer's rate filing and shall be fully earned.

628.051 Application for permit to form insurer; contents; fee.—

(1) No domestic insurer shall be formed unless the persons so proposing have received a permit from the office.

(2) Written application for such permit shall be filed with the office. Such application and filing shall include:

(a) The name, type, and purpose of insurer.

(b) The name, residence address, business background, and qualifications of each person associated or to be associated in the formation or financing of the insurer. Each such person with an ownership interest of 10 percent or more, or who will hold a position as an officer or director, must furnish on forms adopted by the commission and supplied by the office a sworn biographical statement, legible copies of fingerprints, and authority for release of information in regard to the investigation of such person's background.

(c) A full disclosure of the terms of all understandings and agreements existing or proposed among persons so associated relative to the insurer, or the formation or financing thereof, accompanied by a copy of each such agreement or understanding.

- (d) A full disclosure of the terms of all understandings and agreements existing or proposed for management or exclusive agency contracts.
 - (e) A copy of all proposed articles or certificates of incorporation and proposed bylaws of the proposed insurer.
 - (f) A copy of all articles or certificates of incorporation of involved corporations, if a copy of the same is not already on file in the office.
 - (g) A copy of all syndicate, association, firm, partnership, organization, or other similar agreements, by whatever name called, involved in the formation of the proposed insurer or its financing.
 - (h) If the applicant is a reciprocal insurer, a copy of the power of attorney and of other agreements existing or proposed as affecting investors, subscribers, the attorney in fact, or the applicant.
 - (i) A copy of any security, or of any proposed document evidencing any right or interest, proposed to be offered.
 - (j) Such other pertinent information and documents as reasonably requested by the commission or office.
- (3) The application shall be accompanied by the filing fee specified in s. 624.501.

628.161 Initial qualifications; mutuals.—

- (1) When newly organized, a mutual insurer may be authorized to transact any of the kinds of insurance listed in the schedule contained in subsection (2).
- (2)(a) When applying for an initial certificate of authority, the mutual insurer must have unencumbered surplus as to policyholder funds in the amount set out below as minimum initial surplus as to policyholders:
 - 1. With respect to health insurance, \$300,000.
 - 2. With respect to property insurance, \$200,000.
 - 3. With respect to casualty insurance, \$300,000.
 - 4. With respect to any combination of health, property, or casualty insurance, \$400,000.
 - 5. With respect to life insurance, \$2.5 million.
- (b) Thereafter, the mutual insurer must maintain the maintenance level surplus as to policyholders set out below:
 - 1. With respect to health insurance, \$200,000.
 - 2. With respect to property insurance, \$150,000.
 - 3. With respect to casualty insurance, \$200,000.
 - 4. With respect to any combination of health, property, or casualty insurance, \$250,000.
 - 5. With respect to life insurance, \$1.5 million.
- (3) The mutual insurer shall make an initial deposit with the department and thereafter maintain such deposit in an amount equal to one-half the minimum initial surplus as required in paragraph (2)(a), except that with respect to life insurance, the deposit shall be in the amount of \$200,000.
- (4) Unless a mutual insurer maintains the minimum surplus as to policyholders required by s. 624.408, the mutual insurer must be organized as an assessable mutual insurer subject to the requirements of part II of this chapter.
- (5) Deposits required by this section shall be made in compliance with part III of chapter 625. This deposit requirement is in lieu of the requirements of s. 624.411.
- (6) A self-insured fund organized under s. 624.4621 and holding a certificate of authority as a self-insurer's fund on December 31, 1993, may become a mutual insurer under this part, pursuant to a plan of reorganization approved by the office. A plan of reorganization must be approved by the office if:
 - (a) The self-insurer's fund has sufficient financial resources to satisfy all of its obligations under all policies and coverages afforded by the fund before the reorganization and has sufficient financial resources to satisfy all of its other liabilities;
 - (b) The self-insurer's fund has a minimum of \$5 million of surplus;

- (c) The self-insurer's fund submits a plan that demonstrates its ability to satisfy the requirements of this chapter pertaining to mutual insurers on an ongoing basis; and
- (d) The mutual insurer resulting from the reorganization of the self-insurer's fund retains ownership of all of the assets of the self-insurer's fund, retains all of the liabilities of the self-insurer's fund, and agrees to hold all fund members harmless from any assessment for liabilities of the self-insurer's fund before the date of reorganization.

Upon approval of the plan by the office, any contingent liability of the members or former members of the self-insurer's fund for assessment for losses of the self-insurer's fund is considered satisfied, and all liability for any such contingent assessment is extinguished as of the date the self-insurer's fund becomes an authorized mutual insurer and retains all of the assets and liabilities of the self-insurer's fund.

628.907 Minimum capital and net assets requirements; restriction on payment of dividends.—

(1) A captive insurance company may not be issued a license unless it possesses and thereafter maintains unimpaired paid-in capital of:

- (a) In the case of a pure captive insurance company, at least \$100,000;
- (b) In the case of an industrial insured captive insurance company incorporated as a stock insurer, at least \$200,000; and
- (c) In the case of a special purpose captive insurance company, an amount determined by the office after giving due consideration to the company's business plan, feasibility study, and pro forma financial statements and projections, including the nature of the risks to be insured.

(2) The office may not issue a license to a captive insurance company incorporated as a nonprofit corporation unless the company possesses and maintains unrestricted net assets of:

- (a) In the case of a pure captive insurance company, at least \$250,000.
- (b) In the case of a special purpose captive insurance company, an amount determined by the office after giving due consideration to the company's business plan, feasibility study, and pro forma financial statements and projections, including the nature of the risks to be insured.

(3) Contributions to a captive insurance company incorporated as a nonprofit corporation must be in the form of cash, cash equivalent, or an irrevocable letter of credit issued by a bank chartered by this state or a member bank of the Federal Reserve System with a branch office in this state, or as approved by the office.

(4) For purposes of this section, the office may issue a license expressly conditioned upon the captive insurance company providing to the office satisfactory evidence of possession of the minimum required unimpaired paid-in capital. Until this evidence is provided, the captive insurance company may not issue any policy, assume any liability, or otherwise provide coverage. The office may revoke the conditional license if satisfactory evidence of the required capital is not provided within a maximum period of time, not to exceed 1 year, to be established by the office at the time the conditional license is issued.



(5) The office may prescribe additional capital or net assets based upon the type, volume, and nature of insurance business transacted. Contributions in connection with these prescribed additional net assets or capital must be in the form of:

- (a) Cash;
- (b) Cash equivalent;
- (c) An irrevocable letter of credit issued by a bank chartered by this state or a member bank of the Federal Reserve System with a branch office in this state, or as approved by the office; or
- (d) Securities invested as provided in part II of chapter 625.

(6) A captive insurance company may not pay a dividend out of, or other distribution with respect to, capital or surplus in excess of the limitations set forth in this chapter without the prior approval of the office. Approval of an ongoing plan for the payment of dividends or other distributions must be conditioned upon the retention, at the time of each payment, of capital or surplus in excess of amounts specified by, or determined in accordance with formulas approved by, the office.

(7) An irrevocable letter of credit that is issued by a financial institution other than a bank chartered by this state or a member bank of the Federal Reserve System must meet the same standards as an irrevocable letter of credit that has been issued by a bank chartered by this state or a member bank of the Federal Reserve System.

MEMORANDUM

DATE: July 27, 2017
TO: David Altmaier, Commissioner, Office of Insurance Regulation
THROUGH: Anoush Brangaccio, General Counsel
FROM: Virginia Christy 
Stephen Fredrickson 
SUBJECT: Cabinet Agenda for August 16, 2017
Request for Final Approval to Adopt Amendments to
Rule 69O-136.004, .005, .011, .012, .015, .018, .031, .032, .034
Assignment # 191465-16

The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before August 9, 2017 and to the Financial Services Commission on August 16, 2017, with a request for Final Approval to Adopt the proposed rules. A notice of the Final Rule Hearing will be published in the *Florida Administrative Register* on July 26, 2017.

The notice of proposed rules was published on June 29, 2017 in Volume 43, No. 126, of the *Register*. The hearing was not requested, therefore, the hearing was not held. A notice of Change was published on July 26, 2017 in Vol. 43, no. 144.

The purpose of this rule chapter revision is to streamline the application process, update forms to reflect current practice and to reflect that applications are made by the electronic filing process on the Office web site. The rule chapter is reorganized to eliminate redundant or obsolete forms and adopt forms currently in use.

Sections 624.308, 627.954, 624.09, 624.307(1), 624.34, 624.401, 624.402(8),(9), 624.407, 624.408, 624.411, 624.413, 624.414(1), 624.416(4), 624.422, 624.462, 624.466, 624.501, 624.610(11), 625.306, 626.913, 626.918, 628.041, 628.6011, 628.051, 628.061, 628.71, 628.081, 628.091, 628.121, 628.151, 628.161, 628.221, 628.231, 628.251, 628.261, 628.451, 628.461, 628.4615, 628.471, 628.905, 629.071, 629.081, 620.091, 629.101, 629.121, 620.131, 629.181, F.S., provide rulemaking authority and laws implemented for these rules.

The Legal Services Office has communicated with the Joint Administrative Procedures Committee, and ascertained that their review of the rules has been completed.

Stephen Fredrickson is the attorney handling these rules. Attached are: 1) the proposed rule(s); 2) any incorporated materials, such as forms; 3) copies of the rulemaking statutory authority and law implemented.

Approved for signature:


Anoush Brangaccio, General Counsel

Approved for submission to Financial Services Commission:


David Altmaier, Commissioner
Office of Insurance Regulation

69O-136.004 Surplus Lines.

All insurers seeking eligibility as a Surplus Lines insurer Applications submitted as an Insurer under Florida's Surplus Lines Law, pursuant to Section 626.913, F.S., shall submit contain all of the following forms and requirements therein:

- (1) ~~Form OIR-C1-915, "Application as an Insurer Under Florida's Surplus Lines Law," rev. 12/97;~~
- (1)-(2) Form OIR-C1-916, "Application for Eligibility as a Surplus Lines Insurer," rev. 5/17; "Instructions, Sections I-IV," rev. 5/99;
- (3) ~~Form OIR-C1-917, "Required Filings Check List, Sections I-IV," rev. 5/98;~~
- (2) (4) Form OIR-C1-1524 OIR-C1-144, "Uniform Consent to Service of Process Consent & Agreement," rev. 4/97 as adopted in Rule 69O-143.056, F.A.C.;
- (5) ~~Form OIR-C1-903, "Invoice, Request for Payment of Fingerprint Charges," rev. 4/97;~~
- (3) (6) Form OIR-C1-1416 OIR-C1-877, "Uniform Certificate of Authority Application (UCAA) Property and Casualty Insurers, Lines of Insurance Business by Company Code," as adopted in Rule 69O-143.056, F.A.C. 11/05/99;
- (4) (7) Form OIR-C1-1423 OIR-C1-422, "Biographical Statement and Affidavit," as adopted in Rule 69O-143.056, F.A.C. rev. 10/26/98;
- (8) ~~Form OIR-C1-450, "Authority for Release of Information," rev. 5/00;~~
- (5) (9) An investigative report in accordance with the instructions on Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," as adopted in Rule 69O-143.056, F.A.C. rev. 2/01;
- (6) (10) Form OIR-C1-938, "Fingerprint Payment and Submission Procedure," as adopted in Rule 69O-143.056, F.A.C. rev. 7/99; and
- (7) (11) Form OIR-C1-1298, "Uniform Certificate of Authority Application (UCAA) - Management Information Form," as adopted in Rule 69O-143.056, F.A.C. rev. 4/97.

Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 624.34, 624.422, 624.501, 626.913, 626.918 FS. History-New 2-26-92, Amended 9-19-00, 11-18-02, Formerly 4-136.004, Amended _____.

690-136.005 Captive Insurers.

All domestic captive insurers filing an application for licensure, pursuant to Part V of Chapter 628, F.S., shall submit the following forms and requirements therein:

- (1) Form OIR-C1-2114, "Application for Captive Insurer," rev. 5/17;
- (2) Form OIR-C1-1416, "Uniform Certificate of Authority Application (UCAA) Lines of Insurance," as adopted in Rule 690-143.056, F.A.C.;
- (3) Form OIR-C1-1423, "Biographical Affidavit," as adopted in Rule 690-143.056, F.A.C.;
- (4) Form OIR-D0-896, "UCAA Proforma Financial Statements, Property and Casualty Insurance Company," as adopted in Rule 690-143.056, F.A.C.;
- (5) Form OIR-C1-1524, "Uniform Consent to Service of Process," as adopted in Rule 690-143.056, F.A.C.;
- (6) An investigative report in accordance with the instructions on Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," as adopted in Rule 690-143.056, F.A.C.; and
- (7) Form OIR-C1-938, "Fingerprint Payment and Submission Procedure," as adopted in Rule 690-143.056, F.A.C.

Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 628.905, 628.906, FS. History—New _____.

690-136.011 Domestic Insurers Filing for a Permit or Preliminary Certificate of Authority, as applicable, and Certificate of Authority

(1) All domestic Property and Casualty, Title, and Life and Health insurers applying for a permit, pursuant to Chapter 628, Part I, F.S., and certificate of authority pursuant to Chapter 624, F.S. and Chapter 628, Parts I and II, F.S., shall comply with the instructions for a Primary Application as contained in the UCAA Instructions and any other requirements specifically listed or referenced including submitting the following forms and requirements therein. Such filings shall not exempt a domestic insurer from any requirements under F.S.

- (a) Form OIR-C1-2196, "UCAA Instructions," rev. 12/16;
- (b) Form OIR-C1-2197, "Uniform Certificate of Authority Application (UCAA) - Primary Application

Checklist,” rev. 3/15, which includes Form OIR-C1-1298, “Uniform Certificate of Authority Application (UCAA) - Management Information Form,” as adopted in Rule 69O-143.056, F.A.C. ;

(c) Form OIR-C1-2198, “Uniform Certificate of Authority Application (UCAA) - Primary Application,” rev. 8/14;

(d) Form OIR-C1-1416, “Uniform Certificate of Authority Application (UCAA) Lines of Insurance,” as adopted in Rule 69O-143.056, F.A.C.;

(e) Form OIR-C1-1422, “Uniform Certificate of Authority Application Questionnaire,” as adopted in Rule 69O-136.034, F.A.C.;

(f) Form OIR-D0-896, “UCAA Proforma Financial Statements, Property and Casualty Insurance Company,” as adopted in Rule 69O-143.056, F.A.C.;

(g) Form OIR-D0-904, “UCAA Proforma Financial Statements, Life & Health Insurer,” as adopted in Rule 69O-143.056, F.A.C.;

(h) Form OIR-D0-2119, “UCAA Proforma Financial Statements, Title Insurance Company,” as adopted in Rule 69O-143.056, F.A.C.;

(i) Form OIR-D0-2165, “UCAA Proforma Financial Statements, Health,” as adopted in Rule 69O-143.056, F.A.C.;

(j) Form OIR-C1-1423, “Biographical Affidavit,” as adopted in Rule 69O-143.056, F.A.C.;

(k) An investigative report in accordance with the instructions on Form OIR-C1-905, “Instructions for Furnishing Background Investigative Reports,” as adopted in Rule 69O-143.056, F.A.C.;

(l) Form OIR-D0-516, “Insurance Company System Registration Statement,” as adopted in Rule 69O-143.056, F.A.C.;

(m) Form OIR-C1-1524, “Uniform Consent to Service of Process,” as adopted in Rule 69O-143.056, F.A.C.;

(n) Form OIR-C1-1389, “NAIC Company Code Application,” rev. 2/16; and

(o) Form OIR-C1-1522, “Primary Application, Florida Specific Information,” rev. 5/17, which includes Form

All domestic entities seeking a certificate of authority, pursuant to Sections 624.466, 628.6011, or 628.051, or to Chapters 628, Part I, 629, F.S., shall submit the following forms:

- (a) Form OIR-C1-903, "Invoice, Request for Payment of Fingerprint Charges," rev. 4/97;
- (b) Form OIR-C1-883, "Certificate of Designation, Registered Agent/Registered Office," rev. 4/00;
- (c) Form OIR-C1-144, "Services of Process Consent & Agreement," rev. 1/97;
- (d) Form OIR-C1-516, "Insurance Holding Company System Registration Statement," rev. 4/97;
- (e) Form OIR-C1-422, "Biographical Statement and Affidavit," rev. 10/26/98;
- (f) Form OIR-C1-450, "Authority For Release of Information," rev. 5/00;
- (g) An investigative report in accordance with the instructions on Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," rev. 2/01;
- (h) Form OIR-C1-938, "Fingerprint Card Instructions," rev. 7/99;
- (i) Form OIR-C1-844, "Management Information Form," rev. 4/97;
- (j) Form OIR-C1-878, "Application For Certificate of Authority Domestic Insurer," rev. 2/00;
- (k) Form OIR-C1-1299, "Invoice Domestic Insurer Application for Certificate of Authority," rev. 4/97;
- (l) Form OIR-C1-882, "Application For Domestic Certificate of Authority to Conduct Business in the State of Florida," rev. 4/97;
- (m) Form OIR-C1-901, "Life, Accident and Health Insurers Lines of Business by Company Code," rev. 2/01;
- (n) Form OIR-C1-877, "Property and Casualty Insurers Lines of Business by Company Code," rev. 11/05/99;
- (o) Form OIR-C1-896, "Life, Accident, and Health Insurance Company Pro-Forms (Pages 1-4)," rev. 11/98;
- (p) Form OIR-C1-896, "Property & Casualty Insurance Company Pro-Forms (Pages 5-22)," rev. 11/98;
- (q) Form OIR-C1-1301, "Subscription Agreement Form," rev. 5/99; and,

~~(r) Form OIR-C1-1389, "NAIC Company Code Application Form," rev. 2/01.~~

(2) A Applications submitted for Certificate of Authority as a Commercial Self-Insurance Fund applying for a certificate of authority shall contain all of the following forms pursuant to Section 624.466 624.462, F.S., shall submit the following forms and requirements therein:

(a) Form OIR-C1-845, "Application for Certificate of Authority, Commercial Self-Insurance Fund," rev. 5/17;
4/95;

(b) Form OIR-C1-1524, "Uniform Consent to Service of Process," as adopted in Rule 69O-143.056, F.A.C.;

(c) Form OIR-C1-1298, "Uniform Certificate of Authority Application (UCAA) - Management Information Form," as adopted in Rule 69O-143.056, F.A.C.;

(d) Form OIR-C1-1416, "Uniform Certificate of Authority Application (UCAA) Lines of Insurance," as adopted in Rule 69O-143.056, F.A.C.;

(e) Form OIR-D0-896, "UCAA Proforma Financial Statements, Property and Casualty Insurance Company," as adopted in Rule 69O-143.056, F.A.C.;

(f) Form OIR-C1-1423, "Biographical Affidavit," as adopted in Rule 69O-143.056, F.A.C.;

(g) An investigative report in accordance with the instructions on Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," as adopted in Rule 69O-143.056, F.A.C.; and

(h) Form OIR-C1-938, "Fingerprint Payment and Submission Procedure," as adopted in Rule 69O-143.056, F.A.C.

~~(b) Form OIR-C1-848, "Invoice, Commercial Self Insurance Fund," rev. 7/92;~~

~~(c) Form OIR-C1-849, "Application for License to Conduct Business in the State of Florida," rev. 5/91;~~

~~(d) Form OIR-C1-869, "Consent and Agreement in Re Service of Process for Commercial Self Insurance Fund," rev. 5/91;~~

~~(e) Form OIR-C1-870, "Resolution Form for Commercial Self Insurance Fund," rev. 5/91;~~

~~(f) Form OIR-C1-871, "Bond Form," rev. 5/91;~~

(g) ~~Form OIR-C1-936, "Management Information, Complete Listing of Administrators, Trustees of Funds and Trustees of Sponsors," rev. 5/91;~~

(h) ~~Form OIR-C1-903, "Invoice, Request for Payment of Fingerprint Charges," rev. 4/97;~~

(i) ~~Form OIR-C1-877, "Property and Casualty Insurers, Lines of Business by Company Code," rev. 11/05/99;~~

(j) ~~Form OIR-C1-896, "Property & Casualty Insurance Company Pro-Forms (Pages 5-22)," rev. 11/98;~~

(k) ~~Form OIR-C1-422, "Biographical Statement and Affidavit," rev. 10/26/98;~~

(l) ~~Form OIR-C1-450, "Authority for Release of Information," rev. 5/00;~~

(m) ~~An investigative report in accordance with the instructions on Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," rev. 2/01; and,~~

(n) ~~Form OIR-C1-938, "Fingerprint Card Instructions," rev. 7/99;~~

(3) A Applications submitted for a Certificate of Authority of Domestic Reciprocal Insurer applying for a certificate of authority pursuant to Chapter 629, F.S., shall submit the following forms and requirements therein:

(a) Form OIR-C1-908, "Application for Certificate of Authority Domestic Reciprocal Insurer," rev. 5/17;

(b) Form OIR-C1-1524, "Uniform Consent to Service of Process," as adopted in Rule 69O-143.056, F.A.C.;

(c) Form OIR-C1-1298, "Uniform Certificate of Authority Application (UCAA) - Management Information Form," as adopted in Rule 69O-143.056, F.A.C., which lists all Attorney In Fact Officers, Directors and Shareholders;

(d) Form OIR-C1-1416, "Uniform Certificate of Authority Application (UCAA) Lines of Insurance," as adopted in Rule 69O-143.056, F.A.C.;

(e) Form OIR-D0-896, "UCAA Proforma Financial Statements, Property and Casualty Insurance Company," as adopted in Rule 69O-143.056, F.A.C.;

(f) Form OIR-C1-1423, "Biographical Affidavit," as adopted in Rule 69O-143.056, F.A.C.;

(g) Form OIR-C1-938, "Fingerprint Payment and Submission Procedure," as adopted in Rule 69O-143.056, F.A.C.;

(h) An investigative report in accordance with the instructions on Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," as adopted in Rule 69O-143.056, F.A.C.:

- ~~(a) Form OIR-C1-907, "Application for Certificate of Authority Domestic Reciprocal Insurer," rev. 4/95;~~
- ~~(b) Form OIR-C1-908, "Instructions, Sections I-IV," rev. 4/95;~~
- ~~(c) Form OIR-C1-909, "Required Filings Check List, Sections I-IV," rev. 4/95;~~
- ~~(d) Form OIR-C1-910, "Invoice, Domestic Reciprocal Insurer," rev. 7/92;~~
- ~~(e) Form OIR-C1-911, "Application for License to Conduct Business in the State of Florida," rev. 5/91;~~
- ~~(f) Form OIR-C1-912, "Consent and Agreement in re Service of Process, Reciprocal Insurers," rev. 5/91;~~
- ~~(g) Form OIR-C1-843, "Florida Comprehensive Health Association Subscription Agreement," rev. 5/91;~~
- (i) (h) Form OIR-C1-914, "Management Information Complete Listing of All Advisory Committee Members and Subscribers," rev. 5/91; and
- ~~(i) Form OIR-C1-937, "Complete Listing of All Attorney In-Fact Officers, Directors and Shareholders," rev. 5/91.~~
- ~~(j) Form OIR-C1-903, "Invoice, Request for Payment of Fingerprint Charges," rev. 4/97;~~
- ~~(k) Form OIR-C1-877, "Property And Casualty Insurers Lines of Business by Company Code," rev. 11/05/99;~~
- ~~(l) Form OIR-C1-913, "Resolution Form, Reciprocal Insurer," rev. 5/91;~~
- ~~(m) Form OIR-C1-896, Pages 5—22 for "Property & Casualty Insurers," rev. 11/98;~~
- (j)(n) Form OIR-C1-1389, "NAIC Company Code Application Form," rev. 2/16. 5/00
- ~~(o) Form OIR-C1-422, "Biographical Statement and Affidavit," rev. 10/26/98;~~
- ~~(p) Form OIR-C1-450, "Authority for Release of Information," rev. 5/00;~~
- ~~(q) Form OIR-C1-938, "Fingerprint Card Instructions," rev. 7/99; and,~~
- ~~(r) Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," rev. 0201.~~

(4) A Domestic Fraternal Benefit Society applying for a preliminary certificate of authority and subsequent certificate of authority pursuant to Chapter 632, F.S., shall comply with the instructions for a Primary Application as contained in the UCAA Instructions and any other requirements specifically listed or referenced including submitting the following forms and requirements therein:

(a) Form OIR-C1-2196, "UCAA Instructions," rev. 12/16;

(b) Form OIR-C1-2197, "Uniform Certificate of Authority Application (UCAA) – Primary Application Checklist," rev. 3/15, which includes Form OIR-C1-1298, "Uniform Certificate of Authority Application (UCAA) – Management Information Form," as adopted in Rule 69O-143.056, F.A.C. ;

(c) Form OIR-C1-2198, "Uniform Certificate of Authority Application (UCAA) - Primary Application," rev. 8/14;

(d) Form OIR-C1-1416, "Uniform Certificate of Authority Application (UCAA) Lines of Insurance," as adopted in Rule 69O-143.056, F.A.C.;

(e) Form OIR-C1-1422, "Uniform Certificate of Authority Application Questionnaire," as adopted in Rule 69O-136.034, F.A.C.;

(f) Form OIR-D0-904, "UCAA Proforma Financial Statements, Life & Health Insurer," as adopted in Rule 69O-143.056, F.A.C.;

(g) Form OIR-C1-1423, "Biographical Affidavit," as adopted in Rule 69O-143.056, F.A.C.;

(h) An investigative report in accordance with the instructions on Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," as adopted in Rule 69O-143.056, F.A.C.;

(i) Form OIR-C1-1524, "Uniform Consent to Service of Process," as adopted in Rule 69O-143.056, F.A.C.;

(j) Form OIR-C1-1389, "NAIC Company Code Application," rev. 2/16; and

(k) Form OIR-C1-1522, "Primary Application, Florida Specific Information," rev. 5/17, which includes Form OIR-C1-938, "Fingerprint Payment and Submission Procedures," as adopted in Rule 69O-143.056, F.A.C.

Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 624.34, 624.401, 624.404, 624.407, 624.411, 624.413, 624.414(1), 624.422, 624.466, 624.501, 625.306, 628.041, 628.6011, 628.051, 628.061, 628.071, 628.081,

628.091, 628.121, 628.151, 628.161, 628.171, 628.221, 628.231, 628.251, 628.261, 628.451, 628.461, 628.4615, 628.471, 629.071, 629.081, 629.091, 629.101, 629.121, 629.131, 629.181, 632.629, 632.632, FS. History—New 2-26-92, Amended 9-19-00, 11-18-02, Formerly 4-136.011, Amended_____.

69O-136.012 Forms Adopted.

(1) All the forms listed in Rules 69O-136.002 through 69O-~~136.011~~ 136.034, F.A.C., are hereby adopted and incorporated by reference. Forms are available at <http://www.flor.com/iportal>. ~~All the forms may be obtained from and shall be submitted to the Office of Insurance Regulation, Division of Insurer Services, Applications Coordination Section, Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0327.~~

(2) All filings pursuant to Chapter 69O-136, F.A.C. shall be submitted electronically to the Office of Insurance Regulation (“Office”) at <http://www.flor.com/iportal>. ~~An original and one copy shall be filed for all applications referenced in Rules 69O-136.002 through 69O-136.011, F.A.C.~~

Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 624.34, 624.401, 624.404, 624.413, 624.422, 624.462, 624.466, 624.501, 626.913, 628.6011, 628.051, 628.061 FS. History—New 2-26-92 Amended 9-19-00, Formerly 4-136.012, Amended_____.

69O-136.015 Procedure to Amend an Existing Certificate of Authority to Add a New Line of Business.

(1) The purpose of this rule is to establish a procedure for insurers to amend their certificates of authority by adding a new line of business. Since the addition of any new line of business to a company’s certificate of authority may impact the company’s surplus and/or writing ratios, any such request to amend an existing certificate will be carefully evaluated by applying current standards required of an insurer seeking a certificate of authority from this state.

(2) This rule applies to all authorized insurers, as defined in Section 624.09, F.S.

(3) Any insurer seeking to add a new line of insurance to an existing certificate of authority shall comply with the instructions for Corporate Amendments contained in the UCAA Instructions, in particular Sections I, II and XIII and any other requirements specifically listed or referenced including submitting the following forms and requirements therein submit all of the following applicable forms:

(a) Form OIR-C1-2196, “UCAA Instructions,” rev. 12/16;

- (a) Form OIR-C1-1339, "Application For Adding A New Line of Business," rev. 9/99;
- (b) Form OIR-C1-2194, "Uniform Certificate of Authority Application (UCAA) – Corporate Amendments Application Checklist," rev. 11/14;
- (b) Form OIR-C1-1340, "Application For Adding A New Line of Business," rev. 9/96;
- (c) Form OIR-C1-2195, "Uniform Certificate of Authority Application (UCAA) - Corporate Amendments Application," rev. 2/17;
- (e) Form OIR-C1-1341, "Invoice, Request for Certificate of Compliance for Amended Certificate of Authority," rev. 9/96;
- (d) Form OIR-C1-1416, "Uniform Certificate of Authority Application (UCAA) Lines of Insurance," as adopted in Rule 69O-143.056, F.A.C.;
- (d) Form OIR-C1-877, "Property and Casualty Insurers Lines of Business by Company Code," rev. 11/05/99;
- (e) Form OIR-C1-1419, "Uniform Certificate of Authority Application (UCAA) – Certificate of Compliance," as adopted in Rule 69O-136.034, F.A.C.
- (e) Form OIR-C1-901, "Life, Accident and Health Insurers Classifications and Code Numbers," rev. 5/91;
- (f) Form OIR-C1-2193, "Uniform Certificate of Authority Application – Certificate of Deposit," rev. 8/15;
- (f) Form OIR-C1-843, "Florida Comprehensive Health Association (FCHA) Subscription Agreement," rev. 5/91;
- (g) Form OIR-C1-2199, "Uniform Certificate of Authority Application Questionnaire for Adding or Deleting Lines of Business to an Existing Certificate of Authority," rev. 8/14;
- g) Form OIR-C1-1093, "State of Florida Form for Small Employer Carrier's Application to Become a Risk Assuming Carrier or a Reinsuring Carrier," rev. 05/02.
- (h) Form OIR-D0-896, "UCAA Proforma Financial Statements, Property and Casualty Insurance Company," as adopted in Rule 69O-143.056, F.A.C.;
- (i) Form OIR-D0-904, "UCAA Proforma Financial Statements, Life & Health Insurer," as adopted in Rule

(j) Form OIR-D0-2165, "UCAA Proforma Financial Statements, Health," as adopted in Rule 69O-143.056, F.A.C.; and

(k) Form OIR-C1-2201, "Corporate Amendments Application, Florida Specific Information," rev. 5/17.

(4) The Office shall not authorize the addition of any lines of insurance to an insurer's existing certificate of authority unless evidence is presented satisfactory to the Office that authorization of the additional lines of insurance would be in the best interests of the financial solvency of the insurer and in the best interests of the policyholders.

~~(5) The forms in subsection (3) above are hereby adopted and incorporated by reference. All forms may be obtained from and shall be submitted to the Applications Coordination Section, Division of Insurer Services, Office of Insurance Regulation, 200 East Gaines Street, Tallahassee, FL 32399-0326.~~

Rulemaking Authority 624.308(1) FS. Law Implemented 624.09, 624.307(1), 624.404, 624.408, 624.413, 624.414, 624.416(4), 624.501(20), 624.610(11), 627.6488(1) FS. History—New 3-30-92, Amended 9-2-96, Amended 9-19-00, 11-18-02, Formerly 4-136.01, Amended _____.

69O-136.018 Determination of Eligibility to Operate as an Alien Insurer in Florida Pursuant to Sections Section-624.402(8) and (9), F.S.

All insurers domiciled outside the United States and registering pursuant to Section 624.402(8), F.S., or seeking eligibility pursuant to Section 624.402(9), F.S., shall submit the following applicable form and requirements therein:

~~(1) The form adopted in subsection (2) below, is to be used in determination of eligibility to operate as an Alien Insurer Pursuant to Section 624.402(8), F.S. All forms may be obtained from the Office's website: www.flor.com. All forms may be reproduced at will.~~

~~(1) (2) Form OIR-C1 A2 -1654, rev. 5/17 (REV 02/2006), "Determination of Eligibility to Operate as an Alien Insurer in Florida Pursuant to Section 624.402(9)(8), Florida Statutes" is hereby incorporated by reference and is to be used in determination of eligibility to operate as an alien insurer pursuant to Section 624.402(8), F.S.; or~~

(2) Form OIR-C1-2176, "Letter of Notification/ Registration to Operate As a Non-US Based (Alien) Insurer (also Referred to as "Offshore Insurer") in Florida Pursuant to section 624.402(8), Florida Statutes", rev. 5/17, which includes Form OIR-C1-1298, "Uniform Certificate of Authority Application (UCAA) – Management Information

Form," as adopted in Rule 69O-143.056, F.A.C.

Rulemaking Authority 624.308 FS. Law Implemented 624.402(8),(9), FS. History--New 5-25-06 Amended_____.

69O-136.031 Registration as a Purchasing Group.

(1) All entities seeking registration as a purchasing group shall comply with the requirements of Section 627.948, F.S., and shall submit:

(a) Form OIR-C1-515, "Application for Registration as a Risk Purchasing Group,"—~~Notice and Registration~~," rev. 5/17; ~~10/07/99~~,

(b) Form OIR-C1-144, "Service of Process Consent & Agreement," rev. 6/04 ~~4/97~~;

(c) All purchasing groups shall comply with the information contained in Form OIR-C1-515, "Application for Registration as a Risk Purchasing Group, ~~Notice and Registration~~," rev. 5/17 ~~10/07/99~~, and submit the following forms where applicable:

1. ~~Form OIR-C1-903, "Invoice, Request for Payment of Fingerprint Charges," rev. 4/97;~~

1.2. Form OIR-C1-1423, "Biographical Affidavit," as adopted in Rule 69O-143.056, F.A.C. ~~Form OIR-C1-422, "Biographical Statement and Affidavit," rev. 10/26/98;~~

3. ~~Form OIR-C1-450, "Authority for Release of Information," rev. 5/00;~~

2.4. Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," as adopted in Rule 69O-143.056, F.A.C. ~~rev. 2/01~~; and

3.5. Form OIR-C1-938, "Fingerprint Payment and Submission Procedure," as adopted in Rule 69O-143.056, F.A.C. ~~rev. 7/99.~~

(2) In addition to the information required on the forms in subsection (1) above, the entity shall:

(a) Identify all other states in which the group is currently registered;

(b) Specify the method by which, and the person or persons, if any, through whom insurance will be offered to its members whose risks are resident or located in this state and

(c) Provide such other information as is necessary for the Office to determine whether the persons through whom insurance will be offered meet the standard set forth in Section 626.611(14), F.S.

(3) During the pendency of the application, if any of the information submitted in response to the requirements of this rule changes, the entity shall notify the Office Department of the change within ten days of the change.

~~(4) The forms in subsection (1) above are hereby adopted and incorporated by reference. All forms may be obtained from and shall be submitted to the Applications Coordination Section, Office of Insurance Regulation, 200 East Gaines Street, Tallahassee, FL 32399-0326.~~

Rulemaking Authority 624.308, 627.954 FS. Law Implemented 624.307(1), (3), 624.318, 624.321, 626.611(14), 627.948 FS. History—New 1-30-91, Formerly 4-107.002, Amended 9-19-94, Amended 9-19-00, 11-18-02, Formerly 4-136.031, Amended _____.

69O-136.032 Registration as a Risk Retention Group.

(1) All entities seeking licensure as a risk retention group shall comply with the requirements of Sections 627.943 or 627.944, F.S., as applicable, and shall submit all of the following:

- (a) Form OIR-C1-513, "Application for Registration as a Risk Retention Group," rev. 5/17 ~~rev. 11-90~~;
- (b) Form OIR-C1-144A, "Appointment of Attorney To Accept Service," rev. 5/17 ~~11-90~~; and
- (c) Form OIR-C1-514, "Resolution Form," rev. 11/90 ~~11-90~~.

(2) In addition to the information required on the forms in subsection (1) above, the entity shall utilize Form OIR-A1-1615, "Transmittal of Premium Taxes for Risk Retention Groups (RRG's)", rev 5/17, and remit its quarterly premium tax in accordance with the instructions contained therein.

Rulemaking Authority 624.308, 627.954 FS. Law Implemented 624.307(1), (3), 624.318, 624.321, 624.404(3)(a), 624.413, 627.943, 627.944, 628.051, 628.061 FS. History—New 1-30-91, Formerly 4-107.003, 4-136.032 Amended _____.

69O-136.034 Uniform Certificate of Authority Expansion Application (Foreign and Alien Insurers Filing for Certificate of Authority).

(1) All Effective December 1, 2000, any foreign and alien insurers seeking a certificate of authority pursuant to

~~Sections 624.404 and 624.413, and related Florida Statutes may file a Uniform Certificate of Authority Expansion Application which is substantially similar to that form as revised by the National Association of Insurance Commissioners as of August 1, 2000 in lieu of the filings required by Rule 690-136.002, F.A.C. Each applicant shall comply with the instructions for an Expansion Application as contained in the UCAA Instructions and any other requirements specifically listed or referenced in the Uniform Certificate of Authority Expansion Application package, Form OIR-C1-1413, including submitting the following forms and requirements therein. Such filings shall not exempt a foreign or alien insurer from any requirements under Florida Statutes.~~

~~(a) Form OIR-C1-1296, "UCAA Instructions," rev. 12/16;~~

~~(2) The following forms are incorporated by reference:~~

~~(a) Form OIR-C1-1413, "Uniform Certificate of Authority Expansion Application", as revised by the National Association of Insurance Commissioners on 8/1/00;~~

~~(b) Form OIR-C1-938, "Fingerprint Card Instructions", rev. 7/99;~~

~~(3) Each applicant shall submit the following forms:~~

~~(b) (a) Form OIR-C1-1414, "Uniform Certificate of Authority Application (UCAA) - Expansion Application Checklist," rev. 3/15 8/00;~~

~~(c) (b) Form OIR-C1-1415, "Uniform Certificate of Authority Application (UCAA) - Expansion Application," rev. 8/14 as revised 8/1/00;~~

~~(d) (e) Form OIR-C1-1416, "Uniform Certificate of Authority Application (UCAA) Lines of Insurance," as adopted in Rule 690-143.056, F.A.C. Expansion Application Lines of Business, rev. 8/00 ;~~

~~(d) Form OIR-C1-1417, Expansion Application Authorization for Disclosure of Financial Records, rev. 8/00;~~

~~(e) Form OIR-C1-1418, Expansion Application Power of Attorney to Appoint and Certify Agents, rev. 8/00;~~

~~(e) (f) Form OIR-C1-1419, Expansion Application "Uniform Certificate of Authority Application (UCAA) - Certificate of Compliance," rev. 8/14 8/00;~~

~~(f) Form OIR-C1-2193, "Uniform Certificate of Authority Application - Certificate of Deposit," rev. 8/15;~~

~~(g) Form OIR-C1-1420, Expansion Application Reinsurance Arrangements Checklist for Proportional Treaty Contract Clauses, rev. 8/00;~~

~~(h) Form OIR-C1-1421, Expansion Application Reinsurance Arrangements Checklist for Non-Proportional Treaty Contract Clauses, rev. 8/00;~~

~~(g)(i) Form OIR-C1-1422, "Uniform Certificate of Authority Application Questionnaire," rev. 11/14 8/00;~~

~~(h) Form OIR-C1-1524, "Uniform Consent to Service of Process", as adopted in Rule 69O-143.056, F.A.C.;~~

~~(j) Form OIR-C1-881, Invoice, Application for Certificate of Authority, rev. 10/97;~~

~~(k) Form OIR-C1-1301, Subscription Agreement Form, rev. 5/99;~~

~~(l) Form OIR-C1-144, Service of Process Consent & Agreement, rev. 1/97;~~

~~(i)(m) Form OIR-C1-1423, NAIC "Biographical Statement and Affidavit," as adopted in Rule 69O-143.056, F.A.C. rev. 8/00;~~

~~(j) An investigative report in accordance with the instructions on Form OIR-C1-905, "Instructions for Furnishing Background Investigative Reports," as adopted in Rule 69O-143.056, F.A.C.;~~

~~(k) Form OIR-C1-1298, "Uniform Certificate of Authority Application (UCAA) - Management Information Form," as adopted in Rule 69O-143.056, F.A.C.;~~

~~(l) Form OIR-D0-896, "UCAA Proforma Financial Statements, Property and Casualty Insurance Company," as adopted in Rule 69O-143.056, F.A.C.;~~

~~(m) Form OIR-D0-904, "UCAA Proforma Financial Statements, Life & Health Insurer," as adopted in Rule 69O-143.056, F.A.C.;~~

~~(n) Form OIR-D0-2119, "UCAA Proforma Financial Statements, Title Insurance Company," as adopted in Rule 69O-143.056, F.A.C.;~~

~~(n) Form OIR-C1-450, Authority For Release of Information, rev. 5/00;~~

~~(o) Form OIR-D0-2165, "UCAA Proforma Financial Statements, Health," as adopted in Rule 69O-143.056,~~

F.A.C.; and

~~(o) Form OIR-C1-903, Invoice, Request for Payment of Fingerprint Charges, rev. 4/97; and,~~

(p) Form OIR-C1-1424, "Expansion Application, Florida Specific Information", rev. 4/13, 8/00 which includes
Form OIR-C1-938, "Fingerprint Payment and Submission Procedure." as adopted in Rule 69O-143.056, F.A.C.

~~(4) The Office shall accept a Uniform Certificate of Authority Expansion Application filing in an electronic format~~
~~after July 1, 2001.~~

Rulemaking Authority 624.308 FS. Law Implemented 624.307(1), 624.316(2)(b), 624.321(1)(a), 624.34, 624.401,
624.404, 624.407, 624.413, 624.422, 624.501, 626.9891, 628.161, 628.907 FS. History—New 12-3-00, Formerly 4-
136.034, Amended _____.



Office of Insurance Regulation
Company Admissions

**APPLICATION FOR ELIGIBILITY AS A
SURPLUS LINES INSURER**

Pursuant to Section 626.918(2)(a), Florida Statutes, eligibility of the insurer must be requested in writing by the Florida Surplus Lines Service Office (FSLSO) <http://fslso.com>. Instructions for registering with the FSLSO are found here. The Office's review of the application does not begin until the entire package, including the letter requesting eligibility, is received from the Florida Surplus Lines Service Office and determined to be complete.

This package is designed to assist individuals in preparing the application with all the information required by statute and to facilitate expeditious processing of the application by this Office.

PLEASE NOTE: THE COMPLETED CHECK LIST MUST BE SUBMITTED WITH THE APPLICATION PACKAGE.

The completed application package must be submitted to the Office by utilizing the following link:

<http://www.floir.com/iportal>
and select iApply – Online Company Admissions

If this package requires original documents, in lieu of providing original paper documents, the Applicant is directed to submit a PDF of the original document(s) unless otherwise required by Florida Statutes.

Any questions concerning this application package may be directed to the Application Coordinator at appcoord@floir.com. For iApply only questions, contact the Application Coordinator at iapply@floir.com

In order for a submission to be considered a complete application, all required information must be included in the filing. Filings that do not include all required information will be disapproved or returned.

APPLICATION FOR ELIGIBILITY AS A SURPLUS LINES INSURER

INSTRUCTIONS SECTION I - APPLICATION FORMS & FEES

Section I-1 Written Request for Eligible Surplus Lines Status

A written request must be submitted from the Florida Surplus Lines Service Office requesting the admission of the insurer. The request must detail the lines of insurance the insurer intends to offer (refer to Form OIR-C1-1416) and a projection of how much premium will be written on an annual basis. If the insurer is made eligible to write surplus lines coverages, it will be only for those lines requested.

Additionally, the request must state the number of surplus lines agents to be used, and the agent who will be responsible for the payment of premium tax.

The request should indicate the name of the appropriate individual with the insurer and the surplus lines agent, whom the Office should contact with any questions.

Section I-2 Fingerprint Fees

Applicants are required to pay a fee for the processing of the fingerprint cards required in Section IV-5. Please see Form OIR-C1-938 for instructions. The fingerprint cards are to be submitted at the time of the application filing.

Florida residents have the option of having their fingerprints digitally scanned rather than providing paper fingerprint cards. Please see Form OIR-C1-938 for instructions.

**APPLICATION FOR ELIGIBILITY AS A
SURPLUS LINES INSURER**

**INSTRUCTIONS
SECTION II - LEGAL**

THE OFFICE OF INSURANCE REGULATION RECOMMENDS THAT CORPORATE DOCUMENTS BE REVIEWED BY YOUR LEGAL COUNSEL. THE OFFICE IS A FILING AGENCY AND AS SUCH DOES NOT RENDER ANY LEGAL, ACCOUNTING OR TAX ADVICE. THE PROFESSIONAL ADVICE OF YOUR LEGAL COUNSEL TO ASCERTAIN EXACT COMPLIANCE WITH ALL STATUTORY REQUIREMENTS IS STRONGLY RECOMMENDED.

Section II-1 Service of Process Consent and Agreement

Provide an executed Uniform Consent to Service of Process, Form OIR-C1-1524.

Section II-2 Certificate of Authority (State of Domicile)

A copy of the state of domicile's certificate of authority showing the lines of business the insurer is authorized to write. This document must bear an original certification by the state of domicile.

Section II-3 United States Trust Fund (Alien Insurers only)

An Alien applicant must submit evidence of a United States trust fund in an amount not less than \$5.4 million. This document should be from the trustee of the fund, showing both the amount and nature of the fund, Alien insurers seeking approval for ocean marine and/or aviation risks ONLY are not required to have a United States trust fund (Section 626.918 (2)(g), Florida Statutes).

APPLICATION FOR ELIGIBILITY AS A SURPLUS LINES INSURER

INSTRUCTIONS SECTION III - FINANCIAL

NOTE: THE INSURER MUST HAVE BEEN AN INSURER FOR NOT LESS THAN THREE YEARS NEXT PRECEDING OR QUALIFY FOR EXEMPTION UNDER SECTION 626.918(2)(b), FLORIDA STATUTES. THE INSURER MUST HAVE A SURPLUS AS TO POLICYHOLDERS NOT LESS THAN \$15 MILLION.

Section III-1 Annual Statement

Applicant must file the most recent year end annual statement in the NAIC format. It must contain original signatures of the signing corporate officers and it must be certified by the state of domicile. All schedules must be complete. (Pay special attention to the general interrogatories, notes to financial statements and the organization charts as these schedules are often filed as separate attachments when the annual statement is prepared).

Section III-2 Quarterly Statements

Applicant must file all quarterly financial statements in NAIC format covering the current year-to-date. These statements do not have to be certified by the state of domicile. However, they must be signed by the company's officers and they must be embossed with the insurer's corporate seal. Supplemental loss developmental schedules (also in NAIC format) must be included for each quarter.

Section III-3 Statutory Mandated Examination Reports

Applicant must file its most recent report of examination (certified by state of domicile) performed by its state of domicile. In lieu of such examination, an applicant may submit an audited certified public accountant's report prepared on a basis consistent with the insurance laws of the state of domicile, certified by the state of domicile. The report must be statutory, stand-alone. Consolidated reports are not acceptable.

Section III-4 Statutory Financial Statements Audited by Certified Public Accountants

Applicant must provide a copy of the latest Audited Certified Public Accountant's report on the insurer prepared on a basis consistent with the insurance laws of the insurer's state of domicile. If such report does not exist, a statement that no such audit has ever been performed signed by at least two executive officers and embossed with the insurer's corporate seal must be provided.

Section III-5 Previous Florida Business History

In this section the applicant should detail any history that it has had in withdrawing from Florida as a whole or in discontinuing a particular line of business in this state. This statement should include any parent companies or subsidiaries.

**APPLICATION FOR ELIGIBILITY AS A
SURPLUS LINES INSURER**

**INSTRUCTIONS
SECTION IV - MANAGEMENT**

ANY NAMES REQUESTED IN THIS SECTION SHOULD INCLUDE COMPLETE FIRST, MIDDLE AND LAST NAMES.

Section IV-1 A listing of all company officers, directors, and shareholders with their respective titles should be listed in this section.

Provide the listing using Form OIR-C1-1298. If the applicant is a subsidiary of a parent or holding company, provide an organization chart showing the relationship of all related entities, including the ownership percentages.

Section IV-2 History of Company

A brief history of the company since its incorporation. Include date of incorporation, date commenced business and any changes of ownership or changes in operations. Indicate the number of states licensed, actions taken by governmental agencies that have jurisdiction over the insurer.

Section IV-3 Biographical Affidavits as to Officers, Directors and Shareholders (Form OIR- C1-1423)

A Biographical Affidavit, Form OIR-CI-1423, must be completed for each officer, director and shareholder listed in Section IV-1. All questions must be answered and yes answers must be accompanied by an explanation. Each Biographical Affidavit must contain an original signature of the respective officer or director and an original notary seal.

The requirement for the affiant's social security number as part of the Biographical Affidavit is mandatory. However, pursuant to Sections 119.071(5), Florida Statutes, social security numbers collected by an agency are confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution and must be segregated on a separate page. Therefore, instead of including the SSN on the Biographical Affidavit, please include the affiant's name and social security number on a separate page and attach it to the Biographical Affidavit. Also please mark CONFIDENTIAL at the top and bottom of the separate page.

Section 119.071(5), Florida Statutes, gives authority for an agency to collect social security numbers if imperative for the performance of that agency's duties and responsibilities as prescribed by law. Limited collection of social security numbers is imperative for the Office. The duties of the Office in background investigation are extensive to ensure that the owners, management, officers, and directors of any insurer are competent and trustworthy, possess financial standing and business experience, and have not been found guilty of, or not pleaded guilty or nolo contendere to, any felony or crime punishable by imprisonment of one year.

**APPLICATION AS AN INSURER UNDER
FLORIDA'S SURPLUS LINES LAW**

**INSTRUCTIONS
SECTION IV - MANAGEMENT**

Section IV-4 Background Investigative Report

A Background Investigative Report must be provided for each person listed in Section IV-1 above. Background reports must be submitted by the selected background investigation vendor directly to the Office prior to or contemporaneously with the submission of the application filing. Attach confirmation that the reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports.

Section IV-5 Fingerprint Cards

Fingerprint cards must be completed for each person listed in Section IV-1. The cards will be furnished by the Office upon request. **No cards other than those furnished by the Office will be accepted.** The cards must be completed at a law enforcement agency or similar type agency and returned to this Office for processing. Please refer to Form OIR-C1-938 for instructions.

Florida residents have the option of having their fingerprints digitally scanned rather than providing paper fingerprint cards and fees as noted above. Please refer to Form OIR-C1-938.

**APPLICATION FOR ELIGIBILITY AS A
SURPLUS LINES INSURER**

**CHECK LIST
SECTION I - APPLICATION FORMS**

Company Name: _____

<u>Item#</u>		<u>Completion Check List</u>
1.	Written request from the Florida Surplus Lines Service Office.....	<input type="checkbox"/>
	(a) All classes of insurance to be transacted listed by code number...	<input type="checkbox"/>
	(b) Number of Surplus Lines agents to be used.....	<input type="checkbox"/>
	(c) Agent responsible for paying premium tax.....	<input type="checkbox"/>
	(d) Contact persons and phone numbers.....	<input type="checkbox"/>
2.	Fingerprint fee paid.....	<input type="checkbox"/>
	(a) Copy of on-line payment confirmation.....	<input type="checkbox"/>

**APPLICATION FOR ELIGIBILITY AS A
SURPLUS LINES INSURER**

**CHECK LIST
SECTION II - LEGAL**

Company Name: _____

<u>Item #</u>		<u>Completion Check List</u>
1.	Uniform Consent to Service of Process (Form OIR-C1-1524).....	<input type="checkbox"/>
	(a) Signed and dated by	
	1. President or Chief Executive Officer	<input type="checkbox"/>
	2. Secretary	<input type="checkbox"/>
	3. Sealed by Company (Corporate Seal).....	<input type="checkbox"/>
2.	Certificate of Authority	<input type="checkbox"/>
	(a) Certification by home state	<input type="checkbox"/>
3.	Evidence of United States Trust Fund	<input type="checkbox"/>
	or	
	(a) Explanation as to why this does not apply.....	<input type="checkbox"/>

**APPLICATION FOR ELIGIBILITY AS A
SURPLUS LINES INSURER**

**CHECK LIST
SECTION III - FINANCIAL**

Company Name: _____

<u>Item #</u>		<u>Completion Check List</u>
1.	Annual Statement	<input type="checkbox"/>
	(a) Certified by state of domicile	<input type="checkbox"/>
	(b) Most current year	<input type="checkbox"/>
	1. Signed by two executive officers	<input type="checkbox"/>
	2. Sealed by corporation	<input type="checkbox"/>
	3. Supplemental schedules included	<input type="checkbox"/>
2.	Quarterly Statements	<input type="checkbox"/>
	(a) All quarterly statements year to date	<input type="checkbox"/>
	(b) Statements in NAIC format	<input type="checkbox"/>
	1. Signed by two executive officers	<input type="checkbox"/>
	2. Sealed by corporation	<input type="checkbox"/>
3.	Statutory examination by state of domicile	<input type="checkbox"/>
	(a) Certified by state of domicile	<input type="checkbox"/>
4.	Statutory Financial Statements audited by Certified Public Accountants	<input type="checkbox"/>
	or	
	Statement by the company that no such audit has ever been performed...	<input type="checkbox"/>
	1. Signed by Executive Officer	<input type="checkbox"/>
	2. Sealed by Company (Corporate Seal)	<input type="checkbox"/>
5.	Previous Florida business history statement	<input type="checkbox"/>

**APPLICATION FOR ELIGIBILITY AS A
SURPLUS LINES INSURER**

**CHECK LIST
SECTION IV - MANAGEMENT**

Company Name: _____

<u>Item #</u>	<u>Completion Check List</u>
1. Listing of all company officers, directors and shareholders.....	<input type="checkbox"/>
(a) Full names listed.....	<input type="checkbox"/>
(b) Titles listed.....	<input type="checkbox"/>
(c) Organization Chart.....	<input type="checkbox"/>
2. History of company since incorporation.....	<input type="checkbox"/>
3. Biographical affidavits as to officers and directors and shareholders.....	<input type="checkbox"/>
 As to each biographical:	
(a) All blanks filled.....	<input type="checkbox"/>
(b) All "yes" answers explained.....	<input type="checkbox"/>
(c) Contain original signature of each respective officer and director.....	<input type="checkbox"/>
(d) Notarized (Original).....	<input type="checkbox"/>
(e) Biographical affidavits completed for all persons listed in Item 1 above.....	<input type="checkbox"/>
(f) Original filed.....	<input type="checkbox"/>
4. Background investigative reports for persons listed in Section IV-1.....	<input type="checkbox"/>
5. Fingerprint cards (or LiveScan for Florida residents) completed for each person listed in Section IV-1.....	<input type="checkbox"/>
(a) Contains original signature of each respective officer, directors, and shareholders.....	<input type="checkbox"/>
(b) Office of Insurance Regulation card only.....	<input type="checkbox"/>
(c) No erasures or alterations on.....	<input type="checkbox"/>

**APPLICATION FOR ELIGIBILITY AS A
SURPLUS LINES INSURER**

CHECKLIST VERIFICATION

The undersigned says that he/she is a senior officer having personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with licensure sought by _____, that he/she has read said

(Entity Name)

application that he/she knows the contents thereof and verifies that the items indicated in the application checklist have been submitted with the application, that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the applicant on behalf which the person acted, executed the instrument.

I 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.

Dated _____

(Give full and exact name of applicant)

Signature of President, Secretary, or Treasurer

Printed Name

Printed Title



Office of Insurance Regulation
Company Admissions

APPLICATION FOR CAPTIVE INSURER

This package is designed to assist individuals in preparing the application with all the information required by statute and to facilitate expeditious processing of the application by this Office.

The completed application package must be submitted to the Office by utilizing the following link, unless otherwise specified herein:

<http://www.floir.com/iportal>
and select iApply – Online Company Admissions

If this package requires original documents, in lieu of providing original paper documents, the Applicant is directed to submit a PDF of the original document(s) unless otherwise required by Florida Statutes.

Any questions concerning this application package may be directed to the Application Coordinator at appcoord@floir.com. For iApply only questions, contact the Application Coordinator at iapply@floir.com

In order for a submission to be considered a complete application, all required information must be included in the filing. Filings that do not include all required information will be disapproved or returned.

**APPLICATION FOR CAPTIVE INSURER
FORM AND INSTRUCTIONS**

SECTION A – GENERAL INFORMATION

Name of Proposed Captive:	
----------------------------------	--

Type of Proposed Captive (please check one):	
Pure	
Reinsurance	
Industrial Insured (Include Industry Information)	
Special Purpose (Explain)	

Form of Organization (please check one):	
Stock	
Mutual	
Incorporated Non-Profit	
Other (Explain)	

Principal Place of Business/Location of Books and Records of Proposed Captive; if these are different, provide both addresses. Note, Captive must maintain principal place of business in this state:	
--	--

Name and Address of Registered Agent for Service of Process, Name an Individual (in addition to Chief Financial Officer, State of Florida). Include an executed Form OIR C1-1524, Uniform Consent to Service of Process (NAIC Uniform Consent to Service of Process, Form12). http://www.naic.org/industry_ucaa.htm	
Name:	
Address:	
Telephone:	
E-Mail:	
Cell Phone:	

**APPLICATION FOR CAPTIVE INSURER
FORM AND INSTRUCTIONS**

Name(s) and Address of Parent of Proposed Captive:	
Name:	
Address:	
Telephone:	
E-Mail:	
%Ownership:	

Name(s) and Address of Proposed Beneficial Owner(s) - 10% or more of Proposed Captive:	
Name:	
Address:	
Telephone:	
E-Mail:	
%Ownership:	

Name(s) and Address of Proposed Beneficial Owner(s) - 10% or more of Proposed Captive:	
Name:	
Address:	
Telephone:	
E-Mail:	
%Ownership:	

Name(s) and Address of Proposed Beneficial Owner(s) - 10% or more of Proposed Captive:	
Name:	
Address:	
Telephone:	
E-Mail:	
%Ownership:	
Attach additional sheets/documents, if necessary	

**APPLICATION FOR CAPTIVE INSURER
FORM AND INSTRUCTIONS**

Please explain the relationship among Parent/Beneficial Owner(s). Attach additional sheets/documents, if necessary:	
Provide a copy of the latest Annual Report, 10K, and/or personal financial statements of Parent/Beneficial Owner(s).	
Provide any additional information available or applicable.	

Name, address, and telephone number of individual to be contacted regarding this application:	
Name:	
Address:	
Telephone:	
E-Mail:	
Cell Phone:	
Position or relationship to Proposed Captive:	

[Remainder of this page intentionally left blank]

**APPLICATION FOR CAPTIVE INSURER
FORM AND INSTRUCTIONS**

Names of Incorporators of Proposed Captive	
Name:	
Address:	
Contact Information:	
Name:	
Address:	
Contact Information:	
Name:	
Address:	
Contact Information:	
Name:	
Address:	
Contact Information:	
Name:	
Address:	
Contact Information:	
Florida Resident Incorporator (At least two Incorporators must be residents of Florida.)	
Name:	
Home Address:	
Contact Information:	
Florida Resident Incorporator (At least two Incorporators must be residents of Florida.)	
Name:	
Home Address:	
Contact Information:	

[Attach additional page if necessary]

APPLICATION FOR CAPTIVE INSURER FORM AND INSTRUCTIONS

Names of Directors of Proposed Captive - Include a Form OIR-C1-1423, Biographical Affidavit (NAIC Biographical Affidavit, Form 11) for each Director. http://www.naic.org/industry_ucaa.htm	
Name:	
Home Address:	Include on Form 11
Social Security Number:	Include on Form 11
Name:	
Home Address:	Include on Form 11
Social Security Number:	Include on Form 11
Name:	
Home Address:	Include on Form 11
Social Security Number:	Include on Form 11
Name:	
Home Address:	Include on Form 11
Social Security Number:	Include on Form 11
Name:	
Home Address:	Include on Form 11
Social Security Number:	Include on Form 11
Name:	
Home Address:	Include on Form 11
Social Security Number:	Include on Form 11
Florida Resident Director (At least one Director must be a resident of Florida.)	
Name:	
Home Address:	Include on Form 11
Social Security Number:	Include on Form 11

[Attach additional page if necessary]

APPLICATION FOR CAPTIVE INSURER FORM AND INSTRUCTIONS

Names of Officers of Proposed Captive - Include a Form OIR-C1-1423, Biographical Affidavit (NAIC Biographical Affidavit, Form 11) for each Officer. http://www.naic.org/industry_ucaa.htm	
Name:	
Home Address:	Include on Form 11
Social Security Number:	Include on Form 11
Position:	
Name:	
Home Address:	Include on Form 11
Social Security Number:	Include on Form 11
Position:	
Name:	
Home Address:	Include on Form 11
Social Security Number:	Include on Form 11
Position:	
Name:	
Home Address:	Include on Form 11
Social Security Number:	Include on Form 11
Position:	
Name:	
Home Address:	Include on Form 11
Social Security Number:	Include on Form 11
Position:	
Name:	
Home Address:	Include on Form 11
Social Security Number:	Include on Form 11
Position:	

[Attach additional page if necessary]

**APPLICATION FOR CAPTIVE INSURER
FORM AND INSTRUCTIONS**

SECTION B – FINANCIAL INFORMATION

Section B-1: Sworn Statement:

Proposed Captive must provide a statement sworn under oath by its President and Secretary, showing its financial condition.

Section B-2:

Capital and Surplus (Stock Company):	
Initial Capital	\$
Initial Surplus	\$
Total	\$

Form of Minimum Required Capital and Surplus:	
Identity of Financial Institution:	
Name:	
Address:	
Telephone:	
Officer:	
E-Mail:	
Description of form of capital and surplus:	

Form of Additional Capital and Surplus:	
Identity of Financial Institution:	
Name:	
Address:	
Telephone:	
Officer:	
E-Mail:	
Description of additional capital (cash, cash equivalent, letter of credit, securities invested as provided in Part II of Chapter 625, Florida Statutes):	

**APPLICATION FOR CAPTIVE INSURER
FORM AND INSTRUCTIONS**

Type of Stocks to be Authorized	Number of Shares:
(1)	
(2)	
(3)	

*Par Value of Each Share by Type:	Selling Price:
(1)	\$
(2)	\$
(3)	\$

*Indicate the Par Value specified in the Articles or provide Board Minutes declaring the stated value of Paid-In Capital.

Location of Shares of Stock:	
------------------------------	--

Funding (Mutual)	
Amount of Contributed Surplus to Policyholders:	
If Letter(s) of Credit is used for capitalizing/funding proposed Captive, please provide the following (use additional sheets as necessary).	
Amount:	
Name and Address of Financial Institution:	
Issued in Favor of:	FLORIDA OFFICE OF INSURANCE REGULATION

[Remainder of this page intentionally left blank]

APPLICATION FOR CAPTIVE INSURER FORM AND INSTRUCTIONS

SECTION C – BUSINESS PLAN AND OTHER RELATED MATTERS

Section C-1: Plan of Operation

Provide a written business plan that includes an overview of the parent, requested licensing date and a three-year plan of operation that ties directly to the actuarial/feasibility study completed for the proposed Captive. The plan must also include all major areas of the proposed operations as outlined below.

(A) Management

Provide a brief description of the management experience, expertise, and character of each individual (by name) involved in the management of the proposed Captive including the following areas: marketing, underwriting, rating, reserving, reinsurance, claims handling, accounting, and investments. This includes any outside experts, consultants or service providers to be utilized by management on an ongoing basis.

(B) Insurance Products

Submit a description of each line of insurance to be written and the types of risks contained within, including policy limits and deductibles. In addition, utilize Form OIR-C1-1416, Uniform Certificate of Authority (UCAA) Lines of Insurance form (NAIC UCAA Lines of Insurance, Form 3) available at: http://www.naic.org/industry_ucaa.htm to indicate the particular line(s) of insurance the Captive is proposing to write; complete for Florida only.

(C) Reinsurance

Provide details of the planned 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 any one risk.

(D) Pro Forma Financial Statements

Provide pro forma financial statements utilizing Form OIR-DO-896, UCAA ProForma Financial Statements, Property and Casualty Insurance Company (NAIC UCAA ProForma Financial Statements, Form 13), available at: http://www.naic.org/industry_ucaa.htm, for three years, excluding any spreadsheet that requires Nationwide only data. Projections must be provided for each line of insurance proposed to be written. Include the Assumptions underlying the Pro forma. The feasibility study may utilize this template for the Pro forma scenarios described in Section C-3.

APPLICATION FOR CAPTIVE INSURER FORM AND INSTRUCTIONS

Section C-2: Statement of Proposed Captive's ratio of Assets to risks assumed

Submit a Statement of the quantifiable ratio of the proposed Captive's Assets to the risks it will assume.

Section C-3: Actuarial/Feasibility Study

Submit a professional feasibility study conducted by an independent consultant in support of the overall soundness of the proposed Captive's Plan of Operation, financial viability of the Captive, etc. Pro formas in study should reflect an expected and worst case scenario for at least a three-year period. Include expected premium income and bases for determining. Indicate whether statutory or GAAP.

Section C-4: Evidence of proposed Captive's due diligence in evaluation of its parent, member organizations or industrial insureds loss prevention programs

Submit documentation showing proposed Captive's due diligence with regard to evaluating the adequacy of the loss prevention programs of the parent, member organizations or industrial insureds.

Section C-5: Organization Chart

Submit a diagram of the organizational structure including all parent entities and states of incorporation.

Section C-6: Verification of Funds

To obtain a License in Florida, a Captive Insurer is required to have a minimum paid-in Capital and Surplus as to Policyholders as follows:

Pure captive <u>stock</u> insurer:	\$100,000 unimpaired paid-in Capital and \$150,000 unimpaired Surplus
Pure captive <u>mutual</u> insurer:	\$250,000 unimpaired Surplus
Industrial insured captive <u>stock</u> insurer:	\$200,000 unimpaired paid-in Capital and \$300,000 unimpaired Surplus
Industrial insured captive <u>mutual</u> insurer:	\$500,000 unimpaired Surplus

APPLICATION FOR CAPTIVE INSURER FORM AND INSTRUCTIONS

Special purpose captive insurer:	minimum Net Assets, unimpaired paid-in Capital, and Surplus amounts to be determined by the Office of Insurance Regulation based on Plan of Operation, types of risks to be insured, etc.
Captive reinsurance company:	greater of \$300 million capital or unimpaired surplus or 10% of reserves and the Office of Insurance Regulation may prescribe additional capital or surplus based on the type, volume and nature of business transacted.

NOTE: If the Captive Insurer is a not-for-profit corporation, then it must have a minimum Net Assets of at least \$250,000. If the Captive Insurer is an industrial insured captive and maintains at least \$20 million in unencumbered capital and surplus, it may write workers' compensation and employers liability insurance in excess of \$25 million in the annual aggregate.

The funds must be verified by a letter from an officer of the financial institution where the funds are being held and must include the following:

1. Name of depositor and federal identification number;
2. Account numbers and amount of funds in each account;
3. Form of funds on deposit;
4. If funds are a certificate of deposit, include certificate numbers and maturity dates; and
5. Verification that the funds are not encumbered, hypothecated, or pledged.

[Remainder of this page intentionally left blank]

**APPLICATION FOR CAPTIVE INSURER
FORM AND INSTRUCTIONS**

SECTION D – SERVICE PROVIDERS

Captive Management Firm:	
Name:	
Address:	
Telephone:	
E-Mail:	
Contact Person:	

Attorney:	
Name:	
Address:	
Telephone:	
E-Mail:	
Contact Person:	

Claims Administrator:	
Name:	
Address:	
Telephone:	
E-Mail:	
Contact Person:	

Certified Public Accountant:	
Name:	
Address:	
Telephone:	
E-Mail:	
Contact Person:	

APPLICATION FOR CAPTIVE INSURER FORM AND INSTRUCTIONS

Actuary:	
Name:	
Address:	
Telephone:	
E-Mail:	
Contact Person:	

Reinsurance Broker (Attach copy of Broker of Record Letter):	
Name:	
Address:	
Telephone:	
E-Mail:	
Contact Person:	
Broker Licensing #:	
Primary State of Licensure:	

Reinsurance Intermediary:	
Contact Person:	

Other Service Provider (Explain):	
Name:	
Address:	
Telephone:	
E-Mail:	
Contact Person:	

Other Service Provider (Explain):	
Name:	
Address:	
Telephone:	
E-Mail:	
Contact Person:	

**APPLICATION FOR CAPTIVE INSURER
FORM AND INSTRUCTIONS**

SECTION E – LEGAL DOCUMENTS

Section E-1: Articles of Incorporation

Provide an unexecuted copy of the proposed Captive's Articles of Incorporation. The Office of Insurance Regulation must endorse its approval prior to transmitting to the Florida Secretary of State's office. A license will not be issued to the Captive until the Articles of Incorporation have been certified by the Secretary of State's office and the Office of Insurance Regulation has received an executed copy of the Articles of Incorporation, including a current Florida Certificate of Status. Note, the proposed Captive must have no fewer than three (3) incorporators, of who not fewer than two (2) must be residents of this state. For information concerning the Florida Secretary of State's office, visit www.sunbiz.org

Section E-2: Bylaws

Provide an executed copy of the proposed Captive's Bylaws. These documents must be signed and dated by the secretary of the corporation.

[Remainder of this page intentionally left blank]

APPLICATION FOR CAPTIVE INSURER FORM AND INSTRUCTIONS

SECTION F – INCORPORATORS, OFFICERS, DIRECTORS, 10% OR MORE SHAREHOLDERS

Section F-1: Biographical Affidavits

Provide a Biographical Affidavit, Form OIR-C1-1423, (NAIC Biographical Affidavit, Form 11) for each officer and director listed in Section A. All questions must be answered and yes answers must be accompanied by an explanation. Each Biographical Affidavit must contain the original signatures of the affiant with an original notary seal.

The requirement for the affiant's social security number as part of the Biographical Affidavit is mandatory. However, pursuant to Sections 119.072(1) and (9), Florida Statutes, social security numbers collected by an agency are confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution and must be segregated on a separate page. Therefore, instead of including the SSN on the Biographical Affidavit, please include the affiant's name and social security number on a separate page and attach it to the Biographical Affidavit. Also please mark CONFIDENTIAL at the top and bottom of the separate page.

Section 119.072(9), Florida Statutes, gives authority for an agency to collect social security numbers if imperative for the performance of that agency's duties and responsibilities as prescribed by law. Limited collection of social security numbers is imperative for the Office.

Section F-2: Background Investigative Report

A Background Investigative Report must be provided for each officer and director of the proposed Captive listed in Section A above. Background reports must be submitted by the selected background investigation vendor directly to the Office prior to or contemporaneously with the submission of the application filing. Attach confirmation that the reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports.

Section F-3: Fingerprint Cards

Fingerprint cards must be completed for each officer and director of the proposed Captive listed in Section A above. The fingerprint cards and fees are due at the time the application is filed. **No fingerprint cards, other than those provided by the Office will be accepted.** These cards must be completed at a law enforcement agency or similar type agency and returned to this Office for processing. Include confirmation of fingerprint payment when submitting the application. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure. Additional cards are available upon request.

**APPLICATION FOR CAPTIVE INSURER
FORM AND INSTRUCTIONS**

Florida residents have the option of having their fingerprints digitally scanned rather than providing paper fingerprint cards and fees as noted above. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure.

Section F-4: Attestation of Compliance with Section 628.906, Florida Statutes

Provide an attestation on behalf of the incorporators and stockholder(s) that own 10% or more of the outstanding voting securities of the proposed Captive indicating compliance with Section 626.906, Florida Statutes.

**APPLICATION FOR CAPTIVE INSURER
FORM AND INSTRUCTIONS**

SECTION G – FEES AND OTHER ADMINISTRATIVE MATTERS

Section G-1: Licensing Fee

The proposed Captive must pay an application filing fee of \$1,500. Attach a copy of the Application for Captive Insurer Invoice when submitting the application.

Section G-2: EIN#

Provide the EIN# of the Captive insurer.

[Remainder of this page intentionally left blank]

**APPLICATION FOR CAPTIVE INSURER
FORM AND INSTRUCTIONS**

SECTION H – CERTIFICATION

Signature of Officer/Director

Printed Name

Printed Title

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of

_____, 20 ____, by _____.

(Signature of Notary Public - State of _____)

(Seal)

(Print, Type, or Stamp Commissioned Name
of Notary Public)

Personally Known ____ OR Produced Identification ____

Type of Identification Produced _____

My Commission expires: _____

APPLICATION FOR CAPTIVE INSURER

INVOICE

Application is hereby made for license as a Captive Insurer in accordance with the Insurance Laws of Florida.

Send the original check made payable to the Florida Department of Financial Services, and mail the check and invoice to the Department of Financial Services, Bureau of Financial Services, P. O. Box 6100, Tallahassee, Florida 32314-1600.

Attach a photocopy of the invoice and check for the amount of the required filing fee for the application being file. If sent electronically, redact the bank account number from the copy of the check for security purposes.

1. Name of Proposed Captive _____
 2. Business Address _____
 3. Federal Employer's I.D. No. _____
-

Accounting Information

<u>B/T</u>	<u>F/T</u>	<u>T/C</u>	<u>AMOUNT</u>
C	F	1006	\$1,500.00



National Association of
Insurance Commissioners

UCAA Instructions

2017

Revised as of December 12, 2016



**National Association of
Insurance Commissioners**

The NAIC is the authoritative source for insurance industry information. Our expert solutions support the efforts of regulators, insurers and researchers by providing detailed and comprehensive insurance information. The NAIC offers a wide range of publications in the following categories:

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Information about statutory accounting principles and the procedures necessary for filing financial annual statements and conducting risk-based capital calculations.

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Important answers to common questions about auto, home, health and life insurance — as well as buyer's guides on annuities, long-term care insurance and Medicare supplement plans.

Financial Regulation

Useful handbooks, compliance guides and reports on financial analysis, company licensing, state audit requirements and receiverships.

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Rev 12/16

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UNIFORM CERTIFICATE OF AUTHORITY APPLICATION

COMPANY LICENSING DEFINITIONS

Admitted	The status of the Applicant Company once the state regulator has approved the UCAA application and issued a Certificate of Authority or an Amendment to a Certificate of Authority. An Applicant Company may be admitted in one or more states. The term admitted or licensed may be used interchangeably.
Alien Insurer	An insurer formed under the laws of a country or jurisdiction other than the United States of America, its states, districts, territories, and commonwealths.
Application	The form located on the UCAA website that the Applicant Company must submit with a UCAA application (including all attachments).
Application State	State in which the Applicant Company is applying.
Checklist	The form located on the UCAA website that provides a guide for assembling a complete application and that should be completed and attached to the top of a UCAA application.
Corporate Amendments Application	The type of UCAA application (including all attachments) that an existing insurer uses for requesting amendments to its Certificate of Authority.
Domestic Insurer	An insurer that is formed under the laws of the Domiciliary State.
Domiciliary State	The state where an insurer is incorporated or organized.
Duplicate Copy or Copy	A photocopy or reproduction that accurately reproduces the original.
Expansion Application	The type of UCAA application (including all attachments) that an existing insurer uses to apply for licensure in one or more additional Uniform States.
Filing Fee	The fee that a Uniform State charges for the processing of a UCAA application. The fee charged will vary by state and the Schedule of Fees is located on the UCAA website under the State Charts section.

Foreign Insurer	An insurer formed under the laws of another state, district, territory or commonwealth of the United States.
Independent Third-Party	An Independent Third Party is one that has no affiliation with the Applicant Company and that is in the business of providing background investigations.
Key Persons in Control Functions	The decision-making individuals in control functions (that require internal control oversight of the Applicant Company) such as the heads of the risk management, compliance, internal audit and actuarial functions, as well as the appointed actuary if such person is not the head of the actuarial function, underwriting, claims adjustments/payments, financial reporting and investment management.
Lead State	Lead state(s) or designee assumes the role of coordinator and communication facilitator. The lead state(s) serves as the facilitator and central point of contact for purposes of gathering and distributing information to all regulators involved.
Licensed	An insurer that holds a valid Certificate of Authority that allows it to transact business in a state. One or more states may license an insurer. The term is also synonymous with Admitted.
NAIC Biographical Affidavit	The form, located in the UCAA Application Forms section, that the Applicant Company must submit for all officers, directors, and key managerial personnel of the Applicant Company; individuals with a 10 percent (10%) or more beneficial ownership in the Applicant Company; and individuals with a 10 percent (10%) or more beneficial ownership in the Applicant Company's ultimate controlling parent. The biographical affidavit must be current and the affiant must sign the affidavit not more than one year before the filing date of a UCAA application and certification by an Independent Third-Party.
Official Filing Date	The date the appropriate state regulator accepts a UCAA application for filing.
Original	The writing executed or issued by the person producing it. If electronically issued, "original" means the record created electronically, stored by electronic means. An electronic original may contain an electronic signature. A printout of an electronically created record that accurately reflects the electronic record may have the same effect as the original electronic record. An "original" or "wet" signature may be

required for certain documents, such as biographical affidavit and uniform consent to services of process forms. Check state-specific requirements.

Own Risk Solvency Assessment (ORSA)

An “Own Risk and Solvency Assessment” or “ORSA” shall mean a confidential internal assessment, appropriate to the nature, scale and complexity of an insurer or insurance group of the material and relevant risks associated with the insurer or insurance group’s current business plan, and the sufficiency of capital resources to support those risks.

Plan of Operation

It is made up of three (3) components: a completed Questionnaire, a brief narrative that includes significant information not captured in the Questionnaire, and proforma Financial Statements. The Questionnaire and proforma Financial Statements are forms located on the UCAA website.

Primary Application

The type of UCAA application (including all attachments) filed in the state of domicile for use in licensing of a newly formed insurer or by an existing insurer that wishes to re-domesticate to another Uniform State.

Proforma Financial Statement

Financial projections for a three-year period. One of the three (3) components of a Plan of Operation. The form is located on the UCAA website in the UCAA Application Forms section.

Public Records Package

Contains certain items that accompany a UCAA application in order to satisfy the Public Records Act in some states. The requirements are located in the UCAA Application State Charts section.

Questionnaire

The form located on the UCAA website in the UCAA Application Forms that is a part of the Plan of Operation. The Applicant Company must submit a completed Questionnaire that is properly executed and notarized.

Senior Management

The body responsible for executing decisions made by the Board and for managing the Applicant Company on a day-to-day basis, including any officer and/or director listed on the Jurat page of the most recent annual/quarterly financial statement.

State Charts

Charts that display the state-specific information. These charts are located on the UCAA website.

State-Specific Information	The additional information that is required by a state before it can grant approval of a UCAA application. The requirements are located in the State Charts section on the UCAA website.
Statutory Home Office Address	As identified with the Certificate of Authority in domiciled state. (This definition is consistent with the Annual Statement Instructions.)
UCAA	Uniform Certificate of Authority Application.
UCAA Website	http://www.naic.org/industry_ucaa.htm
Uniform State	A state that is committed to using the UCAA review process for licensing and admissions of insurers.
Updates/Changes	Update is the requirement that an Applicant Company continue to update its filing with current documents. Changes are significant changes that occur or that a state discovers during a UCAA application review period, including any changes that materially affect the accuracy of the forms filed in support of a UCAA application.

UNIFORM CERTIFICATE OF AUTHORITY APPLICATION

PRIMARY APPLICATION

The ALERT Subgroup designed the Primary Application to the Uniform Certificate of Authority Application (UCAA) for use in the formation of a new insurer, or for an existing insurer to use in making application to redomesticate to another state. A Uniform State is one that is committed to using the UCAA review process for company licensing and admissions.

The following pages contain detailed explanations of the various licensing requirements, along with instructions designed to assist with preparing and submitting the necessary documentation. Each state's review process may follow slightly different time lines to complete a comprehensive and detailed operational and financial review of the Applicant Company's business. It is the goal of all Uniform States to complete their review of Primary Applications within 90 calendar days of receipt. The 90-day review process includes two weeks to determine if the application is complete and acceptable for filing. During the remaining time-span, the application will receive a financial and operational review. A state may not achieve the 90-day processing goal in instances where substantial follow-up is required or in states with limited resources, or in instances when the Applicant Company files an application during peak business periods such as year-end and annual statement filing periods.

Based on the circumstances of a particular application, it may be necessary for the reviewing state to request additional information. Typically, a state will request any additional information that it needs within 30 days after the state accepts the application.

The UCAA Primary Application has four sections designed to guide the Applicant Company through the licensing process:

- I. Application Review Process
- II. Filing Requirements (New Insurers and Redomestications)
- III. Filing Requirements (Redomestications Only)
- IV. How to File

The goal of the UCAA is to provide a streamlined approval process. However, some states have state-specific filing requirements based on either statutory requirements or internal procedures. The uniform states are working to eliminate non-essential state-specific requirements. All Applicant Companies must be familiar with the insurance laws of the state to which they submit an application. Please see the UCAA website for information related to obtaining a copy of the laws, regulations and bulletins for the state in which an application is filed.

If the Applicant Company has any questions about the uniform admission process, a list of contact names, addresses and telephone numbers is provided on the Addresses and Contacts for Submission of Application chart. It is highly recommended that the Applicant Company contact each state with any questions before submitting the application for review.

Primary Application Section I

Application Review Process

The ALERT Subgroup designed the Primary Application of the UCAA to provide a uniform process for the formation of a new insurer. An existing insurer that desires to redomesticate to another state should also use this application package. Existing insurers that wish to gain admission in additional states should file the Expansion Application of the UCAA. It is the goal of each Uniform State to process all Primary applications within 90 calendar days of receipt. The 90-day review process includes two weeks to determine if the application is complete and acceptable for filing. During the remaining time-span, the application will receive a financial and operational review. A state may not achieve the 90-day processing goal in instances where the application requires substantial follow-up, or in states with limited resources, or in instances when the Applicant Company files an application during peak business periods such as year-end and annual statement filing periods.

Based on the circumstances of a particular application, it may be necessary for the reviewing state to request additional information. Typically, a state will request any additional information it needs within 30 days after the state accepts the application.

Proprietary Information

Both regulators and the Applicant Company should note that the Applicant Company might deem confidential any communications with insurance regulatory agencies in conjunction with the Primary Application concerning proprietary information about the Applicant Company. States may only share information determined to be confidential with other persons as authorized by law. By law, the state will not disclose to the public any information determined to be proprietary and trade secret. Each Applicant Company needs to expressly identify all information, in the application and in any subsequent correspondence, that the Applicant Company considers proprietary or trade secret.

The UCAA website explains the requirements and filing process for the Primary Application. Please do not hesitate to contact the appropriate state regulators with any questions before filing any Uniform Application.

Step One: Filing An Application

Processing Goal: 2 Weeks

The Applicant Company may submit Primary Applications anytime during the year. The state immediately reviews Primary Applications to ensure that the Applicant Company submitted the application in the required format as outlined in these instructions.

Generally, within two weeks from the date the state receives the application, the state will notify the Applicant Company whether or not the state has accepted the application for filing. If the state accepts the application for filing, it will assign an official filing date.

If the state does not accept the application for filing due to a deficiency in the application's format, the state will contact the Applicant Company. Depending upon the nature of the deficiency, the state may give the Applicant Company two weeks from the date of receipt of notification from the department reviewing the application to correct the deficiency. Some states may return to the Applicant Company any applications that are deficient and not accepted for filing.

Step Two: Application Review

Processing Goal: 90 Days

A Primary Application will undergo a rigorous financial and operational review in the state to which the Applicant Company submitted the application. While the goal of each state is to complete this review in 90 days, the states cannot guarantee review within this period. Due to varying levels of resources available in each state, a substantive review of the Primary Application may take longer than 90 days in some cases. Furthermore, if the state needs additional information to complete a substantive review of an application, the review may also take longer to complete. Once the state requests additional information, the state suspends the 90-day goal until it receives the requested information. The purpose of the Primary Application is to streamline application processing and the state will make every effort to process a Primary Application as quickly as possible.

At the conclusion of the substantive review by the reviewing state, the state will grant the Applicant Company a Certificate of Authority as a domestic company, allow the Applicant Company to withdraw the application, or will deny the application.

If the application is denied, the state will notify the Applicant Company and provide a detailed explanation for the denial. After the denial, if the Applicant Company wishes to re-file a Primary Application, the state will require a new application and filing fee.

Primary Application Section II

Filing Requirements (New Insurers and Redomestications)

This section provides a guide to understanding the focus of each document of the Primary Application. However, the application typically uses the documents for multiple purposes. Therefore, it is important that applications be complete.

All documents submitted in support of the application must be current. However, in certain instances, some states have limited latitude to accept older documents, although generally no more than five (5) years old. Please contact the states individually if there are questions about a specific document.

All forms required for the Primary Application are available on the UCAA website under the Primary Application tab and UCAA Forms and the Applicant Company can download these documents for printing and submission.

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11. Custody Agreements
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13. NAIC Biographical Affidavits
14. State-Specific Information

1. Application Form and Attachments

The application must identify all lines of insurance the Applicant Company is requesting authority to transact, as identified by the Applicant Company's plan of operation. Only the Applicant Company using this application for a redomestication filing need to complete the section listing the lines of business that the Applicant Company is currently licensed to transact and is transacting in all jurisdictions. Submit a completed checklist (Form 1P) and original executed application form (Form 2P and Form 3) as Item 1 of the application.

2. Filing Fee

The application must include a filing fee for the state in which an application is being submitted. The payee name and the instructions for submitting the filing fee are included in the Filing Fees - Primary and Expansion Applications chart located on the UCAA website. Submit a copy of the Applicant Company's check as Item 2 of the application.

3. Minimum Capital and Surplus Requirements

The application must show that the Applicant Company meets the state's statutory minimum capital and surplus requirements. In some states, the minimum capital and surplus requirements are determined by the classes of insurance that the Applicant Company is requesting authority to transact and the classes of insurance the Applicant Company is authorized to transact in all other jurisdictions. The state will determine the level of surplus required after considering the Applicant Company's product line, operating record and financial condition. Compliance with the statutorily prescribed minimum surplus requirement may not be sufficient for all applicants. The UCAA website contains a chart that identifies the Minimum Capital and Surplus Requirements for each Uniform State. It also provides a contact person or a link to a state-specific format or RBC requirements and instructions. Submit an explanation of the Applicant Company's compliance with the capital and surplus requirements as Item 3 of the application.

4. Statutory Deposit Requirements

The domiciliary state may require a statutory deposit. The Statutory Deposit Requirements chart located on the UCAA website provides state-specific requirements and identifies those states that require a Statutory Deposit. Submit as Item 4 of the Application, documentation explaining how the Applicant Company meets or is meeting the statutory deposit requirements. Unless otherwise indicated, the Statutory Deposit is for the benefit of all policyholders.

5. Name Approval

Each state has different guidelines and procedures for name approval. The Name Approval Requirements chart located on the UCAA website is intended to serve as a guide for the various name approval requirements of each Uniform State. The Applicant Company should check with

the state to ensure compliance with all applicable name approval requirements. Where applicable, submit evidence of name approval request as Item 5 of the application.

6. Plan of Operation

The plan of operation has three components, a brief narrative, proforma financial statements/projections and a completed Questionnaire (Form 8). The narrative should include significant information not captured as part of the Questionnaire that the Applicant Company submits in support of the application, such as the reason for redomestication. The proforma is one of the three (3) components in the Plan of Operation. The forms are located on the UCAA website under the Primary Application tab. There is a proforma for Life, Property/Casualty, Health and Title companies. Provide a company-wide, three-year proforma balance sheet and income statement. The proforma workbook should be the same business type as the financial statement blank filed with the NAIC. For the lines requested, provide three-year premium and loss projections by line for the application state. Projections must support all aspects of the proposed plan of operation, including reinsurance arrangements and any delegated function agreements. Include the assumptions used to arrive at these projections.

The proforma when applied to the primary application is projected data. As such, the projected amounts need not balance with historical NAIC financial filings. The projected data, however, should be relevant to the Applicant Company's history of growth and losses as contemplated by the NAIC *Accounting Practices and Procedures Manual*.

The proforma should be completed by statutory accounting or financial reporting professionals that should be available to answer any questions or concerns from reviewing regulatory staff. The proforma is completed on an annual basis, typically for a three year time period, however, some states may require five years. The proforma should start with the first full year of operation that the Applicant Company anticipates actively writing business in the state(s) receiving the application.

Submit the completed Questionnaire and all attachments as Item 6 of the application.

7. Holding Company Act Filings

If the Applicant Company is a member of a holding company system, the application must include either the most recent Holding Company Act (HCA) filings, including the Annual Form B Registration Statement and related Form F or a statement substantially similar to the NAIC *Insurance Holding Company System Regulatory Act* (#440). The filing should include all attachments, exhibits and appendices referenced in the HCA filings. Submit the HCA filings as Item 7 of the application, include all attachments and any amendments up to the application filing date and include copies of all advisory, management and service agreements.

8. Statutory Memberships

In some states, the Applicant Company is required to join one or more rating, guarantee or other organizations before transacting insurance. Generally, the Applicant Company's authorized lines of insurance govern statutorily mandated memberships. The Statutory Membership Requirements chart is located on the UCAA website. Inquire with the licensure state about any

required statutory memberships before transacting insurance. Submit documentation supporting membership application(s) as indicated, in states where required, as Item 8 of the application.

9. SEC Filings or Consolidated GAAP Financial Statement

If the Applicant Company, its parent or its ultimate holding company has made a filing or registration with the U.S. Securities and Exchange Commission (SEC) in connection with a public offering within the last three years, or filed an 8K, 10K or 10Q within the last 12 months, the application must note that the filing, including any supplements or amendments, is available electronically from the SEC. If the Applicant Company, its parent or its ultimate holding company is not publicly traded, the application must include a copy of the Applicant Company's most recent Consolidated GAAP financial statement. Submit the notice of SEC filings or copy of a Consolidated GAAP statement as Item 9 of the application.

10. Debt-to-Equity Ratio Statement

Members of a holding company system must submit debt-to-equity information as Item 10 of the application. The application must include a comprehensive debt-to-equity ratio statement that includes the following information.

- A. Provide the consolidated outside debt to consolidated equity ratio on a GAAP basis for the holding company. *

Debt Duration	Debt Amount (\$)	Debt to Consolidated Equity Ratio
Up to 5 years		
Up to 10 years		
Up to 20 years		

- B. Provide the most recent consolidated holding company financial statement.
- C. State if the holding company, on a consolidated basis, has a tangible net worth: a) for the past three years; b) at present; and c) provide projections with assumptions for a three-year period.
- D. The Applicant Company must clearly substantiate the sources of repayment of any debt, including, but not limited to, whether the source of repayment is independent from the future income of the insurers.
- E. Calculate the debt service (as reported in D above) required of each insurer as a percentage of the Applicant Company's capital and surplus.
- F. List the assets of the holding company, if any, that are pledged to fund the debt service or debt repayment of an affiliate or parent (include the assets or stock of any insurer subsidiaries)
- G. List any guarantees (personal or otherwise) from the shareholders for repayment of the debt.

*Some states may require re-statement based upon statutory equity.

11. Custody Agreements

The Applicant Company should include a statement setting forth whether or not any of the Applicant Company's stocks, bonds, or other physical or book entry securities are in the physical possession of another entity.

If any of the Applicant Company's stocks, bonds or other securities are not in the Applicant Company's actual physical possession or in a safe deposit box under the exclusive control of the Applicant Company (except as shown in the Schedule of Special Deposits in the Applicant Company's Annual Statement), the application must include the written agreement with each entity holding and/or administering these securities. The written agreement should include appropriate safeguards for the handling of the securities, in accordance with those specified in the NAIC *Financial Condition Examiners Handbook* (Handbook).

Some states have additional requirements for these custody agreements, beyond those called for in the Handbook. Submit the statement and copies of the custody agreements as Item 11 of the application.

12. Public Records Package

Most states have requirements to disclose information to the public under a Public Records Act. To meet these public disclosure requirements certain items must accompany the application. While these documents may or may not be part of the substantive review, please be sure to include the required documents with the application. Please see the Public Records Package chart on the UCAA website for each state's document list. The chart contains requirements for financial and operational filings. An Applicant Company seeking to redomesticate should provide both financial and operational documents for the application state. An Applicant Company that is seeking to form a new insurer should include all documents listed in the operational section of the chart for the application state. Submit all documents required by the application state as Item 12 of the application.

13. NAIC Biographical Affidavit (Biographical Affidavit)

- A. The Applicant Company is required to submit an NAIC Biographical Affidavit in connection with pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states. The Applicant Company must submit an NAIC Biographical Affidavit on behalf of all officers, directors and key managerial personnel of the Applicant Company and individuals with a ten percent (10%), or more, beneficial ownership in the Applicant Company and the Applicant Company's ultimate controlling parent ("Affiant").
- B. The UCAA defines "Independent Third-Party" as:
 - (i) A consumer reporting agency ("CRA") overseen by the Federal Trade Commission ("FTC") and, therefore, subject to the FCRA, which have been vetted and is currently on the approved list;
 - (ii) Has the ability to perform international background investigations; and

- (iii) One whose officers and directors have no material affiliation with the Applicant Company other than stock ownership amounting to less than one percent (1%) of total stock outstanding, unless prior approval is given by the department of insurance to which application is being made.
- C. The NAIC Biographical Affidavit requests information with respect to your employment history, education, personal information and character. The NAIC Biographical Affidavit also includes the Disclosure and Authorization Concerning Background Reports (the "Disclosure & Authorization Form"). The signature of the Affiant on the Disclosure & Authorization Form permits an Independent Third-Party to conduct a independent third-party verification on the Affiant.
- D. The NAIC Biographical Affidavit includes three types of the Disclosure & Authorization Form. There are three different Disclosure & Authorization Forms since certain state laws, regulations and rules require different kinds of disclosures and wording within such form. An Affiant must sign the corresponding Disclosure & Authorization Form(s) for the respective state(s) where the affiant has lived or worked within the last ten (10) years. Refer to the Disclosure & Authorization Forms for further information.
- E. The NAIC Biographical Affidavit is used to evaluate the suitability, competency, character and integrity of the Affiant in connection with an Applicant Company's pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states.
- The Independent Third-Party uses information contained in the NAIC Biographical Affidavit as a tool to perform an independent third-party verification to determine an individual's fitness and propriety. The independent third-party verification may contain information bearing on the Affiant's character, general reputation, personal characteristics, mode of living and credit standing (if required by the state). The Independent Third-Party Vendor shall use the independent third-party verification to create a background report (the "Background Report").
- F. The Disclosure & Authorization Form is valid for a maximum of one year. Additionally, an Affiant may revoke the authorization at any time by delivering a written revocation to the Applicant Company. Refer to the Disclosure & Authorization Form for further information.
- G. The Background Reports are subject to the Fair Credit Reporting Act ("FCRA"). Pursuant to FCRA, the state departments of insurance and an Applicant Company who is seeking admission are "users" of consumer reports. The FCRA requires that the Applicant Company provide the Affiant with a copy of the "Summary of Your Rights Under the Fair Credit Reporting Act." The Applicant Company should provide a copy of the "Summary of Your Rights under the Fair Credit Reporting Act" to each Affiant. This summary can be found at the Federal Trade Commission ("FTC") website.
- H. The Applicant Company and state departments of insurance are required to comply with FCRA, especially as it relates to confidentiality of the information contained in such consumer reports. To the extent required by law, the states and Independent Third-Party

Vendors should maintain the Background Reports procured under the Disclosure & Authorization Form as confidential. A copy of the FCRA is located here.

- I. The department of insurance in the state where an Applicant Company files, or intends to file, an application and the Applicant Company may require the Background Report. An Affiant who desires a copy of their Background Report may request a copy from the Applicant Company or the CRA as indicated on the Disclosure & Authorization Form. Refer to the Disclosure & Authorization Form for further information.
- J. Please check state requirements for those states that require additional background information, such as fingerprints, in place of, or in addition to, NAIC Biographical Affidavits. If applying in one of those states, necessary fingerprints and processing fees should be included.

Refer to the UCAA website for a list of currently approved Independent Third-Party Vendors for Background Reports.

NAIC Biographical Affidavits must be completed on the most current form [Word | PDF], in effect at the time the affidavit was signed and the affiant shall not sign the Affidavits more than one year before the date the Applicant Company files the application.

Submit original Biographical Affidavits (Form 11) that contain the Disclosure & Authorization Forms to the state department(s) of insurance as Item 13 of the application.

14. State-Specific Information

Some jurisdictions may have additional requirements before a Certificate of Authority is issued. Before completing a UCAA Primary Application, the Applicant Company should review the list of requirements for the application state. State-specific requirements are listed on the UCAA website. Submit state-specific requirements as Item 14 of the application.

Primary Application Section III

Filing Requirements – Redomestications Only

The requirements of this section are only for those Applicant Company's seeking to redomesticate from one state to another and are in addition to the requirements of Section II, Items 1 through 14 of the Primary Application. A redomestication is the process whereby any insurer organized under the laws of any state may become a domestic insurer that transfers its domicile to another state by merger or consolidation or any other lawful method. The Applicant Company files the Primary Application with the Applicant Company's new state of domicile when used for a redomestication.

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- 15. Annual Statements with Attachments
- 16. Quarterly Financial Statements
- 17. Risk-Based Capital Report
- 18. Independent CPA Audit Report
- 19. Reports of Examination
- 20. Certificate of Compliance

15. Annual Statement with Attachments

Include a copy of the Applicant Company's most recent annual statement as filed in the current state of domicile including all statements and supplements in accordance with the *Annual Statement Instructions*, including the Statement of Actuarial Opinion and Management's Discussion and Analysis. The annual statement should be signed and verified, and include an original certification from the state insurance regulatory agency of the Applicant Company's domiciliary state.

Include one copy of the Applicant Company's annual statement for the two (2) preceding years in addition to the most recent annual statement.

Property/Casualty insurers must attach the Insurance Expense Exhibit, Accident and Health Policy Experience Exhibit and/or Schedule P to the annual statement.

Life insurers must include a Certificate of Valuation from the domiciliary state insurance regulatory agency.

Members of a holding company system must attach a copy of the most recent consolidated annual statement, if filed with its current state of domicile. Submit the annual statement, with the necessary attachments, as Item 15 of the application.

16. Quarterly Statements

Include one (1) copy of each quarterly statement that follows the most recent annual statement. In addition, the Applicant Company must immediately forward any new quarterly statements that become available while the application is pending to all states in which applications are pending. Submit the quarterly statements as Item 16 of the application.

17. Risk-Based Capital Report

Include a Risk-Based Capital Report, submitted in the level of detail required by the NAIC, as Item 17 of the application. Please note that the states will maintain confidentiality of these reports.

18. Independent CPA Audit Report

Include a CPA Audit Report, performed by a certified public accountant that is not an employee of the Applicant Company. Submit the CPA Audit Report as Item 18 of the application. Some states allow exemptions to this requirement for small insurers. Please contact the states individually regarding exemptions.

19. Reports of Examination

The application must include a copy of the Applicant Company's most recent Report of Financial Examination from its domiciliary state. The Applicant Company must also note all more recent examinations completed by any state, including market conduct examinations, and provide a description of each examination. The Reports of Examination Requirements chart is

available on the UCAA website. Submit the Report of Financial Examination and a list of more recent examinations with descriptions as Item 19 of the application.

20. Certificate of Compliance

Include a Certificate of Compliance (Form 6) with the application. Please refer to the Certificate of Compliance and Certificate of Deposit Requirements chart on the UCAA website for specific requirements for the date of issuance of the Certificate of Compliance (Form 6) from the file date of the application. The current domiciliary state must complete the Certificate of Compliance. Submit as Item 20 of the application.

Primary Application Section IV How to File

To facilitate the prompt review of the Primary Application, please ensure that the application adheres to the formatting instructions provided in this section. States will not accept for filing any applications that fail to meet these formatting requirements. Section IV will address the following areas:

1. Communication Between Applicant Company and Agency
2. Questions
3. Application Checklist
4. Application and Supporting Documents
5. Addresses for Submission of Application
6. Updates/Changes
7. Filing Fee
8. Forms
9. State-Specific Information

1. Communication Between Applicant Company and Agency

Once the state accepts a Primary Application for filing, the state will notify the Applicant Company of the official filing date and agency contact person. The state will provide names, addresses, email (if available) and telephone numbers of the individual(s) assigned to the application.

Prior to receiving the name of the agency contact person, an Applicant Company may contact the agency personnel listed on the Addresses and Contacts for Submission of Application chart located on the UCAA website to obtain information regarding the status of a Primary Application.

2. Questions

Section II and Section III, Filing Requirements, provide detailed guidelines regarding both the type and format of information required for the Primary Application. In most cases, the state provides an agency contact person for each item in the Filing Requirements section. For additional information, or clarification, Applicant Company's may use the contact names provided in the Addresses and Contacts for Submission of Application chart located on the UCAA website.

3. Application Checklist

The application checklist (**Form 1P**) is available on the UCAA website and provides a guide for assembling a complete application. Complete the checklist before submitting a Primary Application for review. Attach a completed checklist to the top of each application.

4. Application and Supporting Documents

Submit one copy of the Checklist, completed application and all supporting documentation to the reviewing state. California, Kentucky and New York require two (2) complete copies. Each item identified in Section II and Section III of the Filing Requirements should have a cover sheet as specified below.

Each cover sheet should be on paper suitable for use as a cover sheet, such as binder divider pages.

The Applicant Company needs to tab each cover sheet on the right-hand side of the page with a number corresponding to the document's item number in the Primary Application checklist.

If a particular item is not included with the cover sheet, the Applicant Company must attach to the cover sheet a written explanation stating the reason the item has not been included. Set forth below are examples of why the Applicant Company may not attach a particular item to the cover sheet.

- "Item not applicable to this application for the following reason ... (state reason)."
- "Item has been attached separately because of size."

5. Addresses for Submission of Application

Submit the application by mailing it to the appropriate address noted on the chart, Addresses and Contact Information for Submission of Application, on the UCAA website.

6. Updates/Changes

The Applicant Company is responsible for informing states of any significant changes that occur or that the Applicant Company discovers during the application review period. Examples of significant changes include: changes in officers and directors, material acquisition or disposal of assets, changes in reinsurance, acquisition of the insurer, change in proposed shareholders, regulatory actions taken against the insurer, change in current business plan, etc.

The Applicant Company must supply revised forms promptly if any changes occur that materially affect the accuracy of the forms filed in support of the application. For example, the Applicant Company must forward new quarterly statements as soon as they become available.

7. Filing Fee

Please see the Filing Fees - Primary and Expansion Applications located on the UCAA website to determine the correct fee and filing instructions for the application state.

8. Forms

All forms are available on the UCAA website under the Primary Application tab and UCAA Forms. All forms can be downloaded, printed and submitted with a completed application. The forms **MUST NOT** be altered. At this time, the forms cannot be submitted electronically.

9. State-Specific Information

Some jurisdictions may have additional requirements that the Applicant Company must meet before a state can issue a Certificate of Authority. Before completing a UCAA Primary Application, the Applicant Company should review a listing of requirements for the application state. State requirements are on the UCAA website under State-Specific Requirements.

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UCAA UNIFORM CERTIFICATE OF AUTHORITY APPLICATION

EXPANSION APPLICATION

The Expansion Application to the Uniform Certificate of Authority Application (UCAA) is for use by an Applicant Company that wishes to expand into one or more Uniform States. The Applicant Company may file Expansion Applications simultaneously in as many states as desired. Prior to submitting an application in a foreign state, the Applicant Company should inform the state of domicile of its plans in the foreign state(s).

The Expansion Application is an abbreviated version of the UCAA designed to allow solidly performing companies that are in good standing in all admitted states to gain admission into new states quickly and easily. It is the goal of all Uniform States to complete their review of Expansion Applications within 60 calendar days of receipt. The 60-day review process includes two weeks to determine if the application is complete and acceptable. During the remaining 45–60 day time span, the application will receive a financial and operational review. The states may not achieve the 60-day processing goal in instances where substantial follow-up is required or in states with limited resources or in instances when the Applicant Company files an application during peak business periods, such as year-end and annual statement filing periods.

Based on the circumstances of a particular application, it may be necessary for the reviewing state to request additional information.

The UCAA Expansion Application has three sections designed to guide the Applicant Company through the admission process:

- I. Application Review Process
- II. Filing Requirements
- III. How to File

The goal of the UCAA is to provide a streamlined approval process. However, some states have state-specific filing requirements based on either statutory requirements or internal procedures. All Applicant Companies must be familiar with the insurance laws of the state to which they submit an application. Please see the UCAA website for information on obtaining a copy of the laws, regulations and bulletins for each state.

Direct any questions about the uniform admission process or state-specific filing requirements to the contact shown on the list of contact names and telephone numbers provided on the UCAA website. To assure a prompt review, the Applicant Company should contact each state with any questions before submitting the application.

Expansion Application Section I

Application Review Process

The Expansion Application is an abbreviated version of the UCAA designed to allow solidly performing companies that are in good standing in all admitted states to gain admission into new states quickly and easily. It is the goal of all Uniform States to complete their review of Expansion Applications within 60 calendar days of receipt. The 60-day review process includes two weeks to determine if the application is complete and acceptable. During the remaining time span, the application will receive a financial and operational review. The states may not achieve the 60-day processing goal in instances where substantial follow-up is required or in states with limited resources or in instances when the Applicant Company files an application during peak business periods, such as year-end and annual statement filing periods.

Based on the circumstances of a particular application, it may be necessary for the reviewing state to request additional information.

Proprietary Information

Both regulators and the Applicant Company should note that communications with insurance regulatory agencies in conjunction with the Expansion Application concerning proprietary information about the Applicant Company may be deemed confidential. States may only share information determined to be confidential with other persons as authorized by law. By law, the state will not disclose to the public any information determined to be proprietary and trade secret. Each Applicant Company needs to expressly identify all information in the application and in any subsequent correspondence that the Applicant Company considers proprietary or trade secret.

Please do not hesitate to contact the appropriate state insurance regulators with any questions before filing any Uniform Application.

Step One: Filing the Application

Processing Goal: 2 Weeks

The Applicant Company may submit an Expansion Application anytime during the year. States will immediately review the Expansion Application to ensure that the Applicant Company submits the application in the required format as outlined in these instructions.

Generally, within two weeks from the date the state receives the application, the state will notify the Applicant Company whether or not the state has accepted the application for filing. If the state accepts the application for filing, the state will assign an official filing date.

The state will contact the Applicant Company if it does not accept the application for filing due to a deficiency in the application's format. Depending upon the nature of the deficiency, the state may give the Applicant Company two weeks from the date of receipt of notification to correct the deficiency. Some states may return to the Applicant Company applications that are deficient and not accepted for filing.

Step Two: Application Review

Processing Goal: 45–60 Days

An Expansion Application will undergo a rigorous financial and operational review in each state to which the Applicant Company submits the application. While the goal of each state is to complete this review in 60 days, the states cannot guarantee this time frame. Due to the varying levels of resources available in each state, a substantive review of an Expansion Application may take longer than 60 days in some cases. Furthermore, if the state needs additional information to complete a substantive review of an application, the review may also take longer to complete. Once the state requests additional information, it suspends the 60-day goal until it receives the requested information. The purpose of the Expansion Application is to streamline application processing and the states will make every effort to process an Expansion Application as quickly as possible.

At the conclusion of each state's substantive review, the state will grant the Applicant Company a Certificate of Authority, it will allow the Applicant Company to withdraw the application or it will deny the application. Each state independently reaches a decision to either approve or deny an Expansion Application. It is entirely possible that some states might approve an Expansion Application and other states might deny the application.

If any state denies the application, that state will notify the Applicant Company and provide a detailed explanation for the denial. After the denial, if the Applicant Company wishes to re-file an Expansion Application, the state will require a new application and filing fee.

Since only established companies can use an Expansion Application, the states assume that the Applicant Company has a basic understanding of the Certificate of Authority review process. Please refer to the Primary Application for a more detailed explanation of the process. The Applicant Company is strongly encouraged to contact the states with questions before submitting an application for review.

Expansion Application Section II

Filing Requirements

This section provides a guide to understanding the focus of each document of the Expansion Application. However, there typically are multiple purposes for the documents. Therefore, it is important that applications be complete.

All documents submitted in support of the application must be current. However, in certain instances, some states have limited latitude to accept older documents, although generally no more than five (5) years old. Please contact the states individually if there are questions about a specific document.

All forms required for the Expansion Application are located under the Expansion Application tab in the UCAA Forms Section on the UCAA website.

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1. Expansion Application Form
2. Filing Fee
3. Minimum Capital and Surplus Requirements

4. Statutory Deposit Requirements
5. Name Approval
6. Plan of Operation
7. Holding Company Act Filings
8. Certificate of Compliance
9. Reports of Examination
10. Statutory Memberships
11. Public Records Package
12. NAIC Biographical Affidavits
13. Uniform Consent to Service of Process
14. State-Specific Information

1. Application Form and Attachments

The application must identify all lines of insurance the Applicant Company is currently licensed to transact in its state of domicile and all lines of insurance the Applicant Company is requesting authority to transact, as identified by the Applicant Company's plan of operation. Submit a completed checklist (Form 1E) and original executed application form (Form 2E and Form 3) as Item 1 of the application. A cover letter may be included as a component of Item 1 of the application.

2. Filing Fee

Include a filing fee for each application state. Please issue a separate check for each state. The payee name and the instructions for submitting the filing fee are included in the Filing Fees - Primary and Expansion Applications chart on the UCAA website. Please note that due to retaliatory statutes, the ultimate amount of fees in any state may be more than the amount indicated in the chart. Submit a copy of the Applicant Company's check as Item 2 of the application.

3. Minimum Capital and Surplus Requirements

The application must show that the Applicant Company meets each state's statutory minimum capital and surplus requirements. In some states, the minimum capital and surplus requirements are determined by the classes of insurance that the Applicant Company is requesting authority to transact and the classes of insurance the Applicant Company is authorized to transact in all other jurisdictions. The state will determine the level of surplus required after considering the Applicant Company's product line, operating record and financial condition. Compliance with the statutorily prescribed minimum surplus requirement may not be sufficient for all applicants. The Minimum Capital and Surplus Requirements chart on the UCAA website identifies the minimum capital and surplus requirements for each Uniform State. The chart also provides a contact person or a link to a state-specific format or RBC requirements and instructions. Submit an explanation of the Applicant Company's compliance with the capital and surplus requirements as Item 3 of the application.

4. Statutory Deposit Requirements

Some states require that a statutory deposit be on file in the domiciliary state. The Statutory Deposit Requirements chart on the UCAA website provides specific requirements and identifies those states that require deposits by foreign insurers and proof of a Statutory Deposit in the domiciliary state. A foreign insurer is an insurer that is domiciled in another state. Please refer to the Certificate of Compliance and Certificate of Deposit Requirements chart on the UCAA website for specific requirements for the date of issuance of the Certificate of Deposit (Form 7) from the file date of the application. Unless otherwise indicated, the statutory deposit is for the benefit of all policyholders. In the states where proof is required, the Applicant Company should submit the Certificate of Deposit (Form 7) prepared by its state of domicile as Item 4 of the application.

5. Name Approval

Each state has different guidelines and procedures for name approval. The Name Approval Requirements chart on the UCAA website serves as a guide for the various name approval requirements of each Uniform State. The Applicant Company should check with each state separately to ensure compliance with all applicable name approval requirements. Where applicable, submit evidence of name approval request as Item 5 of the application.

6. Plan of Operation

The plan of operation has three components, a brief narrative, proforma financial statements/projections and a completed Questionnaire (Form 8). The narrative should include significant information not captured as a part of the Questionnaire that the company submits in support of the application. The proforma is one of the three (3) components in the Plan of Operation. The forms are located on the UCAA website under the Expansion Application tab. There is a proforma for Life, Property/Casualty, Health and Title companies. Provide a company-wide, three-year proforma balance sheet and income statement. The proforma workbook should be the same business type as the financial statement blank filed with the NAIC. For the lines requested, provide three-year premium and loss projections by line for the application state. Projections must support all aspects of the proposed plan of operation, including reinsurance arrangements and any delegated function agreements. Include the assumptions used to arrive at these projections.

The proforma when applied to the expansion application is projected data. As such, the projected amounts need not balance with historical NAIC financial filings. The projected data, however, should be relevant to the Applicant Company's history of growth and losses as contemplated by the NAIC *Accounting Practices and Procedures Manual*.

The proforma should be completed by statutory accounting or financial reporting professionals that should be available to answer any questions or concerns from reviewing regulatory staff. The proforma is completed on an annual basis, typically for a three-year time period, however, some states may require five years. The proforma should start with the first full year of operation that the Applicant Company anticipates actively writing business in the state(s) receiving the application.

Submit the completed Questionnaire and all attachments as Item 6 of the application.

7. Holding Company Act Filings

If the Applicant Company is a member of a holding company system, the application must include either the most recent Holding Company Act (HCA) filings, including the Annual Form "B" Registration Statement and related Form F, or a statement substantially similar to the NAIC *Insurance Holding Company System Regulatory Act* (#440). The filing should include all attachments, exhibits and appendices referenced in the HCA filings. Submit the HCA filings as Item 7 of the application and include all attachments and any amendments up to the filing date of the application.

8. Certificate of Compliance

The application must include a Certificate of Compliance. Please refer to the Certificate of Compliance and Certificate of Deposit Requirements chart on the UCAA website for specific requirements for the date of issuance of the Certificate of Compliance (Form 6) from the file date of the application. The domiciliary state must complete the Certificate of Compliance (Form 6) and the Applicant Company must submit this as Item 8 of the application.

9. Reports of Examination

The application must include a copy of the Applicant Company's most recent Report of Financial Examination from its domiciliary state. The Applicant Company must also note all more recent examinations completed by any state, including market conduct examinations, and include a description of each examination. The Reports of Examination Requirements chart is available on the UCAA website. Submit the Report of Financial Examination and a list of more recent examinations with descriptions as Item 9 of the application.

10. Statutory Memberships

In some states, the Applicant Company is required to join one or more rating, guaranty or other organizations before transacting insurance. Generally, the authorized lines of insurance the Applicant Company can transact govern statutorily mandated memberships. Please be sure to check with each application state to inquire about any statutory memberships required before transacting insurance. The Statutory Membership Requirements chart is on the UCAA website. Submit documentation supporting membership application(s) in states where required, as Item 10 of the application.

11. Public Records Package

Most states have requirements to disclose information to the public under a Public Records Act. To meet these public disclosure requirements certain items must accompany the application. While these documents may or may not be part of the substantive review, please be sure to include the documents with the application. The Public Records Package chart may be accessed on the UCAA website. Submit all documents listed for the application state as Item 11 of the application.

12. NAIC Biographical Affidavits

- A. The Applicant Company is required to submit an NAIC Biographical Affidavit (Form 11) in connection with pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states. The Applicant Company must submit an NAIC Biographical Affidavit on behalf of all officers, directors and key managerial personnel of the Applicant Company and individuals with a ten percent (10%), or more, beneficial ownership in the Applicant Company and the Applicant Company's ultimate controlling parent (Affiant).
- B. The UCAA defines "Independent Third-Party" as:
 - (i) A consumer reporting agency ("CRA") overseen by the Federal Trade Commission ("FTC") and, therefore, subject to the FCRA, which have been vetted and is currently on the approved list;
 - (ii) Has the ability to perform international background investigations; and
 - (iii) One whose officers and directors have no material affiliation with the Applicant Company other than stock ownership amounting to less than one percent (1%) of total stock outstanding, unless prior approval is given by the department of insurance to which application is being made.
- C. The NAIC Biographical Affidavit requests information with respect to your employment history, education, personal information and character. The NAIC Biographical Affidavit also includes the Disclosure and Authorization Concerning Background Reports Form (the "Disclosure & Authorization Form"). The signature of the Affiant on the Disclosure & Authorization Form permits an Independent Third-Party to conduct an independent third-party verification on the Affiant.
- D. The NAIC Biographical Affidavit includes three types of the Disclosure & Authorization Form. There are three different Disclosure & Authorization Forms since certain state laws, regulations and rules require different kinds of disclosures and wording within such form. An Affiant must sign the corresponding Disclosure & Authorization Form(s) for the respective state(s) where the Affiant has lived or worked within the last ten (10) years. Refer to the Disclosure & Authorization Forms for further information.
- E. The NAIC Biographical Affidavit is used to evaluate the suitability, competency, character and integrity of the Affiant in connection with an Applicant Company's pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states.

The Independent Third-Party uses information contained in the NAIC Biographical Affidavit as a tool to perform an independent third-party verification to determine an individual's fitness and propriety. The independent third-party verification may contain information bearing on the Affiant's character, general reputation, personal characteristics, mode of living and credit standing (if required by the state). The Independent Third-Party Vendors shall use the independent third-party verification to create a background report (the "Background Report").

- F. The Disclosure & Authorization Form is valid for a maximum of one year. Additionally, an Affiant may revoke the authorization at any time by delivering a written revocation to the Applicant Company. Refer to the Disclosure & Authorization Form for further information.
- G. The Background Reports are subject to the Fair Credit Reporting Act (“FCRA”). Pursuant to FCRA, the state departments of insurance and an Applicant Company who is seeking admission are “users” of consumer reports. The FCRA requires that the Applicant Company provide the Affiant with a copy of the “Summary of Your Rights Under the Fair Credit Reporting Act.” Applicant Company’s should provide a copy of the “Summary of Your Rights under the Fair Credit Reporting Act” to each Affiant. This summary can be found at the Federal Trade Commission (“FTC”) website.
- H. The Applicant Company and state departments of insurance are required to comply with FCRA, especially as it relates to confidentiality of the information contained in such consumer reports. To the extent required by law, the states and Third-Party Vendors should maintain the Background Reports procured under the Disclosure & Authorization Form as confidential. A copy of the FCRA is located at here.
- I. The department of insurance in the state where an Applicant Company files, or intends to file an application and the Applicant Company may require the Background Report. An Affiant who desires a copy of their Background Report, may request a copy from the Applicant Company or the CRA as indicated on the Disclosure & Authorization Form. Refer to the Disclosure & Authorization Form for further information.
- J. Please **check state requirements** for those states that require additional background information, such as fingerprints, in place of, or in addition to, NAIC Biographical Affidavits. If applying in one of those states, necessary fingerprints and processing fees should be included.

Refer to the UCAA website for a **list of currently approved Independent Third-Party Vendors for Background Reports**.

NAIC Biographical Affidavits must be completed on the most **current form** [Word | PDF], in effect at the time the affidavit was signed and the affiant shall not sign the Affidavits more than one year before the date the Applicant Company files the application.

Submit original Biographical Affidavits (Form 11) that contain the Disclosure & Authorization Forms to the state department(s) of insurance as Item 12 of the application.

13. Uniform Consent to Service of Process

Many jurisdictions require that the Applicant Company designate the insurance commissioner or a resident agent to receive service of process on behalf of the Applicant Company. In addition, the Applicant Company must designate a person or entity to receive a forwarded service of process after the commissioner receives the served documents. The Uniform Consent to Service of Process and the Resolution Authorizing Appointment of Attorney (Form 12) are required for this purpose. However, four states do not accept the Uniform Consent to Service of Process form. Those states are: California, Massachusetts, Virginia and Wisconsin. For those states,

please see the State-specific Requirements on the UCAA website for any information regarding this subject. Pennsylvania does not accept service of process and does not require a form. Submit the Uniform Consent to Service of Process and Resolution Authorizing Appointment of Attorney as Item 13 of the application.

14. State-Specific Information

Some jurisdictions may have additional requirements that the Applicant Company must meet other than that required above. Before completing a UCAA Expansion Application, the Applicant Company should review a listing of requirements for the state to which an application is being submitted. State-specific information is available on the UCAA website. Submit state-specific items as Item 14 of the application.

Expansion Application Section III

How to File

To facilitate the prompt review of the Expansion Application, please ensure that the application adheres to the formatting instructions provided in this section. The state will not accept for filing any applications that fail to meet these formatting requirements.

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1. Communication Between Applicant Company and Agency
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9. State-Specific Information

1. Communication Between Applicant Company and Agency

Once a state has accepted an Expansion Application for filing, the state will notify the Applicant Company of the filing date and provide the agency contact person. The state will provide the names, addresses, email (if available) and telephone numbers of the individual(s) assigned to the application.

Before receiving the name of the agency contact person, the Applicant Company may contact the agency personnel in the Addresses and Contact Information for Submission of Application chart on the UCAA website to obtain information regarding the status of an Expansion Application.

2. Questions

Section II, Filing Requirements, provides detailed guidelines regarding both the type and format of information required for the Expansion Application. In most cases, the state provides an agency contact person for each item in the Filing Requirements section. For additional

information, or clarification, the Applicant Company may use the contact names provided on the Addresses and Contact Information for Submission of Application chart on the UCAA website.

3. Application Checklist

The Application Checklist (Form 1E) in the Forms Section provides a guide for assembling a complete application. Complete the checklist before submitting an Expansion Application for review. Attach a completed Checklist to the top of each application.

4. Application and Supporting Documents

Submit one copy of the Checklist, completed application and all supporting documentation to each reviewing state. California, Kentucky and New York require two (2) complete copies. Each item identified in Section II Filing Requirements should have a cover sheet as specified below.

Each cover sheet should be on paper suitable for use as a cover sheet, such as binder divider pages.

Tab each cover sheet on the right-hand side of the page with a number corresponding to the document's item number in the "Filing Requirements" section of the Expansion Application.

If a particular item is not included with the cover sheet, attach a written explanation to the cover sheet stating the reason the item has not been included. These are examples of why the Applicant Company may not attach a particular item to the cover sheet:

- "Item not applicable to this application for the following reason ... (state reason)."
- "Item has been attached separately because of size."

5. Addresses for Submission of Application

Submit the application by mailing it to the appropriate address noted on the chart, Addresses and Contact Information for Submission of Application, on the UCAA website.

6. Updates/Changes

The Applicant Company is responsible for informing states of any significant changes that occur or that the Applicant Company discovers during the application review period. Examples of significant changes include: changes in officers and directors, material acquisition or disposal of assets, changes in reinsurance, acquisition of the insurer, redomestication of the insurer, regulatory actions taken against the insurer, change in current business plan, etc.

The Applicant Company must supply revised forms promptly if any changes occur that materially affect the accuracy of the forms filed in support of the application. For example, the Applicant Company must forward new quarterly statements as soon as they become available.

In addition, all carriers admitted to transact insurance in any Uniform State are required to maintain their Certificate(s) of Authority in good order to ensure ongoing compliance with all applicable laws, regulations and bulletins.

7. Filing Fee

A schedule of filing fees is available on the UCAA website to determine the correct fee and filing instructions for the state to which the Applicant Company is applying.

8. Forms

All forms are available on the UCAA website.

9. State-Specific Information

Some jurisdictions may have additional requirements that the Applicant Company must meet before the state can issue a Certificate of Authority. Before completing a UCAA Expansion Application, the Applicant Company should review a list of requirements for the state to which the Applicant Company is applying. These requirements are located under State-Specific Requirements on the UCAA website.

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UNIFORM CERTIFICATE OF AUTHORITY APPLICATION

CORPORATE AMENDMENTS APPLICATION

An existing insurer uses the Uniform Certificate of Authority Corporate Amendments Application for requesting amendments to its Certificate of Authority. A Uniform State is one that is committed to using the Uniform Certificate of Authority (UCAA) review process for company licensing and admissions.

The Applicant Company can use the Corporate Amendments Application to file more than one change in the same submission. The Applicant Company should mark all changes it files on the application form and submit all items required for those changes.

The following pages contain a detailed explanation of the various requirements, along with instructions designed to assist in the preparation and submission of the necessary documentation to obtain regulatory approval. Each state's review process may follow slightly different time lines to complete a comprehensive and detailed operational and financial review of the Applicant Company's business. It is the goal of all Uniform States to complete their review of the Corporate Amendments Applications within 60 calendar days of receipt. The 60-day review process includes two weeks to determine if the application is complete and acceptable for filing. During the remaining time-span, the application will receive a financial and operational review. The state may not achieve the 60-day processing goal in instances where the application requires substantial follow-up, or in states with limited resources, or in instances when the Applicant Company files an application during peak business periods such as year-end and annual statement filing periods.

Based on the circumstances of a particular application, it may be necessary for the reviewing state to request additional information. Typically, the state will request any additional information within 30 days after it accepts the application.

The UCAA Corporate Amendments Application has twelve sections designed to guide the applicant through the licensing process;

- I. Application Review Process
- II. Adding and Deleting Lines of Business Filing Requirements
- III. Name Change Filing Requirements
- IV. Redomestication of a Foreign Insurer Filing Requirements
- V. Change of Statutory Home Office Address Filing Requirements
- VI. Change of Address/Contact Notification Filing Requirement
- VII. Merger of Two or More Foreign Insurers
- VIII. Proposed/Completed Change of Control of Foreign Insurers
- IX. Amended Articles of Incorporation
- X. Amended Bylaws
- XI. Statement of Withdrawal/Complete Surrender of Certificate of Authority Application
- XII. Uniform Consent to Service of Process
- XIII. How to File

The goal of the UCAA is to provide a streamlined approval process. However, some states have state-specific filing requirements based on either statutory requirements or internal procedures. The Applicant Company must be familiar with the insurance laws of the state to which they submit an application. Please see State Charts on the UCAA website for information about how to obtain a copy of the laws, regulations and bulletins for the application state.

If there are any questions about the uniform amendment process, a list of contact names, addresses and telephone numbers is available on the UCAA website. It is highly recommended that the Applicant Company contact each state with any questions before submitting the application for review.

Corporate Amendments Application Section I

Application Review Process

The Corporate Amendments Application of the UCAA provides a uniform process for gaining the necessary regulatory approvals for modifications to an Applicant Company's Certificate of Authority. It is the goal of each Uniform State to process all Corporate Amendments Applications within 60 calendar days of receipt. The 60-day review process includes two weeks to determine if the application is complete and acceptable for filing. During the remaining time-span, the application will receive a financial and operational review. The states may not achieve the 60-day processing goal in instances where the application requires substantial follow-up, or in states with limited resources or in instances when the Applicant Company files an application during peak business periods such as year-end and annual statement filing periods.

Based on the circumstances of a particular application, it may be necessary for the reviewing state to request additional information. Typically, the state will request any additional information that it needs within 30 days after the state accepts the application.

Proprietary Information

Both regulators and the Applicant Company should note that the Applicant Company might deem confidential any communications with insurance regulatory agencies in conjunction with the Corporate Amendments Application concerning proprietary information about the Applicant Company. States may only share information determined to be confidential with other persons as authorized by law. By law, the state will not disclose to the public any information determined to be proprietary and trade secret. Each Applicant Company needs to expressly identify all information in the application and in any subsequent correspondence that the Applicant Company considers proprietary or trade secret.

The UCAA website explains the requirements and filing process for the Corporate Amendments Application. Please do not hesitate to contact the appropriate state regulators with any questions before filing any Uniform Application.

Step One: Filing the Application

Processing Goal: 2 Weeks

An Applicant Company may submit Corporate Amendments Applications anytime during the year. The state immediately reviews Corporate Amendments Applications to ensure that the Applicant Company submits these in the required format as outlined in Section II through Section XI.

Generally, within two weeks from the date the state receives the application, the state notifies the Applicant Company whether or not it has accepted the application for filing. If the state accepts the application for filing, it will assign an official filing date.

The state will contact the Applicant Company if it does not accept the application for filing due to a deficiency in the application's format. Depending upon the nature of the deficiency, the state may give the Applicant Company two weeks from the date of receipt of notification from the department reviewing the application to correct the deficiency. Some states may return to the Applicant Company any applications that are deficient and not accepted for filing.

Step Two: Application Review

Processing Goal: 60 Days

A Corporate Amendments Application will undergo a rigorous financial and operational review in the application state. While the goal of each state is to complete this review in 60 days, the state cannot guarantee this time frame. Due to varying levels of resources available in each state, a substantive review of the Corporate Amendments Application may take longer than 60 days in some cases. Furthermore, if the state needs additional information to complete a substantive review of an application, the review may also take longer to complete. Once the state makes a request for additional information, it suspends the 60-day goal until the state receives the requested information. The purpose of the Corporate Amendments Application is to streamline application processing and the states will make every effort to process a Corporate Amendments Application as quickly as possible.

At the conclusion of the substantive review by the reviewing state, the state will grant the Applicant Company an amendment to the Certificate of Authority, allow the Applicant Company to withdraw the application, or will deny the application.

If the state denies the application, the state will notify the Applicant Company and provide a detailed explanation for the denial. After the denial, if the Applicant Company wishes to re-file a Corporate Amendments Application, the state will require a new application and filing fee.

Corporate Amendments Application Section II

Filing Requirements (Adding and Deleting Lines of Business)

This section provides a guide to understanding the focus of each document of the Corporate Amendments Application. However, there typically are multiple purposes for documents. Therefore, it is important that applications be complete.

All documents submitted in support of the application must be current. However, in certain instances, some states have limited latitude to accept older documents. Please contact the states individually if there are questions about a specific document.

All forms required for the Corporate Amendments Application are located under the Corporate Amendment Application tab in the UCAA Forms Section on the UCAA website.

Table of Contents

1. Application Form and Attachments
2. Filing Fee
3. Articles of Incorporation
4. Bylaws
5. Minimum Capital and Surplus Requirements
6. Statutory Deposit Requirements
7. Plan of Operation
8. Statutory Membership(s)
9. Certificate of Compliance
10. State-Specific Information
11. Deleting Lines of Business

1. Application Form and Attachments

The application must identify all lines of insurance that the Applicant Company is requesting authority to add or delete from an existing Certificate of Authority, as identified by the Applicant Company's plan of operation. Submit a completed Checklist (Form 1C), and an original executed Application Form (Form 2C), completed Lines of Business (Form 3) and the Applicant Company's original Certificate of Authority or an affidavit of lost Certificate of Authority (Form 15) as Item 1 of the application. All Forms for the Corporate Amendments Application are located under the Corporate Amendment Application tab on the UCAA website. A cover letter may be included as a component of Item 1 of the application.

2. Filing Fee

The application must include a filing fee for the application state. The payee name and the instructions for submitting the filing fee are included in the Filing Fees - Corporate Amendments chart located on the UCAA website. Submit a copy of the Applicant Company's check as Item 2 of the application.

3. Articles of Incorporation

Indicate the location of the language within the Articles of Incorporation that allows the Applicant Company to write this line (e.g., page number, section number, etc., of the Articles of Incorporation). In addition:

- If the Articles of Incorporation have changed because of this application, file the amended Articles of Incorporation.
- If the Articles of Incorporation most recently filed in the application state have not changed because of this application, do not file the Articles of Incorporation. Simply state that the current Articles of Incorporation are already on file in the application state.

Include as Item 3 of the application.

4. Bylaws

The Applicant Company should have previously filed the most current version of their bylaws.

- If the bylaws have changed because of this application, file the amended bylaws.
- If the bylaws most recently filed in the application state have not changed because of this application, do not file the bylaws. Simply state that the current bylaws are already on file in the application state.

Include as Item 4 of the application.

5. Minimum Capital and Surplus Requirements

The application will need to show that the Applicant Company meets the state's statutory minimum capital and surplus requirements for the requested amendment to its Certificate of Authority. In some states, the minimum capital and surplus requirements are determined by the classes of insurance that the Applicant Company is requesting authority to transact and the classes of insurance the Applicant Company is authorized to transact in all other jurisdictions. The state will determine the level of surplus required after considering the Applicant Company's product line, operating record and financial condition. Compliance with the statutorily prescribed minimum surplus requirement may not be sufficient for all Applicant Companies. The Minimum Capital and Surplus Requirements chart located on the UCAA website identifies the minimum capital and surplus requirements for each Uniform State. This chart also provides a contact person or a link to a state-specific format or RBC requirements and instructions. Submit an explanation of the Applicant Company's compliance with the capital and surplus requirements as Item 5 of the application.

6. Statutory Deposit Requirements

A Statutory Deposit may be required for the requested modification. The Statutory Deposit Requirements chart located on the UCAA website provides state-specific requirements and identifies those states that require a Statutory Deposit. Unless otherwise indicated the Statutory Deposit is for the benefit of all policyholders. Please refer to the Certificate of Compliance and Certificate of Deposit Requirements chart on the UCAA website for specific requirements for the date of issuance of the Certificate of Deposit (Form 7) from the date of the application. The Applicant Company should submit as Item 6 the Certificate of Deposit (Form 7) prepared by the state of domicile.

7. Plan of Operation

The Plan of Operation has three components, a brief narrative, proforma financial statements/projections and a completed Questionnaire (Form 8C). The narrative should include significant information not captured as a part of the Questionnaire that the Applicant Company submits in support of the application. The proforma is one of three (3) components in the Plan of Operation. The forms are located on the UCAA website under the Corporate Amendment tab. There is a proforma for Life, Property/Casualty, Health and Title companies. Provide a company-wide, three-year proforma balance sheet and income statement. The proforma workbook should be the same business type as the financial statement blank filed with the NAIC. For the lines requested, provide three-year premium and loss projections by line for the

application state. Projections must support all aspects of the proposed Plan of Operation, including reinsurance arrangements and any delegated function agreements. Include the assumptions used to arrive at these projections.

The proforma when applied to the corporate amendment application is projected data. As such, the projected amounts need not balance with historical NAIC financial filings. The projected data, however, should be relevant to the Company's history of growth and losses as contemplated by the NAIC *Accounting Practices and Procedures Manual*.

The proforma should be completed by statutory accounting and financial reporting professionals that should be available to answer any questions or concerns from reviewing regulatory staff. The proforma is completed on an annual basis, typically for a three-year time period, however, some state may require five years. The proforma should start with the first full year of operation that the Applicant Company anticipates actively writing business in the state(s) receiving the application.

Submit the completed Questionnaire and all attachments as Item 7 of the application.

8. Statutory Memberships

In some states, the Applicant Company is required to join one or more rating, guarantee or other organizations before transacting insurance. Generally, the Applicant Company's authorized lines of insurance govern statutorily mandated memberships. The Statutory Membership Requirements chart is located on the UCAA website. Please be sure to check with the application state to inquire about any statutory memberships that may be required before transacting insurance. Submit documentation supporting membership application(s), in states where required, as Item 8 of the application.

9. Certificate of Compliance

Include a Certificate of Compliance with the application. Please refer to the Certificate of Compliance and Certificate of Deposit Requirements chart on the UCAA website for specific requirements for the date of issuance of the Certificate of Compliance (Form 6) from the file date of the application. The current domiciliary state must complete the Certificate. Submit as Item 9 of the application.

10. State-Specific Information

Some jurisdictions may have additional requirements that the Applicant Company must meet before the state can amend a Certificate of Authority. Before completing a UCAA Corporate Amendments Application, the Applicant Company should review a listing of requirements for the state to which the Applicant Company is applying. State-specific requirements are located on the UCAA website. Include as Item 10 of the application.

11. Deleting Lines of Business

Complete Section II of Form 8C (questions 22–25) documenting the following:

- a. Utilizing the information contained in Form 3, list all of the lines of business that the Applicant Company is requesting to delete from its Certificate of Authority.
- b. Provide a detailed explanation for the Applicant Company's request to delete these lines of business.
- c. For each state, indicate the number of policyholders by line of business that will be non-renewed or cancelled if the state approves the Applicant Company's request to delete lines of business.

The UCAA website contains a Deleting Lines of Business Requirements chart of individual state requirements. Provide documentation that complies with all requirements for removal of lines of business from the Certificate of Authority listed as Item 11 of the application.

Corporate Amendments Application Section III Filing Requirements (Name Change)

This section provides a guide to understanding the focus of each document of the Corporate Amendments Application. However, documents typically serve multiple purposes. Therefore, it is important that applications be complete.

All documents submitted in support of the application must be current. However, in certain instances, some states have limited latitude to accept older documents. Please contact the states individually if there are questions about a specific document.

All forms required for the Corporate Amendments Application are located under the Corporate Amendment Application tab in the UCAA Forms Section on the UCAA website.

Table of Contents

1. Application Form and Attachments
2. Filing Fee
3. Articles of Incorporation
4. Bylaws
5. Service of Process
6. State of Domicile Approval
7. State-Specific Information
8. Name Approval

1. Application Form and Attachments

The Applicant Company must submit a completed Checklist (Form 1C), an original executed Application Form (Form 2C) and the Applicant Company's original Certificate of Authority or an Affidavit of Lost Certificate of Authority (Form 15) as Item 1 of the application. All forms for the Corporate Amendments Application are located on the UCAA website. A cover letter may be included as a component of Item 1 of the application.

2. Filing Fee

Include a filing fee for each application state. The payee name and the instructions for submitting the filing fee are included in the Filing Fees - Corporate Amendments chart located on the UCAA website. Submit a copy of the Applicant Company's check as Item 2 of the application.

3. Articles of Incorporation

Indicate the location of the language within the Articles of Incorporation that reflects the new name (e.g., page number, section number, etc., of the Articles of Incorporation). In addition:

- If the Articles of Incorporation have changed because of this application, file the amended Articles of Incorporation.
- If the Articles of Incorporation most recently filed in the application state have not changed because of this application, do not file the Articles of Incorporation. Simply state that the current Articles of Incorporation are already on file in the application state.

Include as Item 3 of the application.

4. Bylaws

The Applicant Company should have previously filed the most current version of their bylaws.

- If the bylaws have changed because of this application, file the amended bylaws.
- If the bylaws most recently filed in the application state have not changed because of this application, do not file the bylaws. Simply state that the current bylaws are already on file in the application state.

Include as Item 4 of the application.

5. Service of Process

Include one original fully executed UCAA Service of Process (Form 12) or see state-specific requirements. This form is located on the UCAA website. Include as Item 5 of the application.

6. State of Domicile Approval (Foreign Insurers Only)

Provide a copy of the name change approval from the Applicant Company's state of domicile. Include as Item 6 of the application.

7. State-Specific Information

Some jurisdictions may have additional requirements that the Applicant Company must meet before the state can amend a Certificate of Authority. Before completing a UCAA Corporate Amendments Application, the Applicant Company should review a listing of requirements for the state to which the Applicant Company is applying. State-specific requirements are located on the UCAA website. Include as Item 7 of the application.

8. Name Approval

Each state has different guidelines and procedures for name approval. The Name Approval Requirements chart located on the UCAA website is intended to serve as a guide for the various name approval requirements of each Uniform State. The Applicant Company should check with each state separately to ensure compliance with all applicable name approval requirements. Where applicable, submit evidence of name approval request as Item 8 of the application.

The Applicant Company must notify the NAIC once the domiciliary state approves the name change prior to preparation of the electronic application. Email approval to: fdrcreq@naic.org.

Corporate Amendments Application Section IV Filing Requirements (Redomestication of a Foreign Insurer)

This section provides a guide to understanding the focus of each document of the Corporate Amendments Application. However, documents typically serve multiple purposes. Therefore, it is important that applications be complete.

All documents submitted in support of the application must be current. However, in certain instances, some states have limited latitude to accept older documents. Please contact the states individually if there are questions about a specific document.

All forms required for the Corporate Amendments Application are located under the Corporate Amendment Application tab in the UCAA Forms Section on the UCAA website.

Table of Contents

1. Application Form and Attachments
2. Filing Fee
3. Articles of Incorporation
4. Bylaws
5. Statutory Deposit Requirements
6. Service of Process
7. State of Domicile Approval (Foreign Insurers Only)
8. State-Specific Information

1. Application Form and Attachments

Submit a completed Checklist (Form 1C), and an original executed Application (Form 2C) and the Applicant Company's original Certificate of Authority or an Affidavit of Lost Certificate of Authority (Form 15) as Item 1 of the application. A cover letter may be included as a component of Item 1 of the application.

2. Filing Fee

Include a filing fee for each application state. The payee name and the instructions for submitting the filing fee are included in the Filing Fees - Corporate Amendments chart located on the UCAA website. Submit a copy of the Applicant Company's check as Item 2 of the application.

3. Articles of Incorporation

Indicate the location of the language within the Articles of Incorporation that reflects the redomestication (e.g., page number, section number, etc., of the Articles of Incorporation). In addition:

- If the Articles of Incorporation have changed because of this application, file the amended Articles of Incorporation.
- If the Articles of Incorporation most recently filed in the application state have not changed because of this application, do not file the Articles of Incorporation. Simply state that the current Articles of Incorporation are already on file in the application state.

Include as Item 3 of the application.

4. Bylaws

The Applicant Company should have previously filed the most current version of their bylaws.

- If the bylaws have changed because of this application, file the amended bylaws.
- If the bylaws most recently filed in the application state have not changed because of this application, do not file the bylaws. Simply state that the current bylaws are already on file in the application state.

Include as Item 4 of the application.

5. Statutory Deposit Requirements

A Statutory Deposit may be required for the requested modification. The Statutory Deposit Requirements chart located on the UCAA website provides state-specific requirements and identifies those states that require a Statutory Deposit. Unless otherwise indicated the Statutory Deposit is for the benefit of all policyholders. Please refer to the Certificate of Compliance and Certificate of Deposit Requirements chart on the UCAA website for specific requirements for the date of issuance of the Certificate of Deposit (Form 7) from the files date of the application. The Applicant Company should submit as Item 5 the Certificate of Deposit (Form 7) prepared by its state of domicile.

6. Service of Process

Include one original fully executed UCAA Service of Process form (Form 12) or state-specific requirements. Include as Item 5 of the application.

7. State of Domicile Approval

Provide a copy of the redomestication approval from the Applicant Company's state of domicile. Include as Item 6 of the application.

The Applicant Company must notify the NAIC once the domiciliary state approves the redomestication prior to preparation of the electronic application. Email approval to: fdrcreq@naic.org.

8. State-Specific Information

Some jurisdictions may have additional requirements that the Applicant Company must meet before the state can amend a Certificate of Authority. Before completing a UCAA Corporate Amendments Application, the Applicant Company should review a listing of requirements for the application state. State-specific requirements are located on the UCAA website. Include as Item 7 of the application.

Corporate Amendments Application Section V Filing Requirements (Change of Statutory Home Office Address)

This section provides a guide to understanding the focus of each document of the Corporate Amendments Application. However, documents typically serve multiple purposes. Therefore, it is important that applications be complete.

All documents submitted in support of the application must be current. However, in certain instances, some states have limited latitude to accept older documents. Please contact the states individually if there are questions about a specific document.

All forms required for the Corporate Amendments Application are located under the Corporate Amendment Application tab in the UCAA Forms Section on the UCAA website.

Table of Contents

1. Application Form and Attachments
2. Filing Fee
3. Articles of Incorporation
4. Bylaws
5. Service of Process
6. State of Domicile Approval (Foreign Insurers Only)
7. State-Specific Information

1. Application Form and Attachments

The Applicant Company must submit a completed Checklist (Form 1C), and an original executed Application (Form 2C) and the Applicant Company's original Certificate of Authority or an Affidavit of Lost Certificate of Authority (Form 15), if required as Item 1 of the application. A cover letter may be included as a component of Item 1 of the application.

2. Filing Fee

The application will need to include a filing fee for the application state. The payee name and the instructions for submitting the filing fee are included in the Filing Fees - Corporate Amendments chart located on the UCAA website. Submit a copy of the Applicant Company's check as Item 2 of the application.

3. Articles of Incorporation

Indicate the location of the language within the Articles of Incorporation that reflects the change of statutory home office address (e.g., page number, section number, etc., of the Articles of Incorporation). In addition:

- If the Articles of Incorporation have changed because of this application, file the amended Articles of Incorporation.
- If the Articles of Incorporation most recently filed in the application state have not changed because of this application, do not file the Articles of Incorporation. Simply state that the current Articles of Incorporation are already on file in the application state.

Include as Item 3 of the application.

4. Bylaws

The Applicant Company should have previously filed the most current version of their bylaws.

- If the bylaws have changed because of this application, file the amended bylaws.
- If the bylaws most recently filed in the application state have not changed because of this application, do not file the bylaws. Simply state that the current bylaws are already on file in the application state.

Include as Item 4 of the application.

5. Service of Process

Include one original fully executed UCAA Service of Process form (Form 12) or state-specific requirements. Include as Item 5 of the application.

6. State of Domicile Approval (Foreign Insurers Only)

Provide a copy of the approval from the Applicant Company's state of domicile. Include as Item 6 of the application.

7. State-Specific Information

Some jurisdictions may have additional requirements that the Applicant Company must meet before the state can amend a Certificate of Authority. Before completing a UCAA Corporate Amendments Application, the Applicant Company should review a listing of requirements for the application state. State-specific requirements are located on the UCAA website. Attach a completed Form 14, if contact address information has changed because of this application. Include as Item 7 of the application.

Corporate Amendments Application Section VI

Filing Requirements (Change of Address/Contact Notification – Stand Alone)

This section provides a guide to understanding the focus of each document of the Corporate Amendments Application. However, documents typically serve multiple purposes. Therefore, it is important that applications be complete.

All documents submitted in support of the application must be current. However, in certain instances, some states have limited latitude to accept older documents. Please contact the states individually if there are questions about a specific document.

All forms required for the Corporate Amendments Application are located under the Corporate Amendment Application tab in the UCAA Forms Section on the UCAA website. All Forms are in Excel, Word or Adobe PDF file format.

Please read the following Instructions before proceeding in completing Corporate Amendments Application Section VI.

Instructions

The Applicant Company should complete the Corporate Amendments Application Section VI as a courtesy filing in conjunction with other changes or to notify regulatory officials of address changes or contact person changes applicable to the Applicant Company.

Table of Contents

1. Application Form and Attachments
2. State-Specific Information

1. Application Form and Attachments

The Change of Address/Contact Notification is located on the UCAA website. Submit a completed Change of Address/Contact Notification (Form 14).

2. State-Specific Information

Some jurisdictions may have additional requirements that the Applicant Company must meet before the state can amend a Certificate of Authority. Before completing a UCAA Corporate Amendments Application, the Applicant Company should review a listing of requirements for the application state. State-specific requirements are located on the UCAA website. Attach a completed Form 12, Uniform Consent to Service of Process, if the forwarding address has changed because of this application. Include as Item 2 of the application.

Corporate Amendments Application Section VII Filing Requirements (Merger of Two or More Foreign Insurers)

This section provides a guide to understanding the focus of each document of the Corporate Amendments Application. However, documents typically serve multiple purposes. Therefore, it is important that applications be complete.

All documents submitted in support of the application must be current. However, in certain instances, some states have limited latitude to accept older documents. Please contact the states individually if there are questions about a specific document.

Please read the following Instructions before proceeding in completing Corporate Amendments Application Section VII. Section VII may not be applicable.

Instructions

The Corporate Amendments Application Section VII is for notifying the states that a merger involving one or more licensed companies is taking place. Section VII provides for submission of the information on the surviving Applicant Company that changed due to the merger and the surrender of any certificates of authority for non-surviving companies if applicable. Section VII is not applicable for filing in a state if either insurer involved in the merger is a domestic insurer in that state. If an insurer that is party to the merger has a license in California, then do not submit a UCAA Corporate Amendment VII to California, as it has a state application for prior consent of a merger involving a licensed insurer.

For each admitted state for any one of the merging companies, please proceed through the steps given below to determine the appropriate filing for the situation in each state. The steps may result in one Corporate Amendment filing going to several states to report the merger and filing to add lines of business if the surviving entity is not currently authorized to transact a line of business absorbed by the non-surviving entity. That filing would include corporate documents that changed due to the merger, if any, and surrender of the non-surviving company's Certificate of Authority if applicable. In some cases, the Applicant Company may need to submit the UCAA expansion application to some states to obtain a license that allows the surviving insurance company to operate.

Step One:

For each state consider the following:

1. Is the surviving insurer licensed as a foreign insurer in the state?
2. Is the non-surviving insurer licensed as a foreign insurer in the state?

If the answer to both questions is "yes," then proceed to Step Two.

If the answer to both questions is "no," then no filing in the state is required. Do not complete the UCAA Corporate Amendments Application. In order to conduct business in the state post-merger, the surviving insurer will need to complete the UCAA Expansion Application located on the UCAA website.

If the answer to question one is “yes” and the answer to question two is “no,” then go to Step Two. If the answer to question one is “no” the surviving insurer is not currently authorized as a foreign insurer in the state, then go to Step Three.

Step Two:

For the authorized surviving Applicant Company:

1. Are the authorized lines of business aligned for the merged companies?
2. Is the surviving Applicant Company currently authorized to write all of these lines of business, including variable products, in the state, formerly conducted by the non-survivor?

If the answer to questions 1 and 2 is “yes,” then complete Section VII of the UCAA Corporate Amendments Application.

If the answer to either question is “no,” then review and complete both Section VII and Section II of the UCAA Corporate Amendments Application located on the UCAA website to add those lines that the Surviving Applicant Company is not currently authorized to transact in the state. For additional guidance please refer to the UCAA FAQs – General.

Step Three:

If the instructions directed the Applicant Company to this step, then the surviving Applicant Company is not currently authorized to conduct business in the state. In order to conduct business in the state, the surviving Applicant Company must complete the UCAA Expansion Application and request authorization for all lines it will be transacting in the state, post merger. For further information and clarification, please contact the individual listed as the contact for the state for the UCAA Expansion Application.

Table of Contents

1. Application Form and Attachments
2. Filing Fee
3. Articles of Incorporation/Articles of Merger
4. Bylaws
5. Minimum Capital and Surplus Requirements
6. Statutory Deposit Requirements
7. Plan of Operation
8. Statutory Membership(s)
9. NAIC Biographical Affidavits
10. Service of Process
11. State of Domicile Approval
12. State-Specific Information

1. Application Form and Attachments

The Applicant Company must submit a completed Checklist (Form 1C), an original executed Application (Form 2C) and the Applicant Company’s original Certificate of Authority or an

Affidavit of Lost Certificate of Authority (Form 15) as Item 1 of the application. A cover letter may be included as a component of Item 1 of the application.

2. Filing Fee

The application will need to include a filing fee for the state to which the Applicant Company is submitting. The payee name and the instructions for submitting the filing fee are included in the Filing Fees - Corporate Amendments chart located on the UCAA website. Submit a copy of the Applicant Company's check as Item 2 of the application.

3. Articles of Incorporation /Articles of Merger

Indicate the location of the language within the Articles of Incorporation of the surviving Applicant Company that reflects the merger (e.g., page number, section number, etc., of the Articles of Incorporation). In addition:

- If the Articles have changed because of this application, then file the amended Articles of Incorporation.
- If the Articles of Incorporation most recently filed in the application state have not changed because of this application, then do not file the Articles of Incorporation. Simply state that the current Articles of Incorporation are already on file in the application state.

Include as Item 3 of the application.

4. Bylaws

The surviving Applicant Company should have previously filed the most current version of their bylaws.

- If the bylaws have changed because of this application, then file the amended bylaws.
- If the bylaws most recently filed in the application state have not changed because of this application, then do not file the bylaws. Simply state that the current bylaws are already on file in the application state. Include as Item 4 of the application.

5. Minimum Capital and Surplus Requirements

The application will need to show that subsequent to the merger, the Applicant Company meets the state's statutory minimum capital and surplus requirements for the requested amendment to its Certificate of Authority. Submit an explanation of how the Applicant Company complies with the capital and surplus requirements as Item 5 of the application. In some states, the minimum capital and surplus requirements are determined by the classes of insurance that the Applicant Company is requesting authority to transact and the classes of insurance the Applicant Company is authorized to transact in all other jurisdictions. The level of surplus required will be determined after considering the Applicant Company's product line, operating record and financial condition. Compliance with the statutorily prescribed minimum surplus requirement may not be sufficient for all Applicant Companies. The Minimum Capital and Surplus Requirements chart located on the UCAA website identifies the minimum capital and surplus

requirements for each Uniform State. This chart also provides a contact person or a link to a state-specific format or RBC requirements and instructions.

6. Statutory Deposit Requirements

A Statutory Deposit may be required for the requested modification. The Statutory Deposit Requirements chart located on the UCAA website provides state-specific requirements and identifies those states that require a Statutory Deposit. Unless otherwise indicated the Statutory Deposit is for the benefit of all policyholders. Please refer to the Certificate of Compliance and Certificate of Deposit Requirements chart on the UCAA website for specific requirements for the date of issuance of the Certificate of Deposit (Form 7) from the file date of the application. The Applicant Company should submit as Item 6 the Certificate of Deposit (Form 7) prepared by its state of domicile.

7. Plan of Operation

If the business plan of the surviving Applicant Company will change because of the merger, submit a Plan of Operation; otherwise, a statement that the business plan will not change will suffice. The Plan of Operation contains two components, a brief narrative and proforma financial statements/projections (Form 13). The narrative should include significant information in support of the application. Projections must support all aspects of the proposed plan of operation, including reinsurance arrangements and any delegated function agreements. Include the assumptions used to arrive at these projections. The proforma is one of three (3) components in the Plan of Operation. The forms are located on the UCAA website under the Corporate Amendment tab. There is a proforma for life, property/casualty, health and title companies. Provide a company-wide, three-year proforma balance sheet and income statement. The proforma workbook should be the same business types as the financial statement blank filed with the NAIC. For the lines requested, provide three-year premium and loss projections by line for the application state. Projections must support all aspects of the proposed Plan of Operation, including reinsurance arrangements and any delegated function agreements. Include the assumptions used to arrive at these projections.

The proforma when applied to the corporate amendment application is projected data. As such, the projected amounts need not balance with historical NAIC financial filings. The projected data, however, should be relevant to the Company's history of growth and losses as contemplated by the NAIC *Accounting Practices and Procedures Manual*.

The proforma should be completed by statutory accounting and financial reporting professionals that should be available to answer any questions or concerns from reviewing regulatory staff. The proforma is completed on an annual basis, typically for a three-year time period, however, some state may require five years. The proforma should start with the first full year of operation that the Applicant Company anticipates actively writing business in the state(s) receiving the application.

Submit the narrative and completed proforma and all attachments as Item 7 of the application.

8. Statutory Memberships

In some states, the Applicant Company is required to join one or more rating, guaranty or other organizations before transacting insurance. Generally, the Applicant Company's authorized lines of insurance govern statutorily mandated memberships. The Statutory Membership Requirements chart is available on the UCAA website. Please inquire with the application state regarding any statutory memberships the state may require before the Applicant Company can transact business. Submit documentation supporting membership application(s), in states where required, as Item 8 of the application.

9. NAIC Biographical Affidavits

- A. The Applicant Company is required to submit an NAIC Biographical Affidavit in connection with pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states. The Applicant Company must submit an NAIC Biographical Affidavit on behalf of all officers, directors and key managerial personnel of the Applicant Company and individuals with a ten percent (10%), or more, beneficial ownership in the Applicant Company and the Applicant Company's ultimate controlling parent (Affiant).
- B. The UCAA defines "Independent Third-Party" as:
 - (i) A consumer reporting agency ("CRA") overseen by the Federal Trade Commission ("FTC") and, therefore, subject to the FCRA, which have been vetted and is currently on the approved list;
 - (ii) Has the ability to perform international background investigations; and
 - (iii) One whose officers and directors have no material affiliation with the Applicant Company other than stock ownership amounting to less than one percent (1%) of total stock outstanding, unless prior approval is given by the department of insurance to which application is being made.
- C. The NAIC Biographical Affidavit requests information with respect to your employment history, education, personal information and character. The NAIC Biographical Affidavit also includes the Disclosure and Authorization Concerning Background Reports (the "Disclosure & Authorization Form"). The signature of the Affiant on the Disclosure & Authorization Form permits an Independent Third-Vendor to conduct an independent third-party verification on the Affiant.
- D. The NAIC Biographical Affidavit includes three types of the Disclosure & Authorization Form. There are three different Disclosure & Authorization Forms since certain state laws, regulations and rules require different kinds of disclosures and wording within such form. An Affiant must sign the corresponding Disclosure & Authorization Form(s) for the respective state(s) where the affiant has lived or worked within the last ten (10) years. Refer to the Disclosure & Authorization Forms for further information.

- E. The NAIC Biographical Affidavit is used to evaluate the suitability, competency, character and integrity of the Affiant in connection with an Applicant Company's pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states.

The Independent Third-Party uses information contained in the NAIC Biographical Affidavit as a tool to perform an independent third-party verification to determine an individual's fitness and propriety. The independent third-party verification may contain information bearing on the Affiant's character, general reputation, personal characteristics, mode of living and credit standing (if required by the state). The Independent Third-Party Vendors shall use the independent third-party verification to create a background report (the "Background Report").

- F. The Disclosure & Authorization Form is valid for a maximum of one year. Additionally, an Affiant may revoke the authorization at any time by delivering a written revocation to the Applicant Company. Refer to the Disclosure & Authorization Form for further information.
- G. The Background Reports are subject to the Fair Credit Reporting Act ("FCRA"). Pursuant to FCRA, the state departments of insurance and an Applicant Company who is seeking admission are "users" of consumer reports. The FCRA requires that the Applicant Company provide the Affiant with a copy of the "Summary of Your Rights Under the Fair Credit Reporting Act." The Applicant Company should provide a copy of the "Summary of Your Rights under the Fair Credit Reporting Act" to each Affiant. This summary can be found at the Federal Trade Commission (FTC) [website](#).
- H. The Applicant Company and state departments of insurance are required to comply with FCRA, especially as it relates to confidentiality of the information contained in such consumer reports. To the extent required by law, the states and Third-Party Vendors should maintain the Background Reports procured under the Disclosure & Authorization Form as confidential. A copy of FCRA is located [here](#).
- I. The department of insurance in the state where the Applicant Company files, or intends to file an application and the Applicant Company may require the Background Report. An Affiant, who desires a copy of their Background Report, may request a copy from the Applicant Company or the CRA as indicated on the Disclosure & Authorization Form. Refer to the Disclosure & Authorization Form for further information.
- J. Please **check state requirements** for those states that require additional background information, such as fingerprints, in place of or in addition to, NAIC Biographical Affidavits. If applying in one of those states, necessary fingerprints and processing fees should be included.

Refer to the UCAA website for a **list of currently approved Independent Third-Party Vendors for Background Reports**.

NAIC Biographical Affidavits must be completed on the most **current form** [Word | PDF], in effect at the time the affidavit was signed and the affiant shall not sign the Affidavits more than one year before the date the Applicant Company files the application.

Submit original Biographical Affidavits that contain the Disclosure & Authorization Form to the state department(s) of Insurance as Item 9 of the application.

10. Uniform Consent to Service of Process

If the merger affects any of the information captured on the Uniform Consent to Service of Process and the Resolution Authorizing Appointment of Attorney (Form 12), submit one original fully executed Uniform Consent to Service of Process form or the appropriate state-specific form. Include as Item 10 of the application.

11. State of Domicile Approval

Provide a copy of the approval from the Applicant Company's state of domicile, including a copy of the Merger Agreement, and sample Assumption Certificate, if any. Include as Item 11 of the application.

The Applicant Company must notify the NAIC once the domiciliary state approves the merger prior to preparation of the electronic application. Email approval to: fdrccreq@naic.org.

12. State-Specific Information

Some jurisdictions may have additional requirements that the Applicant Company must meet before the state can amend the Certificate of Authority. Before completing a UCAA Corporate Amendments Application, the Applicant Company should review a listing of requirements for the application state. State-specific requirements are on the UCAA website. Include as Item 12 of the application.

Corporate Amendments Application Section VIII

Filing Requirements (Proposed/Completed Change of Control of Foreign Insurers)

This section provides a guide to understanding the main focus of each document of the Corporate Amendments Application. However, documents are typically used for multiple purposes. Therefore, it is important that applications be complete.

All documents submitted in support of the application must be current. However, in certain instances, some states have limited latitude to accept older documents. Please contact the states individually if there are questions about a specific document.

All forms required for the Corporate Amendments Application are located under the Corporate Amendment Application tab in the UCAA Forms Section in the Forms section on the UCAA website.

Please read the following Instructions before in completing Corporate Amendments Application Section VIII.

Instructions

The Corporate Amendments Application Section VIII provides for submission of proposed change of control transaction information (proposed transaction) and a second filing of actual information after the change of control is complete (completed transaction). Section VIII is not applicable for filing in a state if the insurer is a domestic insurer in that state.

Table of Contents

1. Application Form and Attachments
2. Filing Fee
3. Articles of Incorporation
4. Bylaws
5. Plan of Operation
6. NAIC Biographical Affidavits
7. Uniform Consent to Service of Process
8. State of Domicile Approval
9. State-Specific Information

1. Application Form and Attachments

A completed checklist (Form 1C), and an original executed application (Form 2C) must be submitted as Item 1 of the application for a proposed transaction and again for a completed transaction. Include the previous and new group code if applicable. All Forms for the Corporate Amendments Application are located in the Forms section on the UCAA website. A cover letter may be included as a component of Item 1 of the application.

2. Filing Fee

The application may need to include a filing fee for the state to which the Applicant Company is submitting. The payee name and the instructions for submitting the filing fee are located in the Filing Fees - Corporate Amendments chart located on the UCAA website.

Submit a copy of the Applicant Company's check as Item 2 of the application.

3. Articles of Incorporation

Indicate the location of the language within the Articles of Incorporation that reflects the change of city (e.g., page number, section number, etc., of the Articles of Incorporation). In addition:

- If the Articles of Incorporation have changed as a result of the change of control, file the amended Articles.
- If the Articles of Incorporation most recently filed in the application state have not changed because of this application, do not file the Articles of Incorporation. Simply state that the current articles are already on file in the application state.

Include as Item 3 of the application.

4. Bylaws

The Applicant Company should have previously filed the most current version of their bylaws.

- If the bylaws have changed because of this application, file the amended bylaws.
- If the bylaws most recently filed in the application state have not changed because of this application, do not file the bylaws. Simply state that the current bylaws are already on file in the application state.

Include as Item 4 of the application.

5. Plan of Operation

If the business plan of the Applicant Company will change as a result of the change of control transaction, a plan of operation must be submitted; otherwise, a statement that the business plan will not change will suffice and should be submitted as Item 5 of the application. The plan of operation is made up of two components; a brief narrative, and proforma financial statements/projections (Form 13). The narrative should include significant information in support of the application. The proforma is one of two (2) components in the Plan of Operation. The forms are located on the UCAA website under the Corporate Amendment tab. There is a proforma for life, property/casualty, health and title companies. Provide a company-wide, three-year proforma balance sheet and income statement. The proforma workbook should be the same business types as the financial statement blank filed with the NAIC. For the lines requested, provide three-year premium and loss projections by line for the application state. Projections must support all aspects of the proposed Plan of Operation, including reinsurance arrangements and any delegated function agreements. Include the assumptions used to arrive at these projections.

The proforma when applied to the corporate amendment application is projected data. As such, the projected amounts need not balance with historical NAIC financial filings. The projected data, however, should be relevant to the Company's history of growth and losses as contemplated by the NAIC *Accounting Practices and Procedures Manual*.

The proforma should be completed by statutory accounting and financial reporting professionals that should be available to answer any questions or concerns from reviewing regulatory staff. The proforma is completed on an annual basis, typically for a three-year time period, however, some state may require five years. The proforma should start with the first full year of operation that the Applicant Company anticipates actively writing business in the state(s) receiving the application.

The proforma (Form 13) is located in the Forms Section on the UCAA website. Submit the narrative and completed proforma and all attachments as Item 5 of the application

6. NAIC Biographical Affidavits

- A. The Applicant Company is required to submit an NAIC Biographical Affidavit (**Form 11**) in connection with pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states. The Applicant Company must submit an NAIC Biographical Affidavit on behalf of all officers, directors and key

managerial personnel of the Applicant Company and individuals with a ten percent (10%), or more, beneficial ownership in the Applicant Company and the Applicant Company's ultimate controlling parent (Affiant), if the information currently on file with the regulator is not current.

- B. The UCAA defines "Independent Third-Party" as:
- (i) A consumer reporting agency ("CRA") overseen by the Federal Trade Commission ("FTC") and, therefore, subject to the FCRA, which have been vetted and is currently on the approved list;
 - (ii) Has the ability to perform international background investigations; and
 - (iii) One whose officers and directors have no material affiliation with the Applicant Company other than stock ownership amounting to less than one percent (1%) of total stock outstanding, unless prior approval is given by the department of insurance to which application is being made.
- C. The NAIC Biographical Affidavit requests information with respect to your employment history, education, personal information and character. The NAIC Biographical Affidavit also includes the Disclosure and Authorization Concerning Background Reports (the "Disclosure & Authorization Form"). The signature of the Affiant on the Disclosure & Authorization Form permits an Independent Third-Party to conduct an independent third-party verification on the Affiant.
- D. The NAIC Biographical Affidavit includes three types of the Disclosure & Authorization Form. There are three different Disclosure & Authorization Forms since certain state laws, regulations and rules require different kinds of disclosures and wording within such form. An Affiant must sign the corresponding Disclosure & Authorization Form(s) for the respective state(s) where the affiant has lived or worked within the last ten (10) years. Refer to the Disclosure & Authorization Forms for further information.
- E. The NAIC Biographical Affidavit is used to evaluate the suitability, competency, character and integrity of the Affiant in connection with an Applicant Company's pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states.

The Independent Third-Party uses information contained in the NAIC Biographical Affidavit as a tool to perform an independent third-party verification to determine an individual's fitness and propriety. The independent third-party verification may contain information bearing on the Affiant's character, general reputation, personal characteristics, mode of living and credit standing (if required by the state). The Independent Third-Party Vendors shall use the independent third-party verification to create a background report (the "Background Report").

- F. The Disclosure & Authorization Form is valid for a maximum of one year. Additionally, an Affiant may revoke the authorization at any time by delivering a written revocation to the Applicant Company. Refer to the Disclosure & Authorization Form for further information.

- G. The Background Reports are subject to the Fair Credit Reporting Act (“FCRA”). Pursuant to FCRA, the state departments of insurance and an Applicant Company who is seeking admission are “users” of consumer reports. The FCRA requires that the Applicant Company provide the Affiant with a copy of the “Summary of Your Rights Under the Fair Credit Reporting Act.” The Applicant Company should provide a copy of the “Summary of Your Rights under the Fair Credit Reporting Act” to each Affiant. This summary can be found at the Federal Trade Commission (FTC) website.
- H. The Applicant Company and state departments of insurance are required to comply with the FCRA, especially as it relates to confidentiality of the information contained in such consumer reports. To the extent required by law, the states and Independent Third-Party Vendors should maintain the Background Reports procured under the Disclosure & Authorization Form as confidential. A copy of the FCRA is located here.
- I. The department of insurance in the state where the Applicant Company files, or intends to file, an application and the Applicant Company may require the Background Report. An Affiant who desires a copy of their Background Report may request a copy from the Applicant Company or the CRA as indicated on the Disclosure & Authorization Form. Refer to the Disclosure & Authorization Form for further information.
- J. Please **check state requirements** for those states that require additional background information, such as fingerprints, in place of, or in addition to, NAIC Biographical Affidavits. If applying in one of those states, necessary fingerprints and processing fees should be included.

Refer to the UCAA website for a **list of currently approved Independent Third-Party Vendors for Background Reports**.

NAIC Biographical Affidavits must be completed on the most current form [Word | PDF], in effect at the time the affidavit was signed and the affiant shall not sign the Affidavits more than one year before the date the Applicant Company files the application.

Submit original Biographical Affidavits that contain the Disclosure & Authorization Form to the state department(s) of Insurance as Item 6 of the application.

7. Uniform Consent to Service of Process

If there are in effect changes to information captured on the Uniform Consent to Service of Process and the Resolution Authorizing Appointment of Attorney (Form 12), submit one original fully executed Uniform Consent to Service of Process form (Form 12) or the appropriate state-specific form for these states: California, Massachusetts, Virginia and Wisconsin. Pennsylvania does not accept Service of Process and does not require Form 12. Include as Item 7 of the proposed transaction or completed transaction application.

If the most recently filed (in the state in which application is being made) Uniform Consent to Service of Process form (Form 12) has not changed, do not file the form. Simply state in Item 7 that the current information is already on file in the state to which this application relates.

8. State of Domicile Approval

Provide a copy of the approval from the Applicant Company's state of domicile when the change of control is completed. Include as Item 8 of the completed transaction application.

9. State-Specific Information

Some jurisdictions may have additional requirements that must be met before a proposed change of control can be completed. For example, some states require the filing of a Form E (Pre-Acquisition Notification Form Regarding the Potential Competitive Impact of a Proposed Merger or Acquisition by a Non-Domiciliary Insurer Doing Business in this State or by a Domestic Insurer) at least 30 days before the completion of a change of control transaction. In addition some states may require a Holding Company Act Form B amended statement after completion of the change of control transaction. Before completing a UCAA Corporate Amendments Application, the Applicant Company should review a listing of requirements for the state in which application is being made. State-specific information is available on the UCAA website. Include as Item 9 of the application.

Corporate Amendments Application Section IX Filing Requirements (Amended Articles of Incorporation)

This section provides a guide to understanding the main focus of each document of the Corporate Amendments Application. However, documents are typically used for multiple purposes. Therefore, it is important that applications be complete.

This section is intended for submission of amended Articles of Incorporation that are not a result of changes addressed in other areas of the Corporate Amendment Application (e.g., change in number of shares or par value).

All documents submitted in support of the application must be current. However, in certain instances, some states have limited latitude to accept older documents. Please contact the states individually if with questions about a specific document.

All forms required for the Corporate Amendments Application are located under the Corporate Amendment Application tab in the UCAA Forms Section in Forms section on the UCAA website.

Table of Contents

1. Application Form and Attachments
2. Filing Fee
3. Articles of Incorporation
4. Bylaws
5. State of Domicile Approval
6. State-Specific Information

1. Application Form and Attachments

A completed checklist (Form 1C), and an original executed application (Form 2C) must all be submitted as Item 1 of the application. All forms for the Corporate Amendments Application are located in the Forms section on the UCAA website. A cover letter may be included as a component of Item 1 of the application.

2. Filing Fee

The application will need to include a filing fee for the state to which the Applicant Company is submitting. The payee name and the instructions for submitting the filing fee are included in the: Filing Fees - Corporate Amendments chart on the UCAA website.

Submit a copy of the Applicant Company's check as Item 2 of the application.

3. Articles of Incorporation

Indicate the location of the language within the Articles of Incorporation that reflects the change (e.g., page number, section number, etc., of the Articles of Incorporation). Include as Item 3 of the application.

4. Bylaws

The Applicant Company should have previously filed the most current version of their bylaws.

- If the bylaws have changed as a result of this application, file the amended bylaws.
- If the most recently filed (in the state in which application is being made) bylaws have not changed as a result of this application, do not file the bylaws. Simply state that the current bylaws are already on file in the state to which this application relates.

Include as Item 4 of the application.

5. State of Domicile Approval (Foreign Insurers Only)

Provide a copy of the amended Articles of Incorporation approval from the Applicant Company's state of domicile. Include as Item 5 of the application.

6. State-Specific Information

Some jurisdictions may have additional requirements that must be met before a Certificate of Authority can be amended. Before completing a UCAA Corporate Amendments Application, the Applicant Company should review a listing of requirements for the state(s) in which application is being made.

Include as Item 6 of the application.

Corporate Amendments Application Section X

Filing Requirements (Amended Bylaws)

This section provides a guide to understanding the main focus of each document of the Corporate Amendments Application. However, documents are typically used for multiple purposes. Therefore, it is important that applications be complete.

This section is intended for submission of amended bylaws that are not a result of changes addressed in other areas of the Corporate Amendment Application.

All documents submitted in support of the application must be current. However, in certain instances, some states have limited latitude to accept older documents. Please contact the states individually with questions about a specific document.

All forms required for the Corporate Amendments Application are located under the Corporate Amendment Application tab in the UCAA Forms Section on the UCAA website.

Table of Contents

1. Application Form and Attachments
2. Filing Fee
3. Bylaws
4. State of Domicile Approval
5. State-Specific Information

1. Application Form and Attachments

A completed Checklist (Form 1C), and an original executed application (Form 2C) must all be submitted as Item 1 of the application. All forms for the Corporate Amendments Application are located in the Forms section on the UCAA website. A cover letter may be included as a component of Item 1 of the application.

2. Filing Fee

The application will need to include a filing fee for the state to which the Applicant Company is submitting. The payee name and the instructions for submitting the filing fee are included in the Filing Fees - Corporate Amendments chart on the UCAA website.

Submit a copy of the Applicant Company's check as Item 2 of the application.

3. Bylaws

Indicate the location of the language within the bylaws that reflects the change (e.g., page number, section number, etc., of the bylaws).

Include as Item 3 of the application.

4. State of Domicile Approval (Foreign Insurers Only)

Provide a copy of the amended bylaws approval from the Applicant Company's state of domicile.

Include as item 4 of the application.

5. State-Specific Information

Some jurisdictions may have additional requirements that must be met before a Certificate of Authority can be amended. Before completing a UCAA Corporate Amendments Application, the Applicant Company should review a list of requirements for the state in which application is being made.

Include as Item 5 of the application.

Corporate Amendments Application Section XI

Filing Requirements (Statement of Withdrawal Complete Surrender of Certificate of Authority)

This section provides a guide to understanding the focus of each document of the Corporate Amendments Application. However, there typically are multiple purposes for documents. Therefore, it is important that applications be complete.

All documents submitted in support of the application must be current. However, in certain instances, some states have limited latitude to accept older documents. Please contact the states individually with questions about a specific document.

All forms required for the Corporate Amendments Application are located under the Corporate Amendment Application tab in the UCAA Forms Section on the UCAA website.

Table of Contents

1. Application Form and Attachments
2. Filing Fee
3. Statement of Withdrawal and Attachments
4. State-Specific Information

1. Application Form and Attachments

The application must identify the reason for withdrawal. Submit a completed Checklist (Form 1C), and the original Certificate of Authority or an affidavit of lost Certificate of Authority (Form 15) as Item 1 of the application. All forms for the Corporate Amendments Application are located on the UCAA website. A cover letter may be included as a component of Item 1 of the application.

2. Filing Fee

The application must include a filing fee for the application state, if required. The payee name and instructions for submitting a filing fee are located in the Withdrawal Requirements chart located on the UCAA website. Submit a copy of the Applicant Company's check as Item 2 of the application.

3. Statement of Withdrawal and Attachments

The application must include a completed Statement of Withdrawal (Form 17).

Include attachments to the Statement of Withdrawal as Item 3 of the application.

4. State-Specific Information

Some jurisdictions may have additional requirements that the Applicant Company must meet before the state can cancel a Certificate of Authority. Before completing a UCAA Corporate Amendments Application, the Applicant Company should review a listing of requirements for the state to which the Applicant Company is withdrawing. State-specific requirements are located on the UCAA website. Include as Item 4 of the application.

Corporate Amendments Application Section XII Filing Requirements (Uniform Consent to Service of Process)

This section provides a guide to understanding the focus of a stand-alone Uniform Consent to Service of Process Application. It is important that the application be complete.

Please contact the states individually if there are questions about a specific document that is not noted under the state specific instructions on the UCAA website.

The required form for the stand-alone Uniform Consent to Service of Process Application is located under the Corporate Amendment Application tab in the UCAA Forms Section on the UCAA website. The Form is in Word or Adobe PDF file format. The electronic stand-alone application is located under the Electronic Application link on the UCAA web site and requires a user ID and password to access.

Please read the following Instructions before proceeding in completing Corporate Amendments Application Section XII.

Instructions

The Applicant Company can complete the Uniform Consent to Service of Process Application as a stand-alone filing or in conjunction with any other corporate amendment application (or via the electronic application) where a service of process form is required to notify regulatory officials of service of process changes to the Applicant Company.

Table of Contents

1. Application Form and Attachments
2. Filing Fee

3. State-Specific Information

1. **Application Form**

The Uniform Consent to Service of Process is located on the UCAA website. Submit a completed Uniform Consent to Service of Process (Form 12) or utilize the electronic stand-alone application process.

2. **Filing Fee**

The application will need to include a filing fee if required by the application state. Check the Corporate Amendment Filing Fee chart /Filing Fee Matrix on the UCAA website or contact the application state for filing requirements. If retaliatory, verify fee information via the State Retaliatory Information link. Submit a copy of the Applicant Company's check as Item 2 of the application.

3. **State-Specific Information**

Some jurisdictions may have additional requirements that the Applicant Company must meet before the state can accept the amended consent to service of process form. Before completing a UCAA Uniform Consent to Service of Process Application, the Applicant Company should review a listing of requirements for the application state. State-specific requirements are located on the UCAA website. Include as Item 3 of the application.

Corporate Amendments Application Section XIII
How to File

To facilitate the prompt review of the Corporate Amendments Application, please ensure that the application adheres to the formatting instructions provided in this section. The states will not accept for filing applications that fail to meet these formatting requirements. Section XIII will address the following areas:

1. Communication Between Applicant Company and Agency
2. Questions
3. Application Checklist
4. Application and Supporting Documents
5. Addresses for Submission of Application
6. Updates/Changes
7. Filing Fee
8. Forms
9. State-Specific Information

1. **Communication Between Applicant Company and Agency**

Once a state accepts a Corporate Amendments Application for filing, the state will notify the Applicant Company of the official filing date and agency contact person. The state will provide the names, addresses, email (if available) and telephone numbers of the individual(s) assigned to the application.

Before receiving the name of the agency contact person, an Applicant Company may contact the agency personnel listed on the Addresses and Contact Information for Submission of Application chart located on the UCAA website to obtain information regarding the status of a Corporate Amendments Application.

2. Questions

Section II through Section XII, Filing Requirements, provide detailed guidelines regarding both the type and format of information required for the Corporate Amendments Application. For additional information, or clarification, the Applicant Company may use the contact names provided on the UCAA website.

3. Application Checklist

The Application Checklist (Form 1C) in the Forms section of the UCAA website is a guide for assembling a complete application. Complete the checklist prior to submitting a Corporate Amendments Application for review. Attach a completed checklist to the top of the application.

4. Application and Supporting Documents

Submit one copy of the Checklist, completed application and all supporting documentation to the reviewing state. Louisiana and New York require two (2) complete copies. California requires two (2) complete copies for each change. Each item identified in Section II through Section XII of the Filing Requirements should have a cover sheet as specified below.

Each cover sheet should be on paper suitable for use as a cover sheet, such as binder divider pages.

Tab each cover sheet on the right-hand side of the page with a number corresponding to the document's Item number in the Corporate Amendments Application Checklist.

If a particular item is not included with the cover sheet, attach a written explanation stating the reason the item has not been included to the cover sheet. Below are examples of why the Applicant Company may not attach a particular item to the cover sheet.

- "Item not applicable to this application for the following reason ... (state reason)"
- "Item has been attached separately because of size."

5. Addresses for Submission of Application

Submit the application by mailing it to the appropriate address noted in the Addresses and Contact Information for Submission of Application chart located on the UCAA website.

6. Updates/Changes

The Applicant Company is responsible for informing states of any significant changes that occur or that the Applicant Company discovers during the application review period. Examples of significant changes include: changes in officers and directors, material acquisition or disposal of

assets, changes in reinsurance, acquisition of the insurer, regulatory actions taken against the insurer, change in current business plan, etc.

The Applicant Company must supply revised forms promptly if any changes occur which materially affect the accuracy of the forms filed in support of the application.

7. Filing Fee

Please see Filing Fees - Corporate Amendments chart and Filing Fees Matrix - Corporate Amendments chart, located on the UCAA website, to determine the correct fee and filing instructions for the application state.

8. Forms

All forms are located on the UCAA website.

9. State-Specific Information

Some jurisdictions may have additional requirements that the Applicant Company must meet before the state can issue an amended Certificate of Authority. Before completing a UCAA Corporate Amendments Application the Applicant Company should review a listing of requirements for the application state located under State-Specific Requirements on the UCAA website.

Applicant Company Name: _____

NAIC No. _____
FEIN: _____

**Uniform Certificate of Authority Application (UCAA)
Primary Application Checklist
For Primary Application Only**

The application checklist is intended to help guide the insurer (herein after referred to as "Applicant Company") with the assembly of a complete Primary Uniform Certificate of Authority Application (UCAA). Please be sure to complete the checklist by appropriately marking the boxes on the left side of the page prior to submitting the application for review. The completed checklist should be attached to the top of the application.

Regulator Use Only

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|------------|--|--------------------------|
| 1. | Application Form, containing:
<input type="checkbox"/> Completed UCAA Primary Application Checklist (Form 1P)
<input type="checkbox"/> Original UCAA Primary Application executed and signed (Form 2P)
<input type="checkbox"/> Include all lines of insurance the Applicant Company is licensed to transact, currently transacting, and requesting authority to transact in all jurisdictions (Form 3). | <input type="checkbox"/> |
| 2. | Filing Fee (pursuant to Section II Filing Requirements Item 2), containing:
<input type="checkbox"/> Payment of required filing fee
<input type="checkbox"/> Copy of check | <input type="checkbox"/> |
| 3. | Minimum Capital and Surplus Requirements (pursuant to Section II Filing Requirements Item 3)
<input type="checkbox"/> Provide explanation of compliance with minimum capital & surplus requirements for state for which application is prepared | <input type="checkbox"/> |
| 4. | Statutory Deposit Requirements (pursuant to Section II Filing Requirements Item 4)
<input type="checkbox"/> An original Certificate of Deposit prepared by state of domicile (Form 7) | <input type="checkbox"/> |
| 5. | Name Approval (pursuant to Section II Filing Requirements Item 5)
<input type="checkbox"/> Evidence of name approval request | <input type="checkbox"/> |
| 6. | Plan of Operation (pursuant to Section II Filing Requirements Item 6)
<input type="checkbox"/> Completed questionnaire (Form 8)
<input type="checkbox"/> Pro Forma
<input type="checkbox"/> Narrative | <input type="checkbox"/> |
| 7. | Holding Company Act Filings (pursuant to Section II Filing Requirements Item 7)
<input type="checkbox"/> Include Holding Company Act Filings, including Form B, Form F or substantially similar statement | <input type="checkbox"/> |
| 8. | Statutory Membership(s)
<input type="checkbox"/> Submit documentation as listed in Section II Filing Requirements Item 8 | <input type="checkbox"/> |
| 9. | SEC Filings or Consolidated GAAP Financial Statement
<input type="checkbox"/> Submit documentation as listed in Section II Filing Requirements Item 9 | <input type="checkbox"/> |
| 10. | Debt-to-Equity Ratio Statement
<input type="checkbox"/> Submit documentation as listed in Section II Filing Requirements Item 10 | <input type="checkbox"/> |
| 11. | Custody Agreements
<input type="checkbox"/> Submit documentation as listed in Section II Filing Requirements Item 11 | <input type="checkbox"/> |

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Regulator Use Only

12. Public Records Package – Submit ALL items in chart in Section II Item 12, including:

☐

a. Articles of Incorporation, including:

☐

☐ Original certification by domiciliary state

b. Bylaws, including:

☐

☐ Original certification by the Applicant Company's corporate assistant

c. Statement with attachments, including:

☐

☐ Current year annual statement*, verified and signed, including actuarial opinion

☐ Current year quarterly statements (one copy for each quarter), verified and signed

*1. Updated statements should be submitted on a timely basis while application is pending.

2. If annual statement for two preceding years has not been filed with the NAIC, one copy of each year must be submitted with the application.

d. Independent CPA Audit Report

☐

13. NAIC Biographical Affidavit (Form 11) for the following:

☐

☐ Officers (as listed on Jurat Page of most recent financial statement)

☐ Directors (as listed on Jurat Page of most recent financial statement)

☐ Key managerial personnel (including any vice presidents or other individuals who will control the operations of the Applicant Company)

☐ Individuals with a 10% or more beneficial ownership in the Applicant Company who will exercise control over the Applicant Company or, officers and directors of an entity with a 10% or more beneficial ownership in the Applicant Company who exercise control over the Applicant Company; and

☐ Individuals with a 10% or more beneficial ownership in the Applicant Company's ultimate controlling person who will exercise control over the Applicant Company, and officers and directors of the ultimate controlling person who will control the operations of the Applicant Company

☐ Affidavit originally signed and notarized within one year of application date

☐ Affidavit certified by independent third party

14. State-Specific Information

☐

☐ Some jurisdictions may have additional requirements that must be met before a Certificate of Authority can be issued. Before completing a UCAA Primary Application, the Applicant Company should review a listing of requirements for the state to which it is applying.

Filing Requirements – Redomestications Only

The requirements of this section are only for those Applicant Company's seeking to redomesticate from one state to another and are in addition to the requirements of Section II, items 1-14 of the Primary Checklist. A Redomestication is defined as the process where any insurer organized under the laws of any other state may become a domestic insurer that transfers its domicile to another state by merger or consolidation or any other lawful method. The Primary Application when used for a redomestication is filed with the Applicant Company's new state of domicile.

15. Annual Statement with Attachments

☐

☐ Submit documentation as listed in Section III Filing Requirements Item 1

16. Quarterly Statements

☐

☐ Submit documentation as listed in Section III Filing Requirements Item 2

17. **Risk-Based Capital Report**

☐ Submit documentation as listed in Section III Filing Requirements Item 3

☐

18. **Independent CPA Audit Report**

☐ Submit documentation as listed in Section III Filing Requirements Item 4

☐

19. **Reports of Examination**

☐ Includes a copy of the most recent Report of Financial Examination from its domiciliary state and a note of all more recent examinations, completed by any state, including market conduct examinations along with a description of each examination.

☐

20. **Certificate of Compliance (pursuant to Section III Filing Requirements Item 6)**

☐ Original certification of compliance (Form 6) completed by domiciliary state insurance regulatory agency

☐

Applicant Company Name: _____

NAIC No. _____
FEIN: _____

**Uniform Certificate of Authority Application
QUESTIONNAIRE**

Directions: Each "Yes" or "No" question is to be answered by marking an "X" in the appropriate space. All questions should be answered. If the Applicant Company denotes a question as "Not Applicable" (N/A) an explanation must be provided. Other answers and additional explanations or details may be provided in writing attached to the questionnaire. Please complete this form and file it with the Applicant Company's application for a Certificate of Authority.

1. I hold the position(s) of _____ with the Applicant Company.
2. A. Has the Applicant Company transferred or encumbered any portion of its assets or business, or has its outstanding capital stock been directly or indirectly pledged?
Yes ____ No ____
- B. Has the Applicant Company merged or consolidated with any other company within the last five years?
Yes ____ No ____

If the answer to either question is yes, provide the details in writing and attach to the Questionnaire.

3. Is the Applicant Company presently negotiating for or inviting negotiations for any transaction described above?
Yes ____ No ____

If yes, provide the details in writing and attach to the Questionnaire.

4. Has the Applicant Company ever changed its name?
Yes ____ No ____

If yes, attach copies of the instruments effecting such transaction certified by the Secretary over corporate seal as a true copy of the originals, including any official state regulatory approvals and filing data.

5. A. Has the Applicant Company undergone a change of management or control since the date of its latest annual statement filed in support of this application?
Yes ____ No ____
- B. Does the Applicant Company contemplate a change in management or any transaction that would normally result in a change of management within the reasonably foreseeable future?
Yes ____ No ____

If the answer to either question is yes, provide the details in writing and attach to the Questionnaire.

6. Is the Applicant Company owned or controlled by a holding corporation?
Yes ____ No ____

If yes, attach and make a part hereof an affidavit by an executive officer of the Applicant Company who knows the facts listing the principal owners (10% or more of the outstanding shares) of such holding corporation by name and residence address, business occupation and business affiliations.

Applicant Company Name: _____

NAIC No. _____
FEIN: _____

7. Is the Applicant Company owned, operated or controlled, directly or indirectly, by any other state or province, district, territory or nation or any governmental subdivision or agency?

Yes ____ No ____

If yes, provide the details in writing and attach to the Questionnaire

8. A. Has the Applicant Company's certificate of authority to do business in any state been suspended or revoked within the last ten years?

Yes ____ No ____

- B. Has the Applicant Company's application for admission to any state been denied within the last ten years?

Yes ____ No ____

If the answer to either question is yes, provide the details in writing and attach to the Questionnaire.

9. Has any person who is presently an officer or director of Applicant Company been convicted on, or pleaded guilty or nolo contendere to, an indictment or information in any jurisdiction charging a felony for theft, larceny or mail fraud or, of violating any corporate securities statute or any insurance statute?

Yes ____ No ____

If yes, provide the details in writing and attach to the Questionnaire.

10. Is the Applicant Company presently engaged in a dispute with any state of federal regulatory agency?

Yes ____ No ____

If yes, provide the details in writing and attach to the Questionnaire.

11. Is the Applicant Company a plaintiff or defendant in any legal action other than one arising out of policy claims?

Yes ____ No ____

If yes, provide a summary of each case and an estimate of the Applicant Company's probable liability, if any, and attach to the Questionnaire.

12. Does the Applicant Company purchase investment securities through any investment banking or brokerage house or firm from whom any of Applicant Company's officers, directors, trustees, investment committee members or controlling stockholders receive a commission on such purchases?

Yes ____ No ____

If yes, provide the details in writing and attach to the Questionnaire.

13. Is the Applicant Company a,

A. Bank

Yes ____ No ____

B. Bank holding company, subsidiary or affiliate

Yes ____ No ____

C. Financial holding company

Yes ____ No ____

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

D. Other financial institution

Yes ____ No ____

If yes, identify the bank(s), bank holding company(ies) or financial institution and the affiliation of the Applicant Company. Provide the details in writing and attach to the Questionnaire.

14. Has the Applicant Company, within 18 months last preceding the date of this affidavit, done any of the following:

A. Made a loan to an entity owned or controlled directly or through a holding corporation by one or more of Applicant Company's officers, directors, trustees or investment committee members, or to any such person?

Yes ____ No ____

B. Sold or transferred any of its assets or property, real or personal, to any such entity or person?

Yes ____ No ____

C. Had its outstanding capital stock directly or indirectly pledged for the debt of an affiliate?

Yes ____ No ____

D. Purchased securities, assets or property of any kind from an entity owned or controlled by one or more of the Applicant Company's officers, directors, trustees, or any persons who have authority in the management of the Applicant Company's funds (including a controlling stockholder)?

Yes ____ No ____

If the answer to any of the last four questions is affirmative, did any officer, director, trustee or any person who had authority in the management of the Applicant Company's funds (including a controlling stockholder) receive any money or valuable thing for negotiating, procuring, recommending or aiding in such transaction?

Yes ____ No ____

If yes, provide the details in writing and attach to the Questionnaire.

15. Attach an organizational depiction (in the format of a flow chart) showing the various executive management, directors and officers and related material functions that require internal control oversight of the Applicant Company, with the name and official title of those responsible for those offices/functions and the portions of the organization they oversee. Material functions should include, but are not limited to, underwriting, claims adjustment/payments, premium accounting, claims accounting, marketing, financial reporting, and investment management. Note any executive or key staff that has access to funds or bank accounts. Submit a map or narrative explaining where offices are geographically located and the approximate number of employees at each location.

A. Designate any common facilities and/or any of the above functions that are shared with affiliates.

B. Designate any of the above office/functions that are delegated to third parties.

C. Attach copies of signed agreements for office functions delegated to either affiliates or third parties.

D. As applicable, attach a separate chart reflecting any other management positions (if different than what was noted above) that exercise control over insurance operations in other jurisdiction where the Applicant Company is seeking admission.

E. Attach any similar information that was submitted to lenders or investment partners.

Applicant Company Name: _____

NAIC No. _____
FEIN: _____

- F. Attach a copy of the Applicant Company's investment policy (required for primary and redomestication applications only).
16. Provide a detailed description of the Applicant Company's sales techniques. The description should include:
- A. Information regarding recruitment and training of sales representatives.
 - B. Identification as to whether the Applicant Company will be a direct writer or will use agents, brokers or a combination thereof.
 - C. Explanation of the compensation and control to be provided by the Applicant Company to its agents, brokers or sales personnel.
 - D. Sample copies of any agreements entered into between the Applicant Company and its agents or brokers.
 - E. If the Applicant Company will use a specific agency or managing general agent, identification of the agency or managing general agent and a copy of the agreement for this arrangement.
 - F. Sample contract forms of all types used and remuneration schedule, including those for general agents, if any.
17. For each state in which the Applicant Company is filing, explain:
- A. The product lines currently sold or planned by the Applicant Company,
 - B. Specialty line or lines currently sold and planned,
 - C. Captive business,
 - D. The Applicant Company's marketing plan, including a description of the financial, corporate or other connections productive of insurance,
 - E. The Applicant Company's current and expected competition (both regionally and nationally), and
 - F. How each state in which admission has been requested fits into the marketing plan. General description of the classes to be transacted is not an adequate response. For example, if the Applicant Company plans to market credit life and disability products tailored for use by credit unions, simply stating that it will transact credit life and disability is inadequate.
18. If a parent, subsidiary and/or affiliated insurer is admitted for the classes of insurance requested in the pending application, please differentiate the products and/or markets of the Applicant Company from those of the admitted insurer(s).
19. Provide a detailed description of the advertising that will be used by the Applicant Company to market its products in each state. Include a detailed explanation as to how the Applicant Company will develop, purchase, control and supervise its advertising.
20. For each State, explain in detail the following:
- A. How the Applicant Company's policies will be underwritten, including the issuance of policies and endorsements,
 - B. How policies will be cancelled,

Applicant Company Name: _____

NAIC No. _____
FEIN: _____

- C. How premiums and other funds will be handled, and
- D. How personnel will be trained, supervised, and compensated.

21. Explain in detail how the Applicant Company will adjust and pay claims.

- A. Describe how the Applicant Company will train, supervise and compensate the personnel handling claims adjusting and claims payment.
- B. Provide detailed information as to how and by whom claim reserves will be set and modified.
- C. Does the Applicant Company pay any representative given discretion as to the settlement or adjustment of claims whether in direct negotiation with the claimant or in supervision of the person negotiating, a compensation which is in any way contingent upon the amount of settlement of such claims?
Yes ____ No ____

22. Is the Applicant Company a member of a group of companies that shares any of the following:

- A. Common facilities with another company or companies
Yes ____ No ____
- B. Services (e.g. accounting personnel for financial statement preparation)
Yes ____ No ____
- C. Or, is a party to a tax allocation agreement in common with another company
Yes ____ No ____

If the answer to any of the above is yes, explain the division of costs between participants. If costs are pro-rated, what is the basis for division? Attach a copy of relevant contracts and include a summary of any attached contract.

23. Does the Applicant Company have any reinsurance contracts which contracts that in effect provide that Applicant Company will reimburse or indemnify the Reinsurer for losses payable there under?
Yes ____ No ____

If yes, provide the details in writing and attach to the Questionnaire.

24. Does any salaried employee or officer, exclusive of a director, presently have in force a license as an insurance broker issued by the _____ Department of Insurance?
(Name of Application State)
Yes ____ No ____

If yes, please identify his/her license and position held with applicant.

25. Does the Applicant Company have outstanding unexercised stock options?
Yes ____ No ____

- A. If yes, to whom and in what number of shares?

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

- B. If options are outstanding for a number of shares greater than 10% of the number of shares presently issued and outstanding, a copy of the option form and of the plan pursuant to which they were granted are attached.

26. Are any of the Applicant Company's policies being sold in connection with a mutual fund or investment in securities?

Yes ____ No ____ Not Applicable ____

If yes, supply details including all sales literature which refers to the insurance and mutual fund or other investment literature that refers to the insurance and mutual fund or other investment plan connection.

27. If the Applicant Company is applying for authority to write Variable Annuities, provide the following:

- A. Copy(ies) of any third-party management or service contracts
- B. Commission schedules
- C. Five-year sales and expense projections
- D. A statement from the Applicant Company's actuary describing reserving procedures including the mortality and expense risks which the Applicant Company will bear under the contract
- E. Statement of the investment policy of the separate account
- F. Copy of the variable annuity prospectus as filed with the SEC unless the separate account is not required to file a registration under the federal securities law
- G. Copies of the variable annuity laws and regulations of the state of domicile
- H. Copy(ies) of the variable annuity contract(s) and application(s)
- I. A description of any investment advisory services contemplated relating to Separate Accounts
- J. Board of Directors resolution authorizing the creation of the separate account

28. If the Applicant Company is applying for authority to write Variable Life Insurance, provide the following:

- A. Copy(ies) of variable life policy(ies) the Applicant Company intends to issue
- B. Name and experience of person(s) or firm(s) proposed to supply consulting, investments, administrative, custodial or distribution services to the Applicant Company
- C. Disclose whether each investment advisor i) is registered under the Investment Advisers Act of 1940, or ii) is an investment manager under the Employee Retirement Income Security Act of 1974, or iii) whether the Applicant Company will annually file required information and statements concerning each investment advisor as required by its domiciliary state
- D. Copy of the variable life prospectus as filed with the SEC unless the separate account is not required to file a registration under the federal securities law
- E. Statement of the investment policy of any separate account, and the procedures for changing such policy
- F. Copies of the variable life insurance laws and regulations of the state of domicile

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

- G. A statement from the Applicant Company's actuary describing reserving procedures including the mortality and expense risks which the Applicant Company will bear under the contract
- H. Standards of suitability or conduct regarding sales to policyholders
- I. Statement specifying the standards of conduct with respect to the purchase or sale of investments of separate accounts (i.e. Board resolution)
- J. Board of Directors resolution authorizing the creation of the separate account

29. If the Applicant Company is applying for authority to write Life Insurance, has the Applicant Company at any time in any jurisdiction while operating under its present management, or at any time within the last five years irrespective of changes in management, taught or permitted its agents to sell insurance by using any of the following devices, or representations resembling any of the following:

- A. "Centers of influence" and "advisory board,"
Yes _____ No _____
- B. A charter or founder's policy,
Yes _____ No _____
- C. A profit sharing plan,
Yes _____ No _____
- D. Only a limited number of a certain policies will be sold in any given geographical area;
Yes _____ No _____
- E. "Profits" will accrue or be derived from mortality savings, lapses and surrenders, investment earnings, savings in administration;
Yes _____ No _____
- F. A printed list of several large American or Canadian insurers showing the dollar amounts of "savings", "profits" or "earnings" they have made in such categories.
Yes _____ No _____

If the answer to any of the above is yes, supply a complete set of all sales material including the sales manual, all Applicant Company instructional material, brochures, illustrations, diagrams, literature, "canned" sales talks, copies of the policies which are no longer in use, list of states where such methods were used and the date (by year) when they were used, the approximate amount of insurance originally written in each state on each policy form thusly sold, the amount currently in force, and the lapse ratio on each form year by year and cumulatively in gross to the present date.

30. Does the Applicant Company pay, directly or indirectly, any commission to any officer, director, actuary, medical director or any other physician charged with the duty of examining risks or applications?

Yes _____ No _____ Not Applicable _____

If yes, provide the details in writing and attach to the Questionnaire.

The following questions are to be completed only if the Applicant Company is redomesticating to another state.

31. Does the Applicant Company have any permitted practices allowed by its current state of domicile?

Applicant Company Name: _____

NAIC No. _____
FEIN: _____

Yes _____ No _____ Not Applicable _____

If yes, provide the details in writing and attach a copy of the state of domicile's approval to the Questionnaire.

32. Does the Applicant Company's current state of domicile prescribe any practices of the Applicant Company that are not in accordance with,

A. Laws, regulations or bulletins of proposed state of domicile;

Yes _____ No _____ Not Applicable _____

If yes, provide the details in writing and attach to the Questionnaire.

B. Reserving requirements of proposed state of domicile; or

Yes _____ No _____ Not Applicable _____

If yes, provide the details in writing and attach to the Questionnaire.

C. NAIC guidelines

Yes _____ No _____ Not Applicable _____

If yes, provide the details in writing and attach to the Questionnaire.

33. Will the Applicant Company's investments comply with the investment laws, regulations or bulletins of the proposed state of domicile?

Yes _____ No _____ Not Applicable _____

If no, provide the details in writing and attach to the Questionnaire.

34. Does the Applicant Company have any outstanding surplus notes?

Yes _____ No _____ Not Applicable _____

If yes, provide the details in writing and attach to the Questionnaire and attach copy(ies) of the surplus notes reflecting the state of domicile's approval.



National Association of
Insurance Commissioners
www.naic.org

COMPANY CODE APPLICATION

NAIC COMPANY CODES ARE ONLY ASSIGNED TO **RISK-BEARING ENTITIES**.
(Agencies are not assigned NAIC company codes.)

YOUR APPLICATION **WILL NOT** BE PROCESSED UNLESS YOU HAVE BEEN ISSUED A CERTIFICATE OF AUTHORITY BY THE
STATE INSURANCE DEPARTMENT IN WHICH YOU ARE DOMICILED AND REGULATED.

****A copy of your Certificate of Authority is required to process application. Attach to email or fax.****

FULL COMPANY NAME

FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN)

STATE OF DOMICILE

DATE COMMENCED BUSINESS

DATE OF ORGANIZATION/INCORPORATION

MAIN ADMINISTRATIVE OFFICE ADDRESS

CITY

STATE

ZIP

PHONE

CURRENT FINANCIAL STATEMENT CONTACT PERSON

EMAIL ADDRESS

CURRENT FINANCIAL STATEMENT ADDRESS

CITY

STATE

ZIP

PHONE

COMPANY PRESIDENT

SELECT YOUR BUSINESS TYPE (As listed on your Certificate of Authority):

☐ Fraternal
☐ Health

☐ Life, Accident & Health
☐ Property & Casualty

☐ Title
☐ Other Risk-Bearing Entity

SELECT YOUR BUSINESS SUB-TYPE:

☐ Hospital, Medical, and Dental Service or Indemnity (HMDI)
☐ Health Maintenance Organization (HMO)
☐ Limited Health Services Organization (LHSO)
☐ ODS (Organized Delivery System)
☐ MEWA (Multiple Employer Welfare Arrangement)

☐ Prepaid Legal
☐ Prepaid Dental
☐ Pre-Need Funeral
☐ Motor Club
☐ None

SELECT YOUR COMPANY TYPE (How company is formed per Articles of Incorporation under Secretary of State):

☐ Stock
☐ Reciprocal
☐ Fraternal
☐ Mutual

☐ Limited Liability Corporation
☐ U.S. Branch of Alien Insurer
☐ Cooperative
☐ Charitable Gift Annuity

☐ Partnership (all types)
☐ Proprietorship
☐ Syndicate
☐ Other

SELECT YOUR COMPANY SUB-TYPE:

☐ Residual Market Mechanisms
☐ Risk Retention Group - Captive
☐ Risk Retention Group - Traditional
☐ Special Purpose Vehicle

☐ Captive - Pure
☐ Captive - Other
☐ Captive - Special Purpose Financial Insurer
☐ Manager Managed Limited Liability Company

☐ City, Town, County, State,
Parish, Township Mutual
☐ State Insurance Fund/Program
☐ None

TAX STATUS:

☐ Subject to IRS Tax

☐ IRS Tax Exempt (with exceptions)

WAS THIS COMPANY FORMED AS A RESULT OF SHELL OR ASSET PURCHASE?	O Yes O No
IS THIS COMPANY A BLUE CROSS BLUE SHIELD ASSOCIATION (BCBSA) MEMBER?	O Yes O No
IS THIS A U.S. BRANCH OF AN ALIEN INSURER? O Yes O No	If YES, what state is your port of Entry? _____
CHECK BELOW WHICH PERIOD YOU WILL BE SUBMITTING YOUR <u>FIRST</u> STATEMENT FILING TO THE NAIC:	
O Annual O Quarter 1 O Quarter 2 O Quarter 3 YEAR _____	O Not Required
SELECT THE TYPE OF ANNUAL STATEMENT BLANK YOU WILL BE FILING:	
<input type="radio"/> Combined Property & Casualty <input type="radio"/> Individual Property & Casualty <input type="radio"/> Life, Accident and Health	<input type="radio"/> Fraternal <input type="radio"/> Health <input type="radio"/> Title
O Not Required to File Financial Statements <u>with</u> the NAIC	
If filing a LIFE or FRATERNAL statement, are there any separate accounts to report? If YES, please list the names below:	

HOLDING COMPANY AND AFFILIATION REPORTING SECTION
HOLDING COMPANY SYSTEM STATUS:
<input type="radio"/> Part of an Ultimate Holding Company System <input type="radio"/> Not Part of an Ultimate Holding Company System
Is this company affiliated with or reported on another domestic insurance entity's organizational chart? O Yes O No
<i>A current copy of your Organizational Chart or Schedule Y is required with this application.</i>
If YES, and a group code HAS already been established, please list below your group code and group name.
If YES, and a group code HAS NOT been established, a group code may be established for you. Please list below the <u>affiliated</u> domestic insurance companies, including their company codes.
If NO , affiliation could still be determined and a group code established. The NAIC will review your organizational chart and the Ultimate Controlling entity.
GROUP CODE
LIST AFFILIATED COMPANIES AND COMPANY CODES

NAME AND TITLE OF PERSON COMPLETING THIS APPLICATION	EMAIL ADDRESS
<p>Submit your application via email or fax. Once received, your new NAIC Company Code confirmation will be emailed within 4 business days to the Current Financial Statement Contact, as well as to the person completing this application, if different.</p> <p>For additional questions:</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Jennifer Heinz Data Administrator III, Data Services Direct Phone: (816) 783-8605 Fax: (816) 460-0131 Email: FDRCCREQ@NAIC.ORG</p> </div> <div style="width: 45%;"> <p>Cheryl Minor Data Administrator III, Data Services Direct Phone: (816) 783-8608 Fax: (816) 460-0131 Email: FDRCCREQ@NAIC.ORG</p> </div> </div>	
Application last updated: 2/29/2016	

UNIFORM CERTIFICATE OF AUTHORITY APPLICATION



PRIMARY APPLICATION FLORIDA SPECIFIC INFORMATION

1. Insurers are required to provide a copy of the Articles of Incorporation of any firm involved in the financing or formation of the insurer certified by the public official with whom the originals are on file in the state of domicile.
2. Florida requires a statement of the method to be used in the financing of the insurer and verification of funds. To print or download the items to be included ([click here](#)). There are additional financial requirements for mutual insurers. To print or download a copy of Section 628.161, Florida Statutes ([click here](#)).
3. For mutual insurers only, provide a copy of a fidelity bond or insurance policy per Section 628.171, Florida Statutes. To print or download a copy of Section 628.171, Florida Statutes ([click here](#)).
4. Florida requires fingerprinting of all individuals for which biographical affidavits or business character reports are being submitted. To print or download a copy of the fingerprint card instructions including instructions for submitting fingerprint fees ([click here](#)). The fingerprint cards can be obtained from the Applications Coordinator by calling (850) 413-2575 or email to appcoord@flor.com.



Office of Insurance Regulation
Company Admissions

**APPLICATION FOR CERTIFICATE OF AUTHORITY
COMMERCIAL SELF-INSURANCE FUND**

This package is designed to assist individuals in preparing the application with all the information required by statute and to facilitate expeditious processing of the application by this Office.

PLEASE NOTE: THE COMPLETED CHECK LIST MUST BE SUBMITTED WITH THE APPLICATION PACKAGE.

The completed application package must be submitted to the Office by utilizing the following link:

<http://www.floir.com/iportal>
and select iApply – Online Company Admissions

If this package requires submission of forms and/or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <http://www.floir.com/iportal> and select "Form & Rate Filing Assembly and Submission" to begin the submission of forms and/or rates.

If this package requires original documents, in lieu of providing original paper documents, the Applicant is directed to submit a PDF of the original document(s) unless otherwise required by Florida Statutes.

Any questions concerning this application package may be directed to the Application Coordinator at appcoord@floir.com. For iApply only questions, contact the Application Coordinator at iapply@floir.com

In order for a submission to be considered a complete application, all required information must be included in the filing. Filings that do not include all required information will be disapproved or returned.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
COMMERCIAL SELF-INSURANCE FUND**

**INSTRUCTIONS
SECTION I - APPLICATION FORM & FEES**

Section I-1 Application Fees

Applicants must pay an application fee of \$1,500 and a company license tax of \$1,000. These fees are due at the time the application package is filed, and the filing fee is NON-REFUNDABLE.

Secure your check to the invoice (included in this package) and send to:

Florida Department of Financial Services
Bureau of Financial Services
Post Office Box 6100
Tallahassee, Florida 32314-6100

Submit a copy of the invoice a copy of the check with your online application filing via iApply. This procedure will expedite the processing of your application and assure a timely recording of the fees.

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 for instructions. The fingerprint cards are to be submitted at the time of the application filing.

Florida residents have the option of having their fingerprints digitally scanned rather than providing paper fingerprint cards. Please see Form OIR-C1-938 for instructions.

Section I-3 Application for License to Conduct Business in the State of Florida

On this form, list the lines of insurance by code (see enclosed classifications and code number form, Form OIR-C1-1416, Uniform Certificate of Authority (UCAA) Lines of Insurance), you intend to write in the State of Florida. The lines of insurance listed must be consistent with the lines listed in the Plan of Operations submitted with this package. When a Certificate of Authority is issued by the Office of Insurance Regulation, it will include only those lines listed on this form and addressed in the pro formas include with the Plan of Operations. It must be signed (original signatures) by both the President or Chief Executive Officer and the Secretary of the Fund.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
COMMERCIAL SELF-INSURANCE FUND**

SECTION II - LEGAL

THE OFFICE OF INSURANCE REGULATION RECOMMENDS THAT CORPORATE DOCUMENTS BE REVIEWED BY YOUR LEGAL COUNSEL. THE OFFICE IS A FILING AGENCY AND AS SUCH DOES NOT RENDER ANY LEGAL, ACCOUNTING OR TAX ADVICE. THE PROFESSIONAL ADVICE OF YOUR LEGAL COUNSEL TO ASCERTAIN EXACT COMPLIANCE WITH ALL STATUTORY REQUIREMENTS IS STRONGLY RECOMMENDED.

Section II-1 Service of Process Consent and Agreement

Provide an executed Uniform Consent to Service of Process, Form OIR-C1-1524.

Section II-2 Constitution, Bylaws and/or Trust Agreement

Submit an unexecuted copy of the proposed constitution, bylaws and/or trust agreement. The constitution, bylaws, or trust agreement shall contain a provision prohibiting any distribution of surplus or profit except to members of the Fund, as approved by the Office pursuant to Section 624.473, Florida Statutes.

Section II-3 Indemnity Agreement

Submit copies of properly executed indemnity agreements binding each Fund member to individual, several, and proportionate liability as set forth in Sections 624.472 and 624.474, Florida Statutes.

Section II-4 Sponsoring Organization

Submit the following documents from the sponsoring organization:

- (a) Certified Articles of Incorporation as received from the Secretary of State (The Original).
- (b) Certificate of Status from the Secretary of State (The Original).
- (c) Certified copy of the bylaws or constitution signed, dated, and sealed by Secretary of the sponsoring organization.
- (d) A brief history of the sponsoring organization including: the type of association or entity (trade association, professional association, industry association, or self insurance trust fund), the address and phone number of the sponsoring organization, the date the sponsor was incorporated, and whether or not the sponsor has been in continuous operation since the date of organization.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
COMMERCIAL SELF-INSURANCE FUND**

SECTION III - FINANCIAL

Section III-1 Statutory Deposit

Pursuant to Section 624.466 (9), Florida Statutes, a Commercial Self-Insurance Fund shall be required to file a statutory deposit with the Office for the protection of the insurer's policyholders and creditors. This deposit shall have at all times a value of not less than \$100,000. In lieu of a deposit, a Fund may file with the Office a surety bond in a like amount.

Contact the Bureau of Collateral Management, Insurance Deposits Section, (850) 413-3164 for the procedures involved in establishing a deposit.

Include a verification from the Bureau of Collateral Management that the funds have been deposited or the surety bond.

Section III-2 Verification of Funds

At least 10 days prior to the proposed effective date of the issuance of any policy, the trustees shall submit proof that the members have paid into a common claims fund in a designated depository cash premiums in an amount not less than \$50,000 or 10% of the estimated annual premium of the members at the inception, whichever is greater.

The funds must be verified by a letter from an officer of the financial institution where the funds are being held and should include the following:

1. Name of depositor and Federal ID Number.
2. Account numbers and amounts of funds in each account.
3. Form of funds on deposit.
4. Any restrictions on the withdrawal of the funds.

Section III-3 Plan of Operation

It is important for the Office to have a clear understanding of the proposed operations of the Fund and the goals it seeks to achieve. To meet this requirement, the Fund shall furnish a three-year Plan of Operations. If the applicant is owned or controlled by a Financial Institution as defined in Section 626.9885, Florida Statutes, please refer to restrictions outlined in this statute when developing the Plan of Operations. The plan must include all major areas of the proposed operations including but not limited to the following:

**APPLICATION FOR CERTIFICATE OF AUTHORITY
COMMERCIAL SELF-INSURANCE FUND**

- (A) A brief description of the management experience of each individual (by name) involved in the following areas: Marketing, Underwriting, Rating, Reserving, Reinsurance, Claims Handling, Accounting, Investments, and Managing General Agents.
- (B) Description of each line of insurance products to be marketed and planned dates of initial marketing of each line.
- (C) A three-year plan of marketing, including commission rates, use of brokering agents, third party administrators, and other administrative expenses.
- (D) Provide planned 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 copies of policies and agreements. These should detail retentions and limits of liability for the proposed reinsurance as well as catastrophe and coverage of the largest amount retained on one risk.
- (E) Submit a statement regarding any planned changes in operations during the next three years. If no changes are planned, a statement to that effect.
- (F) Provide a list of all assumptions used in projections and pro forma and disclose how these assumptions were derived. The assumptions should at least address how the premium levels have been derived, commission rates, investment income yields, expense levels, and benefits payable under accident and health policies and contracts.
- (G) Provide pro forma financial statements utilizing Form OIR-DO-896, UCAA Proforma Financial Statements, Property and Casualty Insurance Company (NAIC UCAA Proforma Financial Statements, Form 13), available at: http://www.naic.org/industry_ucaa.htm, for three years, excluding any spreadsheet that requires Nationwide only data. Projections must be provided for each line of insurance proposed to be written. If you should have any questions concerning individual line items please refer to the NAIC instructions to the annual statement.
- (H) Furnish a list of all consultant and expert services in use or proposed during the three-year period.
- (I) Provide planned premium volume for Florida premium by line of insurance at three month intervals for a three-year period from initial marketing date for each line of insurance.

APPLICATION FOR CERTIFICATE OF AUTHORITY COMMERCIAL SELF-INSURANCE FUND

The Plan of Operation should also include a statement prepared by an actuary who is a member of the American Academy of Actuaries or the Casualty Actuarial Society establishing that the Fund has prepared a plan of operations which is based on sound actuarial principles.

Section III-4 Membership Applications

Submit a membership application for each member applying for coverage with the Fund. Each of the charter members must submit a completed application.

Section III-5 Financial Statements

Submit a current financial statement for each of the charter members of the Fund. Each of the charter members must submit a financial statement.

Section III-6 Previous Florida Business History of Parent Company

In this section the parent company (if applicable) should detail any history that it has had in withdrawing from Florida as a whole or in discontinuing a particular line of insurance in this state.

Section III-7 Fidelity Bond

Pursuant to Section 624.466(11), Florida Statutes, submit a bond (or insurance policy) in the amount of no less than 10% of the funds handled annually and issued in the name of the Fund covering its trustees, employees, administrator, or other individuals managing or handling the funds or assets of the Fund.

Section III-8 Contract Between Fund and Agent

Submit a complete copy of any proposed contracts between the Fund and any agent(s).

Section III-9 Administrators Agreement

Submit a complete copy of any proposed contract(s) or agreements between the Fund and the administrator.

Section III-10 Policies, Endorsements and Rates

You are not required to have your policy forms and rates approved as a condition precedent

to receiving a Certificate of Authority. These forms and rates may be submitted any time after filing for the Certificate of Authority and **MUST** be approved prior to transacting any business. Submissions should be sent/linked to <https://portal.fldfs.com/ifile/default.asp>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
COMMERCIAL SELF-INSURANCE FUND**

SECTION IV - MANAGEMENT

ANY NAMES REQUESTED IN THIS SECTION SHOULD INCLUDE COMPLETE FIRST, MIDDLE AND LAST NAMES.

Section IV-1 Trustees and Administrator Listing

Submit Form OIR-C1-1298 listing the names of all trustees and officers/directors of the administrator and their relationship (owner, partner, officer, director, or employee) to the Fund. If the administrator is a partnership, then information should be submitted for all partners.

Section IV-2 Biographical Affidavits as to each Trustee of the Fund and each Officer and Director of the Administrator

A Biographical Affidavit, Form OIR-C1-1423 must be completed for each person listed in Section IV-1. All questions must be answered and yes answers must be accompanied by an explanation. Each Biographical Affidavit must contain the original signature of the respective trustee, officer, or director with an original notary seal.

The requirements for the affiant's social security as part of the Biographical Affidavit is mandatory. However, pursuant to Sections 119.0721(1) and (8), Florida Statutes, social security numbers collected by an agency are confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution and must be segregated on a separate page. Therefore, instead of including the SSN on the Biographical Affidavit, please include the affiant's name and social security on a separate page and attach it to the Biographical Affidavit. Also please mark CONFIDENTIAL at the top and bottom of the separate page.

Section 119.0721(8), Florida Statutes, gives authority for an agency to collect social security numbers if imperative for the performance of that agency's duties and responsibilities as prescribed by law. Limited collection of social security numbers is imperative for the Office of Insurance Regulation. The duties of the Office of Insurance Regulation in background investigation are extensive in order to ensure that the owners, management, officers, and directors of any insurer are competent and trustworthy, possess financial standing and business experience, and have not been found guilty of, or not pleaded guilty or nolo contendere to, any felony or crime punishable by imprisonment of one year.

APPLICATION FOR CERTIFICATE OF AUTHORITY

COMMERCIAL SELF-INSURANCE FUND

Section IV-3 Background Investigative Report

A Background Investigative Report must be provided for each person listed in Section IV-1 above. Background reports must be submitted by the selected background investigation vendor directly to the Office prior to or contemporaneously with the submission of the application filing. Attach confirmation that the reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports.

Section IV-4 Fingerprint Cards

Fingerprint cards must be completed for each person listed in section IV-1. The fingerprint cards along with the fees are due at the time the application is filed. **No fingerprint cards, other than those furnished by the Office, will be accepted.** These cards must be completed at a law enforcement or similar type agency and returned to this Office for processing. Attach confirmation of fingerprint payment when submitting the application. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure. Additional cards are available upon request.

Florida residents have the option of having their fingerprints digitally scanned rather than providing paper fingerprint cards and fees as noted above. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
COMMERCIAL SELF-INSURANCE FUND**

CHECK LIST

SECTION I - APPLICATION FORM AND RELATED FEES

Fund Name: _____

<u>Item #</u>		<u>Completion Check List</u>
1.	Insurer application fees paid	<input type="checkbox"/>
	(a) Copy of invoice included	<input type="checkbox"/>
	(b) Copy of check	<input type="checkbox"/>
2.	Fingerprint fees paid	<input type="checkbox"/>
	(a) Copy of on-line payment confirmation	<input type="checkbox"/>
3.	Company Completed Application for License (Official Form)	<input type="checkbox"/>
	(a) All classes of insurance to be transacted listed by code number	<input type="checkbox"/>
	(b) Sealed by Company	<input type="checkbox"/>
	(c) Signed by (original signatures)	
	1. Chairman of Board of Trustees	<input type="checkbox"/>
	2. Secretary	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
COMMERCIAL SELF-INSURANCE FUND**

SECTION II - LEGAL DOCUMENTS

Fund Name: _____

<u>Item #</u>		<u>Completion Check List</u>
1.	Uniform Consent to Service of Process (Form OIR-C1-1524)	<input type="checkbox"/>
	(a) Signed by Chairman of Board of Trustees	<input type="checkbox"/>
	(b) Signed by Secretary	<input type="checkbox"/>
	(c) Sealed with company seal.....	<input type="checkbox"/>
2.	Proposed Constitution/Bylaws /Trust Agreement.....	<input type="checkbox"/>
	(a) Unexecuted.....	<input type="checkbox"/>
	(b) Original.....	<input type="checkbox"/>
3.	Indemnity Agreement.....	<input type="checkbox"/>
	(a) Executed	<input type="checkbox"/>
	(b) Originals.....	<input type="checkbox"/>
4.	Sponsoring Organization Documents	
	(a) Articles of Incorporation (certified originals)	<input type="checkbox"/>
	(b) Certificate of Status (original)	<input type="checkbox"/>
	(c) Copy of Bylaws or Constitution.....	<input type="checkbox"/>
	(d) Miscellaneous statements	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
COMMERCIAL SELF-INSURANCE FUND**

SECTION III- FINANCIAL

Fund Name: _____

<u>Item #</u>		<u>Completion Check List</u>
1.	Verification of Statutory Deposit.....	<input type="checkbox"/>
	(a) Letter from Collateral Management showing amount of deposit.....	<input type="checkbox"/>
2.	Verification of Funds on Deposit.....	<input type="checkbox"/>
	(a) Letter from financial institution showing:	
	(1) Amount of Deposit.....	<input type="checkbox"/>
	(2) Name of Depositor	<input type="checkbox"/>
	(3) Federal ID number	<input type="checkbox"/>
	(4) Form of funds	<input type="checkbox"/>
	(5) Account numbers	<input type="checkbox"/>
	(6) Amount in each account.....	<input type="checkbox"/>
	(7) Any restrictions on withdrawals	<input type="checkbox"/>
3.	Plan of Operations	<input type="checkbox"/>
4.	Membership Application for each member	<input type="checkbox"/>
5.	Current Financial Statement for each member	<input type="checkbox"/>
6.	Previous Florida Business History Statement	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
COMMERCIAL SELF-INSURANCE FUND**

SECTION III- FINANCIAL

Fund Name: _____

<u>Item #</u>		<u>Completion Check List</u>
7.	Copy of Fidelity Bond required in Section 624.466(11)	<input type="checkbox"/>
8.	Copy of contract between Fund and Agent(s).....	<input type="checkbox"/>
9.	Administrators Agreement	<input type="checkbox"/>
10.	Policies, Endorsements and Rates submitted as directed.....	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
COMMERCIAL SELF-INSURANCE FUND**

SECTION IV- MANAGEMENT

Fund Name: _____

<u>Item #</u>	<u>Completion Check List</u>
1. Listing of all Trustees of Fund and Officers/ Directors of Administrator (Form OIR-C1-1298)	<input type="checkbox"/>
(a) Full names listed	<input type="checkbox"/>
(b) Titles listed	<input type="checkbox"/>
2. Biographical affidavits as to Trustees of Fund, and Officers/ Directors of Administrator (Form OIR-C1-1423).....	<input type="checkbox"/>
As to each biographical affidavit:	
(a) All blanks filled in.....	<input type="checkbox"/>
(b) Yes answers explained.....	<input type="checkbox"/>
(c) Contains original signature of each respective officer, director or trustee.....	<input type="checkbox"/>
(d) Notarized (Original).....	<input type="checkbox"/>
(e) Submitted original of each affidavit.....	<input type="checkbox"/>
3. Background investigative reports for persons listed in Section IV-1.....	<input type="checkbox"/>
4. Fingerprint cards (or LiveScan for Florida residents) completed for each person listed in Section IV-1	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
COMMERCIAL SELF-INSURANCE FUND**

SECTION IV- MANAGEMENT

Fund Name: _____

Item #

Completion
Check List

- | | | |
|-----|--|--------------------------|
| (a) | Contains original signature of each respective
officer, director or trustee | <input type="checkbox"/> |
| (b) | Office of Insurance Regulation card only | <input type="checkbox"/> |
| (c) | No erasures or alterations on cards | <input type="checkbox"/> |
| (d) | All blanks filled in | <input type="checkbox"/> |

**APPLICATION FOR CERTIFICATE OF AUTHORITY
COMMERCIAL SELF-INSURANCE FUND**

INVOICE

NAME OF FUND: _____

FEIN: _____

ADDRESS: _____

CITY, STATE & ZIP CODE: _____

PHONE NUMBER: _____

ADDRESS (IF DIFFERENT FROM FUND ADDRESS):

(CITY) (STATE) (ZIP CODE)

1. Make payable to the Florida Department of Financial Services and mail check and invoice only to the Department of Financial Services, Bureau of Financial Services, P.O. Box 6100, Tallahassee, Florida 32314-6100.

2. Include a copy of the check and invoice with the application filing submitted electronically via iApply.

TYPE: <u>10</u>	CLASS: <u>30</u>	Company License Tax	\$1,000.00
TYPE: <u>10</u>	CLASS: <u>06</u>	Filing Fee	<u>\$1,500.00</u>
		Total	\$2,500.00

OFFICE OF INSURANCE REGULATION
TALLAHASSEE, FLORIDA 32399-0300

APPLICATION FOR LICENSE TO CONDUCT BUSINESS IN THE STATE OF FLORIDA
(Commercial Self-Insurance Fund)

_____, 20____

TO: THE COMMISSIONER
OFFICE OF INSURANCE REGULATION
TALLAHASSEE, FLORIDA

The _____
(Name of Commercial Self-Insurance Fund)

Federal Identification Number _____

of _____
(Home Office Address) (City) (State) (Zip)

Phone Number _____

E-Mail Address _____

through its duly authorized officers, hereby applies for license authorizing and empowering the Commercial Self-Insurance Fund to transact the following lines of insurance in the State of Florida, under the laws thereof.

Line of Insurance

Code Number

By _____
Chairman Board of Trustees

Attest _____
Secretary



Office of Insurance Regulation
Company Admissions

**APPLICATION FOR CERTIFICATE OF AUTHORITY
DOMESTIC RECIPROCAL INSURER**

This package is designed to assist individuals in preparing the application with all the information required by statute and to facilitate expeditious processing of the application by this Office.

PLEASE NOTE: THE COMPLETED CHECK LIST MUST BE SUBMITTED WITH THE APPLICATION PACKAGE.

The completed application package must be submitted to the Office by utilizing the following link:

<http://www.floir.com/iportal>
and select iApply – Online Company Admissions

If this package requires submission of forms and/or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <http://www.floir.com/iportal> and select "Form & Rate Filing Assembly and Submission" to begin the submission of forms and/or rates.

If this package requires original documents, in lieu of providing original paper documents, the Applicant is directed to submit a PDF of the original document(s) unless otherwise required by Florida Statutes.

Any questions concerning this application package may be directed to the Application Coordinator at appcoord@floir.com. For iApply only questions, contact the Application Coordinator at iapply@floir.com

In order for a submission to be considered a complete application, all required information must be included in the filing. Filings that do not include all required information will be disapproved or returned.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
DOMESTIC RECIPROCAL INSURER**

**INSTRUCTIONS
SECTION I - APPLICATION FORM & FEES**

Section I-1 Application Fees

Applicants must pay an application fee of \$1,500 and a company license tax of \$1,000. These fees are due at the time the application package is filed, and the filing fee is NON-REFUNDABLE.

Secure your check to the INVOICE (included in this package) and send to:

Florida Department of Financial Services
Bureau of Financial Services
Post Office Box 6100
Tallahassee, Florida 32314-6100

Place a copy of the INVOICE and a copy of the check with your online application filing via iApply. This procedure will expedite the processing of your application and assure a timely recording of the fees.

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 for instructions. The fingerprint cards are to be submitted at the time of the application filing.

Florida residents have the option of having their fingerprints digitally scanned rather than providing paper fingerprint cards. Please see Form OIR-C1-938 for instructions.

Section I-3 Application for License to Conduct Business in the State of Florida

On this form, list the lines of insurance by code (see Form OIR-C1-1416) you intend to write in the State of Florida. The lines of insurance listed must be consistent with the lines listed in the Plan of Operations submitted with this package. When a Certificate of Authority is issued by the Office of Insurance Regulation, it will include only those lines listed on this form and addressed in the pro formas included with the Plan of Operations. It must be under corporate seal and signed (original signatures) by both the President or Chief Executive Officer and the Secretary of the company.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
DOMESTIC RECIPROCAL INSURER**

SECTION II - LEGAL

THE OFFICE OF INSURANCE REGULATION RECOMMENDS THAT CORPORATE DOCUMENTS BE REVIEWED BY YOUR LEGAL COUNSEL. THE OFFICE IS A FILING AGENCY AND AS SUCH DOES NOT RENDER ANY LEGAL, ACCOUNTING OR TAX ADVICE. THE PROFESSIONAL ADVICE OF YOUR LEGAL COUNSEL TO ASCERTAIN EXACT COMPLIANCE WITH ALL STATUTORY REQUIREMENTS IS STRONGLY RECOMMENDED.

NOTE, PURSUANT TO SECTION 629.051, FLORIDA STATUTES, THE NAME OF THE INSURER MUST INCLUDE THE WORD "RECIPROCAL," OR "INTERINSURER," OR "INTERINSURANCE," OR "EXCHANGE," OR "UNDERWRITERS," OR "UNDERWRITING."

Section II-1 Uniform Consent to Service of Process

Provide an executed Uniform Consent to Service of Process, Form OIR-C1-1524. **NO** other signature will be accepted other than that of the Chairman of the Subscribers' Advisory Committee, and Secretary, which must be underseal.

Section II-2 Attorney-in-Fact

The following declaration must be submitted by the Attorney-in-Fact:

1. The name of the insurer;
2. The location of the insurer's principal office, which shall be the same as that of the Attorney-in-Fact and shall be located in this state;
3. The lines of insurance proposed to be transacted;
4. The names and addresses of the original subscribers;
5. A copy of the designation and appointment of the proposed Attorney-in-Fact and a copy of the Power of Attorney;
6. The names and addresses of the officers and directors of the Attorney-in-Fact, if a corporation, or its members, if other than a corporation;
7. The powers of the subscribers' advisory committee, and the names and terms of the members thereof;
8. A statement that all moneys paid to the reciprocal shall, after deducting therefrom any sum payable to the attorney, be held in the name of the insurer and for the purposes specified in the subscribers' agreement;
9. A copy of the subscribers' agreement;
10. A statement that each of the original subscribers has in good faith applied for insurance of a kind proposed to be transacted, and that the insurer has received from each such subscriber the full premium or premium deposit required for the policy applied for, for a term of not less than 6 months at an

**APPLICATION FOR CERTIFICATE OF AUTHORITY
DOMESTIC RECIPROCAL INSURER**

SECTION II - LEGAL

- adequate rate theretofore filed with and approved by the Office;
11. A statement of the financial condition of the insurer, a schedule of its assets, and a statement that the surplus as required by Section 629.071, Florida Statutes, is on hand;
 12. A copy of each policy, endorsement, and application form it then proposes to issue or use.

Such declaration shall be acknowledged by the Attorney-in-Fact before an officer authorized to take acknowledgements.

Section II-3 Attorney-in-Fact Bond

Pursuant to Section 629.121, Florida Statutes, a bond in the amount of \$100,000, with an authorized corporate surety subject to the approval of the Office must be filed with this section of the application. A deposit may be maintained with the Office in lieu of bond as provided for in Section 629.131, Florida Statutes.

Section II-4 Secretary of State Registration Requirements

The Attorney-in-Fact for the reciprocal must register as a domestic or foreign corporation with the Florida Secretary of State, www.sunbiz.org.

Section II-5 Certificate of Status (Attorney-in-Fact)

Provide the Certificate of Status obtained from the Florida Secretary of State (www.sunbiz.org) with the application filing.

Section II-6 Articles of Incorporation (Attorney-in-Fact)

Provide certified Articles of Incorporation obtained from the Florida Secretary of State (www.sunbiz.org) with the application filing.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
DOMESTIC RECIPROCAL INSURER**

SECTION III - FINANCIAL

Section III-1 Statutory Deposit

Pursuant to Section 624.411, Florida Statutes, every domestic insurer shall be required to file a statutory deposit with the Office for the protection of the insurer's policyholders and creditors. This deposit shall have at all times a value of not less than:

1. \$250,000 to transact casualty insurance
2. \$100,000 to transact all other kinds of insurance, per kind of insurance
3. A maximum of \$300,000 for any insurer authorized to write more than one kind of insurance

Contact the Bureau of Collateral Management, Insurance Deposits Section, (850) 413-3164 for the procedures involved in establishing a deposit.

Include verification from the Bureau of Collateral Management that the funds have been deposited with the application.

Section III-2 Verification of Funds

To obtain a Certificate of Authority in Florida, a reciprocal is required to have a minimum of \$1 million in surplus as to policyholders. These funds should be held in a financial institution pursuant to Section 625.306, Florida Statutes.

The funds must be verified by a letter from an officer of the financial institution where the funds are being held and should include the following:

1. Name of depositor and Federal ID Number.
2. Account numbers and amounts of funds in each account.
3. Form of funds on deposit.
4. If funds are in the form of a certificate of deposit, include certificate numbers and maturity dates.
5. Any restrictions on the withdrawal of the funds.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
DOMESTIC RECIPROCAL INSURER**

SECTION III - FINANCIAL

Section III-3 Plan of Operation

It is important for the Office to have a clear understanding of the proposed operations of the new insurer and the goals it seeks to achieve. To meet this requirement, the Applicant must furnish a three-year Plan of Operations. If the Applicant is owned or controlled by a Financial Institution as defined in Section 626.9885, Florida Statutes, please refer to restrictions outlined in this statute when developing the Plan of Operations. The plan must include all major areas of the proposed operations including but not limited to the following:

- (A) A brief history of the company since its incorporation.
- (B) A brief description of the management experience of each individual (by name) involved in the following areas: Marketing, Underwriting, Rating, Reserving, Reinsurance, Claims Handling, Accounting, Investments, and Managing General Agents.
- (C) Description of each line of insurance products to be marketed and planned dates of initial marketing of each line.
- (D) A three-year plan of marketing, including commission rates, use of brokering agents, third party administrators, and other administrative expenses.
- (E) Provide planned 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 and coverage and the largest amount retained on one risk.
- (F) Submit a statement regarding any planned changes in operations during the next three years. If no changes are planned, a statement to that effect.
- (G) Provide a list of all assumptions used in projections and pro formas and disclose how these assumptions were derived. The assumptions should at least address how the premium levels have been derived, commission rates, investment income yields, expense levels, and benefits payable under accident and health policies and contracts.
- (H) Provide pro forma financial statements utilizing Form OIR-DO-896, UCAA Proforma Financial Statements, Property and Casualty Insurance Company (NAIC UCAA Proforma Financial Statements, Form 13), available at:

**APPLICATION FOR CERTIFICATE OF
AUTHORITY DOMESTIC RECIPROCAL INSURER**

SECTION III - FINANCIAL

http://www.naic.org/industry_ucaa.htm, for three years, excluding any spreadsheet that requires Nationwide only data. Projections must be provided for each line of insurance proposed to be written. If you should have any questions concerning individual line items, please refer to the NAIC instructions to the annual statement.

- (I) Furnish a list of all consultant and expert services in use or proposed during the three-year period.
- (J) Provide planned premium volume for countrywide premium and Florida premium by line of insurance at three-month intervals for a three-year period from initial marketing date for each line of insurance.

Section III-4 Statement of Method Used in Financing Insurer

Provide a statement of method to be used in the financing of the proposed insurer. This statement shall include the following:

- 1. The amount of surplus as to policyholders to be funded.
 - (a) By source (contributed by whom)
 - (b) Amounts funded by each source
 - (c) The form in which the funding will be made, i.e., state specific dollar amounts of specific stocks, bonds, certificates of deposit, cash, etc.
- 2. Residence addresses, business background and qualifications of all individuals named in 1 above.
- 3. Copies of all syndicate, association, firm, partnership, organization or other similar agreements involved in the formation or financing of proposed insurer.
- 4. Copies of any securities or of any proposed document evidencing any right or interest proposed to be offered.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
DOMESTIC RECIPROCAL INSURER**

SECTION III - FINANCIAL

Section III-5 Previous Florida Business History of Parent Company

In this section the parent company (if applicable) should detail any history that it has had in withdrawing from Florida as a whole or in discontinuing a particular line of insurance in this state.

Section III-6 Notification Statement to the NAIC

Applicant should provide a copy of the NAIC Company Code Application, Form OIR-C1-1389.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
DOMESTIC RECIPROCAL INSURER**

SECTION IV - MANAGEMENT

ANY NAMES REQUESTED IN THIS SECTION SHOULD INCLUDE COMPLETE FIRST, MIDDLE AND LAST NAMES.

Section IV-1 List of All Members of the Subscribers' Advisory Committee, and Officers, Directors and Shareholders/Owners of the Attorney-in-Fact

Provide the full names of all members of the Subscribers' Advisory Committee, and the officers, directors and shareholders/owners of the Attorney-in-Fact up through and including the ultimate parent corporation or holding company, with their respective titles and ownership percentages. Please use Forms OIR-C1-914 and OIR-C1-1298.

If any ten percent (10%) or more shareholder/owner is an entity, please complete a Management Information form (Form OIR-C1-1298) for each shareholder/owner entity and include its officers, directors or managing members. Use a separate form for each company.

Section IV-2 Biographical Affidavits as to Subscribers' Advisory Committee members, and Officers, Directors and Shareholders of the Attorney-in-Fact

A Biographical Affidavit (Form OIR-C1-1423) must be completed for each person listed in Section IV-1. All questions must be answered and yes answers must be accompanied by an explanation. Each biographical affidavit must contain the original signature of the respective subscriber, officer, director or shareholder and an original notary seal.

The requirement for the affiant's social security number as part of the Biographical Affidavit is mandatory. However, pursuant to Section 119.071(5), Florida Statutes, social security numbers collected by an agency are confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. 1 of the State Constitution and must be segregated on a separate page. Therefore, instead of including the SSN on the Biographical Affidavit, please include the affiant's name and social security number on a separate page and attach it to the Biographical Affidavit. Also please mark CONFIDENTIAL at the top and bottom of the separate page.

Section IV-3 Background Investigative Report

A Background Investigative Report must be provided for each person listed in Section IV-1 above. Background reports must be submitted by the selected background investigation vendor directly to the Office prior to or contemporaneously with the submission of the application filing. Attach confirmation that the reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
DOMESTIC RECIPROCAL INSURER**

SECTION IV - MANAGEMENT

Section IV-4 Fingerprint Cards

Fingerprint cards must be completed for each person listed in Section IV-1. The fingerprint cards along with the fees are due at the time the application is filed. **No fingerprint cards, other than those furnished by the Office, will be accepted.** These cards must be completed at a law enforcement or similar type agency and returned to this Office for processing. Attach confirmation of fingerprint payment when submitting the application. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure. Additional cards are available upon request.

Florida residents have the option of having their fingerprints digitally scanned rather than providing paper fingerprint cards and fees as noted above. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure.

**APPLICATION FOR CERTIFICATE OF AUTHORITY
DOMESTIC RECIPROCAL INSURER**

**CHECK LIST
SECTION I – APPLICATION FORM AND FEE**

Company Name: _____

<u>Item #</u>		<u>Completion Check List</u>
1.	Insurer application fees paid	<input type="checkbox"/>
	(a) Copy of invoice included	<input type="checkbox"/>
	(b) Copy of check	<input type="checkbox"/>
2.	Fingerprint fees paid	<input type="checkbox"/>
	(a) Copy of on-line payment confirmation	<input type="checkbox"/>
3.	Company Completed Application for License (Official Form)	<input type="checkbox"/>
	(a) All classes of insurance to be transacted listed by code number	<input type="checkbox"/>
	(b) Sealed by Company	<input type="checkbox"/>
	(c) Signed by (original signatures)	
	1. Chairman of Subscribers' Advisory Committee	<input type="checkbox"/>
	2. Secretary	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
DOMESTIC RECIPROCAL INSURER**

**CHECK LIST
SECTION II - LEGAL**

Company Name: _____

<u>Item #</u>		<u>Completion Check List</u>
1.	Uniform Consent to Service of Process	<input type="checkbox"/>
	(a) Signed by Chairman of Subscribers' Advisory Committee.....	<input type="checkbox"/>
	(b) Signed by Secretary.....	<input type="checkbox"/>
	(c) Sealed with company seal.....	<input type="checkbox"/>
	(d) Original.....	<input type="checkbox"/>
2.	Attorney-in-Fact Declaration	<input type="checkbox"/>
	(a) Signed by Attorney-in-Fact.....	<input type="checkbox"/>
	(b) Notarized.....	<input type="checkbox"/>
	(c) Original.....	<input type="checkbox"/>
	(d) All items 1 thru 12 included.....	<input type="checkbox"/>
3.	Attorney-in-Fact Bond	<input type="checkbox"/>
	(a) Copy of bond included (\$100,000 minimum).....	<input type="checkbox"/>
	(b) Receipt for deposit with the Office.....	<input type="checkbox"/>
4.	Secretary of State Registration (Attorney-in-Fact)	
	(a) Articles of Incorporation (certified originals).....	<input type="checkbox"/>
	(b) Certificate of Status (original).....	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
DOMESTIC RECIPROCAL INSURER**

**CHECK LIST
SECTION III- FINANCIAL**

Company Name: _____

<u>Item #</u>		<u>Completion Check List</u>
1.	Verification of Statutory Deposit.....	<input type="checkbox"/>
	(a) Letter from Collateral Management showing amount of deposit	<input type="checkbox"/>
2.	Verification of Funds on Deposit.....	<input type="checkbox"/>
	(a) Letter from financial institution showing:	
	(1) Amount of Deposit	<input type="checkbox"/>
	(2) Name of Depositor.....	<input type="checkbox"/>
	(3) Federal ID number.....	<input type="checkbox"/>
	(4) Form of funds.....	<input type="checkbox"/>
	(5) Account numbers.....	<input type="checkbox"/>
	(6) Amount in each account.....	<input type="checkbox"/>
	(7) Certificate of Deposit numbers.....	<input type="checkbox"/>
	(8) Certificate of Deposit maturity dates	<input type="checkbox"/>
	(9) Any restrictions on withdrawals.....	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
DOMESTIC RECIPROCAL INSURER**

**CHECK LIST
SECTION III- FINANCIAL**

- | | | |
|----|---|--------------------------|
| 3. | Plan of Operations..... | <input type="checkbox"/> |
| 4. | Statement of Method Used in Financing Insurer..... | <input type="checkbox"/> |
| 5. | Previous Florida Business History Statement..... | <input type="checkbox"/> |
| 6. | NAIC notification statement mailed to the NAIC..... | <input type="checkbox"/> |

**APPLICATION FOR CERTIFICATE OF AUTHORITY
DOMESTIC RECIPROCAL INSURER**

**CHECK LIST
SECTION IV- MANAGEMENT**

Company Name: _____

<u>Item #</u>		<u>Completion Check List</u>
1.	Listing of all Subscribers' Advisory Committee members, Officers, Directors and Shareholders of the Attorney-in-Fact).....	<input type="checkbox"/>
	(a) Full names listed.....	<input type="checkbox"/>
	(b) Titles listed	<input type="checkbox"/>
2.	Biographical Affidavits as to Subscribers' Advisory Committee members, Officers, Directors and Shareholders of the Attorney-in-Fact	<input type="checkbox"/>
	As to each Biographical Affidavit:	
	(a) All blanks filled in.....	<input type="checkbox"/>
	(b) Yes answers explained	<input type="checkbox"/>
	(c) Contains original signature of each respective officer, director, and shareholder.....	<input type="checkbox"/>
	(d) Notarized (Original).....	<input type="checkbox"/>
3.	Background investigative reports for persons listed in Section IV-1.....	<input type="checkbox"/>
4.	Fingerprint cards (or LiveScan for Florida residents) completed for each person listed in Section IV-1.....	<input type="checkbox"/>
	(a) Contains original signature of each respective officer, director or shareholder.....	<input type="checkbox"/>
	(b) Office of Insurance Regulation card only	<input type="checkbox"/>
	(c) No erasures or alterations on cards.....	<input type="checkbox"/>
	(d) All blanks filled in.....	<input type="checkbox"/>

**APPLICATION FOR CERTIFICATE OF AUTHORITY
DOMESTIC RECIPROCAL INSURER**

INVOICE

NAME OF COMPANY: _____

FEIN: _____

ADDRESS: _____

CITY, STATE & ZIP CODE: _____

PHONE NUMBER: _____

ADDRESS (IF DIFFERENT FROM COMPANY ADDRESS)

(CITY)

(STATE)

(ZIP CODE)

1. Make payable to the Florida Department of Financial Services and **mail check and invoice only** to the Florida Department of Financial Services, Bureau of Financial Services, P.O. Box 6100, Tallahassee, Florida 32314-6100.
2. Include a copy of the check and invoice with the application filing submitted electronically via iApply.

TYPE: <u>10</u>	CLASS: <u>30</u>	Company License Tax	\$1,000.00
TYPE: <u>10</u>	CLASS: <u>06</u>	Filing Fee	<u>\$1,500.00</u>
		Total	\$2,500.00

**OFFICE OF INSURANCE REGULATION
TALLAHASSEE, FLORIDA 32399-0300**

**APPLICATION FOR LICENSE TO CONDUCT BUSINESS IN THE STATE OF FLORIDA
(Domestic Reciprocal Insurer)**

_____, 20 ____

TO THE COMMISSIONER OF THE STATE OF FLORIDA,
TALLAHASSEE, FLORIDA

The _____
(Name of Domestic Reciprocal Insurer)

Federal Identification Number: _____

Of _____
(Home Office Address) (City) (State) (Zip)

Phone Number: _____

E-mail Address: _____

through its duly authorized officers, hereby applies for license authorizing and empowering
the Domestic Reciprocal Insurer to transact the following lines of insurance in the State of
Florida, under the laws thereof

Lines of Insurance

Code Number

By: _____
Chairman Subscribers' Advisory Committee

Attest: _____
Secretary

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

**Uniform Certificate of Authority Application (UCAA)
Corporate Amendments Application Checklist
For Corporate Amendments Application Only**

The application checklist is intended to help guide the insurer (herein after referred to as "Applicant Company") with the assembly of a complete Corporate Amendments Uniform Certificate of Authority Application (UCAA). Please be sure to complete the checklist by appropriately marking the boxes on the left side of the page prior to submitting the application for review. The completed checklist should be attached to the top of the application.

Regulator Use Only

1. **Application Form (pursuant to Sections II-V and VII-X Filing Requirements Item 1), containing:** ☐
 - ☐ Completed UCAA Corporate Amendments Application Checklist (Form 1C)
 - ☐ Original UCAA Corporate Amendments Application Form executed, signed and Attachments (Form 2C)
 - ☐ Original Certificate of Authority or an Affidavit of Lost Certificate of Authority (Form 15) (not applicable for Sections VIII, IX and X)
 - ☐ Cover Letter (Optional)
2. **Filing Fee (pursuant to Sections II-V and VII-X Filing Requirements Item 2), containing:** ☐
 - ☐ Payment of required filing fee
 - ☐ Copy of check
3. **Articles of Incorporation/Articles of Merger (pursuant to Sections II-V, VII and IX Filing Requirements Item 3)** ☐
 - ☐ Submit documentation as listed in Sections II-V, VII and IX Filing Requirements Item 3
4. **Bylaws (pursuant to Sections II-V, VII, IX Filing Requirements Item 4; Section X Filing Requirements Item 3)** ☐
 - ☐ Submit documentation as listed in Sections II-V, VII and IX Filing Requirements Item 4 and Section X Filing Requirements Item 3
5. **Lines of Insurance (pursuant to Section II Filing Requirements Item 1)**
 - ☐ Include all lines of insurance the Applicant Company is licensed to transact, currently transacting and requesting authority to transact in all jurisdictions (Form 3)
6. **Minimum Capital and Surplus Requirements (pursuant to Sections II and VII Filing Requirements Item 5)** ☐
 - ☐ Provide explanation of compliance with minimum capital & surplus requirements for state for which application is prepared
7. **Certificate of Deposit for Statutory Deposit Requirements (pursuant to Sections II and VII Filing Requirements Item 6; Section IV Filing Requirements Item 5)** ☐
 - ☐ An original Certificate of Deposit prepared by state of domicile (Form 7)
8. **Plan of Operation (pursuant to Sections II, VII and VIII Filing Requirements Item 7)** ☐
 - ☐ Completed Questionnaire (Form 8C) per Section II, Filing Requirements Item 7
 - ☐ Pro Forma (Form 13)
 - ☐ Narrative
9. **Deleting Lines of Business (pursuant to Section II Filing Requirements Item 11)** ☐
 - ☐ Questionnaire (Form 8C), complete Section II, questions 22-25

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Regulator Use Only

10. **Statutory Membership(s) (pursuant to Sections II and VII Filing Requirements Item 8)** ☐
- ☐ Submit documentation as listed in Sections II, and VII Filing Requirements Item 8
11. **Certificate of Compliance (pursuant to Section II Filing Requirements Item 9)** ☐
- ☐ Original Certificate of Compliance completed by domiciliary state insurance regulatory agency (Form 6)
12. **State-Specific Information (pursuant to Section II Filing Requirements Item 10, Sections III, V Filing Requirements Item 7, Section IV Filing Requirements Item 8, Section VII Filing Requirements Item 12, Section VIII Filing Requirements Item 9, Section IX Filing Requirements Item 6, Section X Filing Requirements Item 5 and Section XI Item 4)** ☐
- ☐ Some jurisdictions may have additional requirements that must be met before approval can be granted or the amended Certificate of Authority can be issued. Before completing a UCAA Corporate Amendments Application the Applicant Company should review a listing of requirements for the state to which they are applying. That listing can be found at http://www.naic.org/industry_ucaa.htm
13. **Uniform Consent to Service of Process (pursuant to Sections III, IV and V Filing Requirements Item 5, Section VII Filing Requirements Item 10 and Section VIII Filing Requirements Item 7)** ☐
- ☐ Original executed Service of Process form (Form 12)
14. **State of Domicile Approval (pursuant to Sections III, IV and V Filing Requirements Item 6 and Section VII Filing Requirements Item 11, Section VIII Filing Requirements Item 8, Section IX Filing Requirements Item 5 and Section X Filing Requirements Item 4)** ☐
- ☐ Submit documentation as listed in applicable Sections III, IV and V Item 6, Section VII Filing Requirements Item 11, Section VIII Filing Requirements Item 8, Section IX Filing Requirements Item 5 and Section X Filing Requirements Item 4
15. **NAIC Biographical Affidavit (Form 11), (pursuant to Section VII Filing Requirement Item 9 and Section VIII Filing Requirement Item 6), for the following:** ☐
- ☐ Officers (as listed on Jurat Page of most recent financial statement.)
- ☐ Directors (as listed on Jurat Page of most recent financial statement.)
- ☐ Key managerial personnel (including any vice presidents or other individuals who will control the operations of the applicant.)
16. **Name Approval (pursuant to Section III Filing Requirements Item 8)** ☐
- ☐ Evidence of name approval request
17. **Statement of Withdrawal (pursuant to Section XI Filing Requirements Item 3)** ☐
- ☐ Completed Form 17
- Submit documentation, if applicable, for:
- ☐ Reinsurance Agreement
- ☐ Assumption Agreement
- ☐ Outstanding Liabilities or Law suits
- ☐ Pending Regulatory Actions

Uniform Certificate of Authority Application (UCAA)
Corporate Amendments Application
Application to Amend Certificate of Authority

To the Insurance Commissioner/Director/Superintendent of the State of:

(Check the appropriate states in which the Applicant Company is applying.)

Alabama		Montana	
Alaska		Nebraska	
Arizona		Nevada	
Arkansas		New Hampshire	
California		New Jersey	
Colorado		New Mexico	
District of Columbia		New York	
Connecticut		North Carolina	
Delaware		North Dakota	
Florida		Ohio	
Georgia		Oklahoma	
Hawaii		Oregon	
Idaho		Pennsylvania	
Illinois		Puerto Rico	
Indiana		Rhode Island	
Iowa		South Carolina	
Kansas		South Dakota	
Kentucky		Tennessee	
Louisiana		Texas	
Maine		Utah	
Maryland		Vermont	
Massachusetts		Virginia	
Michigan		Washington	
Minnesota		West Virginia	
Mississippi		Wisconsin	
Missouri		Wyoming	

(Check the appropriate states in which the Applicant Company is applying.)

The Uniform Certificate of Authority Corporate Amendments Application can be used to file more than one change in the same submission. The Applicant Company should mark all changes being filed on the application form and submit all items required for those changes in one package.

(Check the type of transaction for which the Applicant Company is applying.)

☐ Add Lines of Business: The undersigned Applicant Company hereby certifies that the lines of insurance as indicated on the Lines of Insurance Form 3 are all lines of business that (a) the Applicant Company is currently authorized to transact, (b) are currently transacted, and (c) which the Applicant Company is applying to transact.

☐ Name Change
☐ Delete Lines of Business
☐ Redomestication of a Foreign Insurer
☐ Change of Statutory Home Office Address
☐ Merger of Two or More Foreign Insurers

☐ _____

Name of Non-Surviving Insurer and Cocode

☐ Pre-notification of Change of Control of Foreign Insurer
☐ Notification of Change of Control of Foreign Insurer
☐ Amended Articles of Incorporation
☐ Amended Bylaws

Applicant Company Name: _____

NAIC No. _____
FEIN: _____

Effective Date of Name Change: _____

Previous Name of Applicant Company: _____

New Name of Applicant Company: _____

Did the Applicant Company experience a merger or an owner change prior to the name change?

Yes ☐ No ☐

If yes, please be sure an application is also submitted for the merger and/or ownership change transaction.

Effective Date of Change of Control of Foreign Insurer: _____

Previous Group Name: _____ Group Code: _____

New Group Name: _____ Group Code: _____

Has the Applicant Company's designee to appoint and remove agents changed as a result of this corporate amendment?

Yes ☐ No ☐

If yes, please note the new designee (name natural persons only): _____

Effective Date of Redomestication: _____ Previous State: _____ New State: _____

Effective Date of Statutory Home Office Address Change: _____

Previous Statutory Home Office Address: _____

E-Mail Address: _____ Phone: _____ Fax: _____

New Statutory Home Office Address: _____

E-Mail Address: _____ Phone: _____ Fax: _____

Previous Administrative Office Address: _____

E-Mail Address: _____ Phone: _____ Fax: _____

New Administrative Office Address: _____

E-Mail Address: _____ Phone: _____ Fax: _____

Previous Mailing Address: _____

E-Mail Address: _____ Phone: _____ Fax: _____

New Mailing Address: _____

E-Mail Address: _____ Phone: _____ Fax: _____

If a merger of two or more foreign insurers:

Effective Date of Merger: _____

Current Name of Surviving Applicant Company: _____ NAIC No.: _____ Group Code: _____

Proposed New Name of Surviving Applicant Company: _____ NAIC No.: _____ Group Code: _____

Name of Non-Surviving Insurer: _____ NAIC No.: _____ Group Code: _____

Applicant Company Name: _____

NAIC No. _____
FEIN: _____

Name of Surviving Insurer: _____

NAIC No.: _____ Group Code: _____

Surviving Applicant Company's Home Office Address: _____

Surviving Applicant Company's Administrative Office Address: _____

Surviving Applicant Company's Mailing Address: _____

Surviving Applicant Company's Telephone: _____ Fax: _____

Are these addresses the same as those shown on the Applicant Company's Annual Statement?

Yes ☐ No ☐

If not, indicate why: _____

Date of Last Market Conduct Examination: _____

Has the Applicant Company had an application for these lines of business refused by this or any other state prior to the date of this application?

Yes ☐ No ☐

If yes, give full explanation in an attached letter.

The following information is required of the individual (Applicant Company employee or paid consultant) who is authorized to represent the Applicant Company before the department.

Name: _____

Title: _____

Mailing Address: _____

E-Mail Address: _____ Phone: _____ Fax: _____

If the representative is not employed by the Applicant Company, please provide a company contact person in order to facilitate requests for detailed financial information.

Name _____

Title _____

Mailing Address _____

E-Mail Address: _____ Phone: _____ Fax: _____

Please provide a listing of all other applications filed by the Applicant Company, or any of its affiliates, which are pending before the Department:

A Certificate of Compliance from the Applicant Company's state of domicile (for foreign applicants) and the Applicant Company's original Certificate of Authority or an Affidavit of Lost Certificate of Authority must accompany this application. (not applicable for Change of Control, Amended Articles of Incorporation or Amended Bylaws.)

Applicant Company Officers' Certification and Attestation

One of the three officers (listed below) of the Applicant Company must read the following very carefully before signing:

1. I hereby certify, under penalty of perjury, that I have read the application, that I am familiar with its contents, and that all of the information, including the attachments, submitted in this application is true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license discipline or other administrative action and may subject me, the Applicant Company, or both, to civil or criminal penalties.
2. I acknowledge that I am familiar with the insurance laws and regulations of the jurisdictions in which the Applicant Company is licensed or to which the Applicant Company is applying for licensure.
3. I acknowledge that I am the _____ of the Applicant Company, am authorized to execute and am executing this document on behalf of the Applicant Company.
4. I hereby certify under penalty of perjury under the laws of the applicable jurisdictions that all of the forgoing is true and correct, executed at _____.

Date_____
Signature of President_____
Full Legal Name of President_____
Date_____
Signature of Secretary_____
Full Legal Name of Secretary_____
Date_____
Signature of Treasurer_____
Full Legal Name of Treasurer_____
Applicant Company_____
Date_____
Signature of Witness_____
Full Legal Name of Witness

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

**Uniform Certificate of Authority Application (UCAA)
CERTIFICATE OF COMPLIANCE**

State of _____
(Domiciliary State of Applicant Company)

Office of _____
(Commissioner, Superintendent, Officer)

I, _____, hereby certify that I am the* _____,
(Name) (Position)

of the State of _____ and have supervision of insurance business in said State and as

such, I hereby certify that _____
(Name of Applicant Company)

of _____ is duly organized under the laws of said State and
(City/State)

is authorized to transact the business of _____
(Lines of Insurance)**

_____ insurance in this State.

IN TESTIMONY WHEREOF, I have hereunto set my hand at _____
(Location)

on this _____ day of _____, A.D. 20____
(Month)

(Signature)

(Printed Name)

* Insurance Commissioner, Officer or Superintendent of Insurance authorized to certify to the insurance business within the domiciliary state.

** Lines of Insurance as shown on Form 3 of UCAA

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

**Uniform Certificate of Authority Application
CERTIFICATE OF DEPOSIT**

I, _____, _____
Name Title

for the State of _____, hereby certify that _____
(Name of Applicant Company)

has on deposit through this office securities having par value of \$ _____ and/or a market value
of \$ _____ held on _____ for the benefit of all
Date

_____ Policyholders or _____ Policyholders and Creditors or _____ Policyholders or Creditors in accordance with the laws
of this state. A listing of said securities is attached and made part of this Certificate. **

In witness whereof, I have hereunto set my hand and affixed the official seal of my office in

City, State

this _____ day of _____, 20_____.

Signature

- * Any state relying upon this deposit must notify the State completing this Certificate prior to granting the Applicant Company a Certificate of Authority. This Certificate does not guarantee the deposit balance subsequent to the aforementioned date as a result of the release of securities as authorized by this State.
- ** Listing should include a detailed description, including CUSIP number (if available), par value, and/or amortized value and/or market value for each security listed based on the information maintained by this state.

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

**Uniform Certificate of Authority Application
QUESTIONNAIRE**

For Adding or Deleting Lines of Business to an Existing Certificate of Authority

Directions: Complete **Section I** (questions 1 – 21) for adding new lines of business. Complete **Section II** (questions 22 through 25) for deleting lines of business. Each "Yes" or "No" question is to be answered by marking an "X" in the appropriate space. All questions should be answered. If the Applicant Company denotes a question as "Not Applicable" (N/A) an explanation must be provided. Other answers and additional explanations or details may be provided in writing attached to the affidavit. Please complete this form and file it with the Applicant Company's application to change lines of business to its Certificate of Authority.

Section I

1. Has the Applicant Company merged or consolidated with any other company within the last five years?
Yes ____ No ____
2. Have any of the following taken place since the date of the Applicant Company's most recent Annual Statement?
 - A. Is the Applicant Company presently negotiating for or inviting negotiations for any transaction as described in question 1 above?
Yes ____ No ____
 - B. A change of management or control?
Yes ____ No ____
 - C. Does the Applicant Company contemplate a change in management or any transaction which would normally result in a change of management within the next 12 months?
Yes ____ No ____

If the answer to any question is yes, provide the details in writing and attach to the Questionnaire.

3.
 - A. Has the Applicant Company's certificate of authority to do business in any state been suspended or revoked within the last five years?
Yes ____ No ____
 - B. Has the Applicant Company's application for admission to any state been denied within the last five years?
Yes ____ No ____
 - C. Has the Applicant Company's application to add lines of business to its Certificate of Authority in any state been denied within the last five years?
Yes ____ No ____

If the answer to any of the above question is yes, provide the details in writing and attach to the Questionnaire.

4. Since the date of the most recent Annual Statement, has any person who is presently an officer, director, or shareholder of the Applicant Company, been convicted of, or pleaded guilty, or nolo contendere to, a felony charge for theft, larceny or mail fraud, or of violating any corporate securities statute or any insurance statute?
Yes ____ No ____

If yes, provide the details in writing and attach to the Questionnaire.

Applicant Name: _____

NAIC No. _____

FEIN: _____

5. Is the Applicant Company presently engaged in a dispute with any state or federal regulatory agency?

Yes ____ No ____

If yes, provide the details in writing and attach to the Questionnaire.

6. Is the Applicant Company a plaintiff or defendant in any legal action other than one arising out of policy claims?

Yes ____ No ____

If yes, provide a summary of each case and attach to the Questionnaire.

7. Has the Applicant Company, within 18 months last preceding the date of this affidavit, entered into any material transactions, as defined in the NAIC Model Law on Material Transactions, with any affiliate, officer, director, trustee, or shareholder which has not been approved in writing by the state of domicile? Material transactions include: loans, transfers of assets, purchases of assets, reductions of liabilities, or reinsurance transactions.

Yes ____ No ____

If yes, provide the details in writing and attach to the Questionnaire.

8. Please explain the Applicant Company's experience, expertise or background regarding the requested lines of business. This explanation should be specific and include documentation which shows the amount of time the Applicant Company has written this product, premium volumes, profitability of the Applicant Company, applicable managerial experience and other information which demonstrates that the Applicant Company has experience in writing the requested line of business sufficient to satisfy the seasoning or experience requirements of the state in which the application is being submitted.

9. Provide a list of any affiliated parties that will be involved in the marketing, underwriting, servicing, administration, premium financing, claims adjustment or claims payment for the requested lines of business.

10. Provide a detailed description of the Applicant Company's sales techniques for the requested lines of business. The description should include:

- A. Information regarding recruitment and training of sales representatives.
- B. Identification as to whether the Applicant Company will be a direct writer or will use agents, brokers, or a combination thereof.
- C. Explanation of the compensation and control to be provided by the Applicant Company to its agents, brokers or sales personnel.
- D. Identification of any specific agency, third party administrator, or managing general agent, and a copy of the agreement.

11. For each state in which the Applicant Company is filing, provide the following for the requested lines of business:

- A. The product lines to be sold by the Applicant Company,
- B. The Applicant Company's marketing plan, including a description of the financial, corporate, or other connections productive of insurance,
- C. The Applicant Company's current and expected competition (both regionally and nationally) and
- D. Include a detailed explanation as to how the Applicant Company will develop, purchase, control and supervise its advertising.

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

A general description of the classes to be transacted is not an adequate response. For example, if the Applicant Company plans to market credit life and disability products tailored for use by credit unions, simply stating that it will transact credit life and disability is inadequate.

12. If a parent, subsidiary, and/or affiliated insurer is already admitted for the classes of insurance requested in the pending application, differentiate the products and/or markets of the Applicant Company from those of the admitted insurer(s).
13. Explain in detail how (a) the Applicant Company's policies will be underwritten, including the issuance of policies and endorsements (b) policies will be cancelled and (c) premiums and other funds will be handled, including:
- A. Identify the entity that will perform each of these functions.
- B. If personnel performing these functions will be shared with another entity, or if another entity will be performing these functions, provide an explanation of this arrangement.
14. Explain in detail how the Applicant Company will adjust and pay claims.
- A. Identify the entity that will perform the Applicant Company's claims adjusting and claims payment functions.
- B. If personnel for claims adjusting or claims payment will be shared with another entity, or another entity will be performing the Applicant Company's claims adjusting and claims payment, please explain this arrangement, including any affiliation with the Applicant Company.
- C. Provide detailed information as to how and by whom claim reserves will be set and modified.
- D. Does the Applicant Company pay any representative given discretion as to the settlement or adjustment of claims under life or disability policies, whether in direct negotiation with the claimant or in supervision of the person negotiating, a compensation which is in any way contingent upon the amount of settlement of such claims?
- Yes ____ No ____
- If yes, please provide a detailed explanation and attach to Questionnaire.
15. Is the Applicant Company a member of a group of companies that shares any of the following:
- A. Common facilities with another company or companies
- Yes ____ No ____
- B. Services (e.g. accounting personnel for financial statement preparation)
- Yes ____ No ____
- If the answer to any of the above is yes please provide a detailed explanation and attach to Questionnaire.
16. Provide a company-wide, three-year pro forma balance sheet and income statement. For the lines being requested, provide (3) year premium and loss projections by line for the state in which additional lines of business have been requested. Projections should support all aspects of the proposed plan of operation, including reinsurance arrangements and any delegated function agreements. Include the assumptions used to arrive at these projections.
17. Provide an explanation of any reinsurance that will be entered into, or that is currently in place covering the requested lines of business. Provide details and attach to the Questionnaire.
18. Are any of the Applicant Company's policies being sold in connection with mutual funds or investments in securities?

Applicant Name: _____

NAIC No. _____

FEIN: _____

Yes ____ No ____ Not Applicable ____

If yes, supply details including all sales literature which refers to the insurance and mutual fund or other investment plan connection.

19. If the Applicant Company is applying for authority to write Variable Annuities, provide the following:
- A. Copy of any third party management or service contracts
 - B. Commission schedules
 - C. Five-year sales and expense projections
 - D. A statement from the Applicant Company's actuary describing reserving procedures including the mortality and expense risks which the Applicant Company will bear under the contract
 - E. Statement of the investment policy of the separate account
 - F. Copy of the variable annuity prospectus properly filed with the SEC
 - G. Copies of the variable annuity laws and regulations of the state of domicile
 - H. Copy of the variable annuity contract and application
 - I. A description of any investment advisory services contemplated relating to Separate Accounts
 - J. Board of Directors resolution authorizing the creation of the separate account.
20. If the Applicant Company is applying for authority to write Variable Life Insurance, provide the following:
- A. Copy(ies) of variable life policy(ies) the Applicant Company intends to issue
 - B. Name and experience of person(s) or firm(s) proposed to supply consulting, investments, administrative, custodial or distribution services to the Applicant Company
 - C. Disclose whether each investment advisor, 1) is registered under the Investment Advisers Act of 1940, or 2) is an investment manager under the Employee Retirement Income Security Act of 1974, or 3) whether the Applicant Company will annually file required information and statements concerning each investment advisor as required by its domiciliary state.
 - D. Copy of the variable life prospectus properly filed with the SEC
 - E. Statement of the investment policy of any separate account, and the procedures for changing such policy
 - F. Copies of the variable life insurance laws and regulations of the state of domicile
 - G. A statement from the Applicant Company's actuary describing reserving procedures including the mortality and expense risks which the Applicant Company will bear under the contract.
 - H. Standards of suitability or conduct regarding sales to policyholders
 - I. Statement authorizing the creation of the separate account (i.e. Board resolution)
 - J. Statement specifying the standards of conduct with respect to the purchase or sale of investments of separate accounts (i.e. Board resolution)

Applicant Name: _____

NAIC No. _____
FEIN: _____

21. If the Applicant Company is applying for authority to write Life Insurance, has the Applicant Company at any time within the last five years, irrespective of changes in management, taught or permitted its agents to sell insurance by using any of the following devices, or representations resembling any of the following:
- A. "Centers of influence" and "advisory board"
Yes _____ No _____
 - B. Charter or founder's policy
Yes _____ No _____
 - C. Profit sharing plan
Yes _____ No _____
 - D. Only a limited number of a certain policies will be sold in any given geographical area
Yes _____ No _____
 - E. "Profits" will accrue or be derived from mortality savings, lapses and surrenders, investment earnings, savings in administration
Yes _____ No _____
 - F. Printed list of several large American or Canadian insurers showing the dollar amounts of "savings", "profits" or "earnings" they have made in such categories
Yes _____ No _____

If the answer to any of the above is yes, supply a complete set of all sales material including the sales manual, all Applicant Company instructional material, brochures, illustrations, diagrams, literature, "canned" sales talks, copies of the policies which are no longer in use, list of states where such methods were used and the date (by year) when they were used, the approximate amount of insurance originally written in each state on each policy form thusly sold, the amount currently in force, and the lapse ratio on each form year by year and cumulatively in gross to the present date.

Section II

22. Utilizing the information contained in Form 3, list all of the lines of business that the Applicant Company requests to be deleted from its Certificate of Authority.
23. Provide a detailed explanation for the Applicant Company's request to delete these lines of business.
24. For each state, indicate the number of policyholders by line of business that will be non-renewed or cancelled if the Applicant Company's request to delete lines of business is approved.
25. Provide documentation that the Applicant Company has complied with all requirements for removal of lines of business from its Certificate of Authority, and withdrawal from the specified state.

UNIFORM CERTIFICATE OF AUTHORITY APPLICATION



CORPORATE AMENDMENTS APPLICATION FLORIDA SPECIFIC INFORMATION

NOTE: The Office of Insurance Regulation is now receiving applications electronically. Please submit online at www.floir.com, select **Company Filing, Industry Portal** and then **iApply - Online Company Admissions**, unless Applicant elects to utilize the UCAA Electronic Application. The requirements otherwise remain unchanged.

1. Florida does not require or accept from foreign insurers the filing of the following Corporate Amendments:

- Amended Articles of Incorporation
- Amended Bylaws

Note, if another type of Corporate Amendment has filing requirements that include the submission of Amended Articles of Incorporation or Amended Bylaws, please include in your filing.

2. Florida requires both foreign and domestic insurers to contact the National Association of Insurance Commissioners ("NAIC") at 816-783-8605; jheinz@naic.org and inform as to the new address/financial statement contact person. This is necessary due to the automated process in place with the NAIC; otherwise, the system will continue to overlay the information filed with the latest quarterly/annual financial statement and fail to update the new information. This process is applicable to the following Corporate Amendments:

- Change of City within the State of Domicile
- Change of Address/Contact Notification

Note, the Personal Injury Protection (PIP) contact and the Disaster Reporting contact are self-reporting and the insurer is required to update as directed on the Office's website at www.floir.com, click on the Company Filing tab, click on Industry Portal and then choose Update Contact Information from this listing.

3. Include Original Certificate of Authority or an Affidavit of Lost Certificate of Authority (Form 15) with the following Corporate Amendments:

- Name Change
- Statement of Withdrawal/Complete Surrender of Certificate of Authority

4. Life Insurers which will issue variable annuity contracts shall comply with Part XIV of Chapter 627, Florida Statutes. Such insurers shall provide evidence of the establishment and maintenance of Separate Accounts. Evidence should include appropriate filings with and approvals by the Securities and Exchange Commission and copies of any proposed or approved prospectus. To print or download a copy of Part XIV of Chapter 627, Florida Statutes, ([click here](#)).



Office of Insurance Regulation
Company Admissions

**DETERMINATION OF ELIGIBILITY TO OPERATE AS AN ALIEN INSURER IN
FLORIDA PURSUANT TO SECTION 624.402(9), FLORIDA STATUTES**

Pursuant to Chapter 2012-151, Laws of Florida, House Bill 1101 became effective July 1, 2012. That legislation, codified as Section 624.402(9), Florida Statutes, created an exemption from the certificate of authority requirements for an alien insurer and provides that life insurance policies or annuity contracts may be solicited, sold, or issued in this state by insurers domiciled outside the United States under certain circumstances. An insurer desiring to operate pursuant to subsection (9) must first meet certain criteria before the Office of Insurance Regulation ("Office") may grant eligibility to operate under that subsection. This package has been prepared to aid an insurer that desires to establish eligibility to operate pursuant to Section 624.402(9), Florida Statutes.

This package is designed to assist individuals in preparing the application with all the information required by statute and to facilitate expeditious processing of the application by this Office.

The completed application package must be submitted to the Office by utilizing the following link:

<http://www.floir.com/iportal>
and select iApply – Online Company Admissions

If this package requires original documents, in lieu of providing original paper documents, the Applicant is directed to submit a PDF of the original document(s) unless otherwise required by Florida Statutes.

Any questions concerning this application package may be directed to the Application Coordinator at appcoord@floir.com. For iApply only questions, contact the Application Coordinator at iapply@floir.com

In order for a submission to be considered a complete application, all required information must be included in the filing. Filings that do not include all required information will be disapproved or returned.

**REQUEST TO ESTABLISH ELIGIBILITY TO OPERATE AS AN ALIEN INSURER IN
FLORIDA PURSUANT TO SECTION 624.402(9), FLORIDA STATUTES
PLEASE PROVIDE THE FOLLOWING INFORMATION**

Name of Company						
Home Office Address						
City, Country, Zip Code						
Country of Domicile if Different						
Telephone Number	()	-	ext.	Fax Number	()	- ext.
E-mail Address						
License Number Issued by Country of Domicile						
Administrative Office Address, FAX, and Telephone Number (format) if different from above:						
CONTACT PERSON FOR POLICYHOLDER RELATIONS:						
E-mail Address						
Telephone Number	()	-	ext.	Fax Number	()	- ext.
Contact Person for Matters Concerning this Application:						
Name						
Title						
Address						
Telephone Number	()	-	ext.	Fax Number	()	- ext.
E-mail Address						
REGULATORY AUTHORITY EXERCISING OVERSIGHT OF THE INSURER IN COUNTRY OF DOMICILE:						
Name						
Title						
Address						
Telephone Number	()	-	ext.	Fax Number	()	- ext.
E-mail Address						

**REQUEST TO ESTABLISH ELIGIBILITY TO OPERATE AS AN ALIEN INSURER IN
FLORIDA PURSUANT TO SECTION 624.402(9), FLORIDA STATUTES**

A. Pursuant to Section 624.402(9)(a), Florida Statutes, the insurer's operations in Florida must be limited to:

- The solicitation, sale, or issuance of life insurance policies or annuity contracts only.
- Life insurance policies or annuity contracts covering only persons who, at the time of issuance, are nonresidents of the United States.

Enclosed is a Statement of Understanding that confirms knowledge of the requirements and conditions of eligibility and other specific statutory provisions. Please complete the enclosed Statement of Understanding and return it to the Office with the other materials requested.

B. Pursuant to Section 624.402(9)(a)1., Florida Statutes, the insurer must meet one of following conditions:

- The insurer is currently an authorized insurer in its country of domicile as to the kind or kinds of insurance proposed to be offered and has been such an insurer for not less than the immediately preceding 3 years.*

If the insurer falls within this category, attach an original certification or other proof from the country of domicile showing that the company is an authorized insurer in that country, the date the insurer commenced operations in that country, and the lines of business the company is authorized to write in that country.

- The insurer is a wholly owned subsidiary of an insurer that is authorized insurer in its country of domicile as to the kind or kinds of insurance proposed to be offered and has been such an authorized insurer for not less than the immediately preceding 3 years.*

If the insurer falls within this category, provide the details regarding the authorized insurer. Details should include certification from the country of domicile showing that the company is an authorized insurer in that country, the date the insurer commenced operations in that country, and the lines of business the company is authorized to write in that country.

- If the insurer is a wholly owned subsidiary of an eligible insurer that is authorized in its country of domicile as to the kind or kinds of insurance proposed to be offered and has been such an authorized insurer for not less than the immediately preceding 3 years.*

*NOTE: If the authorized insurer has operated for less than three years, the Office may waive the three-year requirement if that insurer has operated successfully for a period of at least the preceding year and has capital and surplus of not less than \$25 million. If you desire to request a waiver of three-year requirement, please attach the following for the Office's consideration: an audited financial statement of the authorized insurer from the most recent calendar year and a certification from the country of domicile showing that the company is an authorized insurer in

that country, the date the insurer commenced operations in that country, and the lines of business the company is authorized to write in that country.

C. Pursuant to Sections 624.402(9)(a)2. and 624.402(9)(a)3. Florida Statutes:

The insurer must have and maintain a surplus as to policyholders of not less than \$15 million U.S. dollars. The admitted assets of the company must consist of eligible investments as described in Part II of Chapter 625, Florida Statutes, or must be permitted under the laws of the country of domicile and substantially similar to those described in Part II of Chapter 625 in terms of quality, liquidity, and security. Supporting documentation must be included to request an evaluation of investments not described in Part II of Chapter 625. Note that investment limitations and diversification as required in Part II of Chapter 625 are considered in determining quality, liquidity, and security of an investment portfolio.

Attach an authenticated copy of the requesting insurer's current annual financial statement and subsequent quarterly statement(s), in English, with all monetary values therein expressed in United States dollars, at an exchange rate then-current and shown in the statement, in the case of statements originally made in currencies of other countries, and with such additional information relative to the insurer as the Office may request. If the company investments differ from those described in Part II of Chapter 625, provide documentation that the investments are permitted by the laws of the country of domicile and that the investments are substantially similar in terms of quality, liquidity, and security to eligible investments under Part II of Chapter 625.

D. Pursuant to Section 624.402(9)(a)4., Florida Statutes, the insurer must have a good reputation as to providing service to its policyholders and the payment of losses and claims:

Include evidence that the insurer has a good reputation as to providing service to its policyholders and the payment of losses and claims. Such evidence may consist of:

- A statement from the chief insurance regulator in the insurer's country of domicile to the effect that the regulator is aware of no regulatory problems in regard to the insurer, the insurer's service to policyholders, or the insurer's payment of losses or claims; or
- Other evidence acceptable to the Office of the insurer's good reputation as to providing service to its policyholders and the payment of losses and claims.

**STATEMENT OF UNDERSTANDING OF REQUIREMENTS TO OPERATE AS AN
ALIEN INSURER IN FLORIDA PURSUANT TO SECTION 624.402(9), FLORIDA
STATUTES**

Pursuant to the provisions of Section 624.402(9), Florida Statutes, _____
_____ (“INSURER”) of
_____ (country of domicile) does hereby apply to the Florida Office
of Insurance Regulation (“OFFICE”) for eligibility to operate as an alien insurer in Florida
subject to the following conditions:

Operations in and from Florida will be limited to the solicitation, sale, or issuance of life insurance policies or annuity contracts covering only persons who, at the time of issuance, are not residents of the United States and are not nonresidents illegally residing in the United States.

The INSURER understands that it must have and maintain surplus as to policyholders of not less than \$15 million U.S. dollars to receive and continue eligibility. The INSURER understands that admitted assets for eligibility to operate under Section 624.402(9), Florida Statutes, will be determined by Section 624.402(9)(a)3., Florida Statutes.

If eligibility is granted, the INSURER understands that, to maintain eligibility, it must furnish a duly authenticated copy of its current annual and quarterly financial statements, in English, and with all monetary values therein expressed in United States dollars, at an exchange rate then current and shown in the statement, in the case of statements originally made in the currencies of other countries, and with such additional information relative to INSURER as the OFFICE may request. Pursuant to Section 624.424(1)(a), Florida Statutes, the annual statement must be filed on or before March 1 for the preceding year end, and quarterly statements covering the periods ending on March 31, June 30, or September 30 shall be filed within 45 days after such date.

If eligibility is granted, the INSURER agrees to make its books and records pertaining to its operations in and from this state available for inspection during normal business hours upon request of the OFFICE.

The INSURER understands that Section 624.402(9)(a)7., Florida Statutes, requires that the INSURER shall provide to the applicant for the policy or contract in clear and conspicuous language:

- a. The date of organization of the INSURER.
- b. The identity of and rating assigned by each recognized insurance company rating organization that has rated the INSURER or, if applicable, that the INSURER is unrated.
- c. That the INSURER does not hold a certificate of authority issued in this state and that the OFFICE does not exercise regulatory oversight over the INSURER.
- d. The identity and address of the regulatory authority exercising oversight of the INSURER.

The INSURER understands that if at any time the OFFICE has reason to believe that an insurer issuing policies or contracts pursuant to Section 624.402(9), Florida Statutes, is insolvent or is in unsound financial condition, does not make reasonable prompt payment of benefits, or is no longer eligible under the conditions specified in Section 624.402(9), Florida Statutes, the OFFICE may conduct an examination or investigation in accordance with Sections 624.316, 624.3161, or 624.320, Florida Statutes, and if the findings of such examination or investigation warrant, may withdraw the eligibility of the insurer to issue policies or contracts pursuant to Section 624.402(9), Florida Statutes.

The INSURER understands that eligibility under Section 624.402(9), Florida Statutes, does not provide an exception to the agent licensure requirements of Chapter 626, Florida Statutes. Any insurer issuing policies or contracts pursuant to Section 624.402(9), Florida Statutes shall appoint the agents that the insurer uses to sell such policies or contracts as provided in Chapter 626, Florida Statutes.

The INSURER acknowledges that issuing policies or contracts pursuant to subsection (9) is subject to Part IX of Chapter 626, Florida Statutes, and the OFFICE may take such actions against the INSURER for a violation as are provided in that part.

The INSURER acknowledges that applications for life insurance coverage offered under subsection (9) must contain, in contrasting color and not less than 12-point type, the following statement on the same page as the applicant's signature:

"This policy is primarily governed by the laws of a foreign country. As a result, all of the rating and underwriting laws applicable to policies filed in this state do not apply to this coverage, which may result in your premiums being higher than would be permissible under a Florida-approved policy. Any purchase of individual life insurance should be considered carefully, as future medical conditions may make it impossible to qualify for another individual life policy. If the insurer issuing your policy becomes insolvent, this policy is not covered by the Florida Life and Health Insurance Guaranty Association. For information concerning individual life coverage under a Florida-approved policy, consult your agent or the Florida Department of Financial Services."

The INSURER acknowledges that all life insurance policies and annuity contracts issued pursuant to subsection (9) must contain on the first page of the policy or contract, in contrasting color and not less than 10-point type, the following statement:

"The benefits of the policy providing your coverage are governed primarily by the law of a country other than the United States."

The INSURER acknowledges that all single-premium life insurance policies and single-premium annuity contracts issued to persons who are not residents of the United States and are not nonresidents illegally residing in the United States pursuant to this subsection shall be subject to the provisions of Chapter 896, Florida Statutes.

By execution hereof, _____ (INSURER) agrees without reservation that it understands and acknowledges all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that he/she has the authority to execute this document on behalf of _____ (INSURER) and therefore bind the INSURER to the terms and conditions herein.

By: _____ (signature)
 _____ (printed name)
 _____ (title)
 _____ (date)



Office of Insurance Regulation
Company Admissions

**LETTER OF NOTIFICATION/REGISTRATION
TO OPERATE AS A NON-U.S. BASED (ALIEN) INSURER (ALSO REFERRED TO AS
"OFFSHORE INSURER") IN FLORIDA
PURSUANT TO SECTION 624.402(8), FLORIDA STATUTES**

This package is designed to assist individuals in preparing the application with all the information required by statute and to facilitate expeditious processing of the application by this Office.

PLEASE NOTE: THE COMPLETED CHECK LIST MUST BE SUBMITTED WITH THE APPLICATION PACKAGE.

The completed application package must be submitted to the Office by utilizing the following link, unless otherwise specified herein:

<http://www.flor.com/iportal>
and select iApply – Online Company Admissions

If this package requires original documents, in lieu of providing original paper documents, the Applicant is directed to submit a PDF of the original document(s) unless otherwise required by Florida Statutes.

Any questions concerning this application package may be directed to the Application Coordinator at appcoord@flor.com. For iApply only questions, contact the Application Coordinator at iapply@flor.com

In order for a submission to be considered a complete application, all required information must be included in the filing. Filings that do not include all required information will be disapproved or returned.

**LETTER OF NOTIFICATION/REGISTRATION
TO OPERATE AS A NON-U.S. BASED (ALIEN) INSURER (ALSO REFERRED TO AS
"OFFSHORE INSURER") IN FLORIDA
PURSUANT TO SECTION 624.402(8), FLORIDA STATUTES**

APPLICATION FORM

Statutory Authority

S. 624.402(8)

Pursuant to Chapter 624, Part III, Florida Statutes, application is hereby made to register as an Offshore Insurer

Name of Offshore Insurer:

Company Name: _____

Country of Domicile: _____

Home/Principal Address: _____

Home Office Phone: _____

Home Office Email: _____

Home Office Fax Number: _____

Florida Office Address: _____

Florida Office Phone: _____

Florida Office Email: _____

Florida Office Fax Number: _____

Florida Office Contact Person: _____

Contact Person Concerning This Application: _____

Contact Persons' Address: _____

Contact Persons' Phone: _____

Contact Persons' Email: _____

**LETTER OF NOTIFICATION/REGISTRATION
TO OPERATE AS A NON-U.S. BASED (ALIEN) INSURER (ALSO REFERRED TO AS
"OFFSHORE INSURER") IN FLORIDA
PURSUANT TO SECTION 624.402(8), FLORIDA STATUTES**

INSTRUCTIONS/CHECK LIST

Statutory Authority

- | | | |
|----------|----------------------|--|
| _____ 1. | S. 624.402(8)(a)2. | Provide a statement indicating the commenced business date for Florida. Attach as a component in iApply under the component titled "Commenced Business Date". |
| _____ 2. | S. 624.402(8)(a)3.a. | Provide a Management Information Form reflecting the names of the owners of the insurer, their percentage of ownership and the officers and directors of the insurer. Attach as a component in iApply under the component titled "Management Information Form (Applicant)". Sample form attached. |
| _____ 3. | S. 624.402(8)(a)3.a. | Provide a statement regarding number of individuals employed by insurer or its affiliates in this state. Attach as a component in iApply under the component titled "Number of Employees". |
| _____ 4. | S. 624.402(8)(a)3.b. | Provide a statement as to the Lines of insurance and types of products offered by the insurer. Attach as a component in iApply under the component titled "Lines of Insurance Form". |
| _____ 5. | S. 624.402(8)(a)3.c | Provide a statement from the regulatory body of the insurer's domicile certifying that the insurer is licensed or registered for the lines of insurance and types of products in that domicile. Attach as a component in iApply under the component titled "Certificate of Financial Compliance". |
| _____ 6. | S. 624.402(8)(a)3.d | Provide a copy of the current filings required by the regulatory body of the insurer's country of domicile in that country's language or in English, if available. Attach as a component in iApply under the component titled "Regulatory Filings". |
| _____ 7. | S. 624.402(8)(a)4. | Provide a statement acknowledging mandatory policy language; " The policy providing your coverage and the insurer providing this policy have not been approved by the Florida Office of Insurance Regulation". Attach as a component in iApply under the component titled "Mandatory Policy Language". |

**LETTER OF NOTIFICATION/REGISTRATION
TO OPERATE AS A NON-U.S. BASED (ALIEN) INSURER (ALSO REFERRED TO AS
"OFFSHORE INSURER") IN FLORIDA
PURSUANT TO SECTION 624.402(8), FLORIDA STATUTES**

- _____8. S. 624.402(8)(a)5. Provide a statement acknowledging notification will be provided to the Florida Office of Insurance Regulation in the event the insurer ceases to do business from this state. Attach as a component in iApply under the component titled "Cessation of Business".
- _____9. Provide a notarized copy of the Application form, including the completed Check List and Officer's Attestation to Application. Attach as a component in iApply under the component titled "Application Form For Offshore Insurer".
- _____10. Provide an authorization letter from the insurer, if someone other than company personnel are representing the insurer with this application. Attach as a component in iApply under the component titled "Authorization Letter".

**LETTER OF NOTIFICATION/REGISTRATION
TO OPERATE AS A NON-U.S. BASED (ALIEN) INSURER (ALSO REFERRED TO AS
"OFFSHORE INSURER") IN FLORIDA
PURSUANT TO SECTION 624.402(8), FLORIDA STATUTES**

OFFICERS' ATTESTATION TO APPLICATION

This company, _____, through its duly authorized officers, hereby submits this application and do hereby swear or affirm that all of the responses, information, exhibits, and documentary evidence submitted in support of this application are true and correct.

Signed this _____ day of _____, 20____

Name of Authorized Officer
(Please print)

Name of Authorized Officer
(Please print)

Title of Authorized Officer
(Please print)

Title of Authorized Officer
(Please print)

Officer's Signature

Officer's Signature

(Corporate Seal)

State of _____

County of _____

Sworn to and subscribed before me this _____ day of _____, 20____

(Notary Seal)

Notary Public

My Commission Expires



Office of Insurance Regulation
Company Admissions

APPLICATION FOR REGISTRATION AS A RISK PURCHASING GROUP

This package is designed to assist individuals in preparing the application with all the information required by statute and to facilitate expeditious processing of the application by this Office.

PLEASE NOTE: THE COMPLETED CHECK LIST MUST BE SUBMITTED WITH THE APPLICATION PACKAGE.

The completed application package must be submitted to the Office by utilizing the following link:

<http://www.floir.com/iportal>
and select iApply – Online Company Admissions

If this package requires submission of forms and/or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <http://www.floir.com/iportal> and select "Form & Rate Filing Assembly and Submission" to begin the submission of forms and/or rates.

If this package requires original documents, in lieu of providing original paper documents, the Applicant is directed to submit a PDF of the original document(s) unless otherwise required by Florida Statutes.

Any questions concerning this application package may be directed to the Application Coordinator at appcoord@floir.com. For iApply only questions, contact the Application Coordinator at iapply@floir.com

In order for a submission to be considered a complete application, all required information must be included in the filing. Filings that do not include all required information will be disapproved or returned.

APPLICATION FOR REGISTRATION AS A RISK PURCHASING GROUP

PURCHASING GROUP - NOTICE AND REGISTRATION CHECKLIST

NAME OF PURCHASING GROUP: _____

COMPLETION CHECKLIST

1. _____ Notice and Registration as a Purchasing Group form
 - (a) _____ All information provided
 - (b) _____ Signed by President or CEO and Secretary
 - (c) _____ Notarized
2. _____ Service of Process Consent & Agreement
 - (a) _____ Signed and dated by the President or CEO and Secretary
 - (b) _____ Sealed by purchasing group (corporate seal)
 - (c) _____ Signed by designee
 - (d) _____ Original form with all information provided
3. _____ For purchasing groups domiciled in the state of Florida, Articles of Incorporation, Charter and Bylaws or other legal documents evidencing that the purchasing group has been duly organized and created, to include all amendments are submitted.
4. _____ For purchasing groups which collect premiums or pay claims, the following are submitted.
 - (a) _____ Completed Biographical Affidavits, signed, dated and notarized.
 - (b) _____ Letter requesting background investigative reports
 - (c) _____ Completed Fingerprint cards
5. _____ Completed Check List returned with Purchasing Group – Notice and Registration

APPLICATION FOR REGISTRATION AS A RISK PURCHASING GROUP

PURCHASING GROUP - NOTICE AND REGISTRATION INSTRUCTIONS

1. Submit the Purchasing Group - Notice and Registration (official form enclosed). All questions must be answered. An original signature by the Purchasing Group's President or Chief Executive Officer and the Secretary must be notarized and appear on this form.
2. Submit the Service of Process document (official form enclosed).
3. For Purchasing Groups domiciled in the state of Florida, include a copy of the Purchasing Group's Articles of Incorporation, Charter and Bylaws or other legal documents evidencing that the purchasing group has been duly organized and created and all amendments thereto.
4. Florida Licensed Agents

The Purchasing Group - The Notice and Registration must state the name, social security number, and license number of each of the Florida licensed agents of the purchasing group. Surplus lines agents should refer to Section 627.952(l)(b), Florida Statutes, for licensure and appointment requirements. For specific licensing and appointment requirements for Florida licensed agent(s) of purchasing groups, contact the Bureau of Agent and Agency Licensing at:
<http://www.myfloridacfo.com/Division/Agents/Licensure/default.htm>

5. Purchasing Groups Using Admitted Insurance Carriers

If the Purchasing Group intends to purchase liability insurance coverage from an insurance carrier admitted in the state of Florida, the insurance carrier is subject to the policy form and rate filing requirements of Sections 627.410 and 627.062, Florida Statutes. For questions regarding policy forms and rates, contact Property and Casualty Product Review at (850) 413-3146.

6. Purchasing Groups Using Eligible Surplus Lines Carriers

Florida's Surplus Lines law will apply if the purchasing group intends to purchase liability insurance coverage from a Florida eligible surplus lines carrier. For specific guidelines regarding coverages eligible for export, refer to Section 626.916, Florida Statutes.

7. Background Requirements of Management

For each officer, director, organizer, and administrator of the purchasing group whose duties of the purchasing group include premium collection or claims payments, background information shall be submitted as follows:

- (a) Biographical Statement and Affidavit (Form OIR C1-1423).

A Biographical Affidavit must be completed for each individual indicated above. All

APPLICATION FOR REGISTRATION AS A RISK PURCHASING GROUP

PURCHASING GROUP - NOTICE AND REGISTRATION INSTRUCTIONS

questions must be answered and yes answers must be accompanied by an explanation. Each Biographical Affidavit must contain an original signature of the respective officer or director and an original notary seal.

The requirement for the affiant's social security number as part of the Biographical Affidavit is mandatory. However, pursuant to Sections 119.071(5), Florida Statutes, social security numbers collected by an agency are confidential and exempt from Section 119.07(1), Florida Statutes, and Section 24(a), Art. I of the State Constitution and must be segregated on a separate page. Therefore, instead of including the SSN on the Biographical Affidavit, please include the affiant's name and social security number on a separate page and attach it to the Biographical Affidavit. Also please mark CONFIDENTIAL at the top and bottom of the separate page.

Section 119.071(5), Florida Statutes, gives authority for an agency to collect social security numbers if imperative for the performance of that agency's duties and responsibilities as prescribed by law. Limited collection of social security numbers is imperative for the Office. The duties of the Office in background investigation are extensive in order to ensure that the owners, management, officers, and directors of any insurer are competent and trustworthy, possess financial standing and business experience, and have not been found guilty of, or not pleaded guilty or nolo contendere to, any felony or crime punishable by imprisonment of one year.

(b) Background Investigative Report

A Background Investigative Report must be provided for each person indicated above. Background reports must be submitted by the selected background investigation vendor directly to the Office prior to or contemporaneously with the submission of the application filing. Attach confirmation that the reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports.

(c) Fingerprint Cards

Fingerprint cards must be completed for each person as indicated above. The fingerprint cards along with the fees are due at the time the application is filed. **No fingerprint cards, other than those furnished by the Office, will be accepted.** These cards must be completed at a law enforcement or similar type agency and returned to this Office for processing. Attach confirmation of fingerprint payment when submitting the application. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure. Additional cards are available upon request.

Florida residents have the option of having their fingerprints digitally scanned rather than providing paper fingerprint cards and fees as noted above. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure.

APPLICATION FOR REGISTRATION AS A RISK PURCHASING GROUP

PURCHASING GROUP - NOTICE AND REGISTRATION INSTRUCTIONS

Note: If all premiums are collected by the insurer(s) of the purchasing group, the background requirements should be omitted.

Any questions regarding the registration of purchasing groups in the State of Florida should be directed to the Applications Coordination Section at (850) 413-2575 or appcoord@flor.com.

You will receive written notification when the registration of the purchasing group is complete and the group has been added to the official list of registered purchasing groups. It is unlawful for a purchasing group to conduct or transact business in this state until the group is properly registered. The failure to comply with Florida's requirements regarding the registration and operation of a purchasing group in Florida shall subject you to the penalties set forth in Section 627.951, Florida Statutes. See Part XIX of Chapter 627, Florida Statutes and the applicable Florida Administrative Code Rules.

IN ORDER FOR A SUBMISSION TO BE CONSIDERED A COMPLETE APPLICATION, ALL REQUIRED INFORMATION MUST BE INCLUDED IN THE FILING. FILINGS THAT DO NOT INCLUDE ALL REQUIRED INFORMATION WILL BE DISAPPROVED OR RETURNED.

APPLICATION FOR REGISTRATION AS A RISK PURCHASING GROUP

PURCHASING GROUP - NOTICE AND REGISTRATION

(All information must be typed or printed. Attach additional pages if necessary)

1. List the exact name of the Purchasing Group.

2. Indicate the form of organization (i.e. corporation, partnership, association, trust, etc.).

3. The Purchasing Group is domiciled in the State of:

4. The Federal Employers Identification Number (FEIN) of the Purchasing Group is:

5. List any other names under which the Purchasing Group is or may be doing business in this state or any other state, if different from above.

6. List the complete physical address of the Purchasing Group.

- 6b. List the complete mailing address of the Purchasing Group, if different from above.

7. List all other states in which the Purchasing Group is currently registered.

8. List the state in which the majority of the Purchasing Group's business, based upon the aggregate of premiums written, is being conducted.

APPLICATION FOR REGISTRATION AS A RISK PURCHASING GROUP

PURCHASING GROUP - NOTICE AND REGISTRATION

9. Give a general description of business or activities engaged in by the purchasing group members

10. The Purchasing Group's membership will consist of (list specific examples of members, i.e., dentists, attorneys, etc.):

11. List the name, address, telephone number, and title of the contact person for the Purchasing Group who has knowledge of its insurance program, including membership criteria, coverages, and key personnel of the group's administrator and insurance carrier.

12. List the name address, email, and telephone number of the firm that acts as the administrator of the Purchasing Group. (If none, answer none.)

13. List the names, addresses, telephone number, and occupations of the principal officers and directors of the Purchasing Group.

Principal Officers

Principal Directors

<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

14. The Purchasing Group intends to purchase the following lines and classifications of liability insurance:

15. The Purchasing Group intends to purchase the liability insurance described in item (14) above from the following insurance company or companies. Give full name of company, FEIN, and state of domicile.

NAME	FEIN	STATE OF DOMICILE
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

APPLICATION FOR REGISTRATION AS A RISK PURCHASING GROUP

PURCHASING GROUP - NOTICE AND REGISTRATION

16. The names, social security numbers, and license numbers of Florida licensed agents (or social security numbers of those persons who will, in the near future, become Florida licensed agents) of the Purchasing Group are as follows:

Name	Social Security Number/License Number
_____	_____
_____	_____
_____	_____
_____	_____

17. Specify the method by which, and the person or persons, if any, through whom insurance will be offered to its member whose risks are resident or located in this state.

18. Has any person transacting business on behalf of this Purchasing Group ever:

- (A) been arrested, indicted, and/or convicted of a felony, or is a felony charge currently pending against any such person? _____
- (B) been denied any application for a professional, vocational or business license? _____
- (C) had suspended or revoked any such license? _____
- (D) had withdrawn or surrendered any such application or license to avoid potential disciplinary action against licensee? _____

If the answer to any part of these questions is yes, attach a supplementary statement explaining in full each such occurrence.

I do hereby swear and affirm that the aforementioned statements and information are true and correct to the best of my knowledge.

(Corporate Seal)

President or Chief Executive Officer Date

Secretary Date

Sworn before me this _____ day of _____, 20____

Notary Public, State of _____ My Commission Expires _____



Office of Insurance Regulation
Company Admissions

**APPLICATION FOR REGISTRATION AS A
RISK RETENTION GROUP**

This package is designed to assist individuals in preparing the application with all the information required by statute and to facilitate expeditious processing of the application by this Office.

PLEASE NOTE: THE COMPLETED CHECK LIST MUST BE SUBMITTED WITH THE APPLICATION PACKAGE.

The completed application package must be submitted to the Office by utilizing the following link:

<http://www.floir.com/iportal>
and select iApply – Online Company Admissions

If this package requires submission of forms and/or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <http://www.floir.com/iportal> and select "Form & Rate Filing Assembly and Submission" to begin the submission of forms and/or rates.

If this package requires original documents, in lieu of providing original paper documents, the Applicant is directed to submit a PDF of the original document(s) unless otherwise required by Florida Statutes.

Any questions concerning this application package may be directed to the Application Coordinator at appcoord@floir.com. For iApply only questions, contact the Application Coordinator at iapply@floir.com

In order for a submission to be considered a complete application, all required information must be included in the filing. Filings that do not include all required information will be disapproved or returned.

APPLICATION FOR REGISTRATION AS A RISK RETENTION GROUP

RISK RETENTION GROUP NOTIFICATION

This package has been developed to aid you in notifying the Office of Insurance Regulation (the Office) of your intention to act as a Risk Retention Group in Florida under the provisions of the 1986 Federal Liability Risk Retention Act (the Act) and applicable Florida Statutes.

In order to properly notify the Office, a Risk Retention Group must:

1. Complete and file the attached forms for Application for Registration as a Risk Retention Group and the Addendum To Registration as a Risk Retention Group. Please fill these forms out completely. Some of the information may have already been provided to us, but these forms are used by the Office for the quick retrieval of information and we ask that you assist us by entirely completing the forms;
2. Designate the Chief Financial Officer as the Risk Retention Group's agent for the purpose of receiving service of legal documents or process on the attached Appointment of Attorney to Accept Service, and the accompanying Resolution Form;
3. File a copy of the Risk Retention Group's charter showing that it has been organized primarily for the purpose of assuming and spreading all, or any portion, of the liability exposure of its group members;
4. File a certified copy of the Risk Retention Group's license issued by its state of domicile authorizing it to transact business as an insurance company;
5. File a copy of the plan of operation or feasibility study, which the Risk Retention Group has submitted to the insurance commissioner of its domicile state;
6. File the following:
 - (a) A copy of the group's financial statements submitted to its state of domicile, which shall be certified by an independent public accountant and contain a statement of opinion on loss and loss adjustment expense reserves made by a member of the American Academy of Actuaries.
 - (b) A copy of each examination of the risk retention group as certified by the insurance commissioner of the public official conducting the examination.
 - (c) A copy of any audit performed with respect to the risk retention group.

These notification documents must be submitted to the Office before the risk retention group offers insurance in Florida per Section 3(d)(2)(a) of the Act and Section 627.944 of the Florida Statutes.

Please note that Risk Retention Groups will be subject to premium taxes on their Florida business. See Section 627.944(3), of the Florida Statutes.

YOU WILL RECEIVE A WRITTEN RESPONSE THAT THE RISK RETENTION GROUP IS PROPERLY REGISTERED. The Risk Retention Group should not conduct or transact business in this state until it has been notified that its registration is complete. The penalties provided for a violation of the above requirements are set out in Florida Statutes 627.951.

APPLICATION FOR REGISTRATION AS A RISK RETENTION GROUP

(All information should be typed)

1. List the Corporate name of the Risk Retention Group.

(Name must include the phrase "Risk Retention Group")

List other names which the Risk Retention Group may be conducting business as, including d/b/a's.

2. The primary activity of this Risk Retention Group consists of assuming and spreading all, or any portion, of the liability exposure of its members.

(Circle One) YES NO

3. The Risk Retention Group is organized for the primary purpose of conducting the activity described under (2) above.

(Circle One) YES NO

4. The Risk Retention Group is chartered and licensed as a liability insurance company under the laws of the State of _____, and is authorized to engage in the following lines of insurance under the laws of its chartering State:

5. The Risk Retention Group does not exclude any person from membership in the Group solely to provide for members of the Group a competitive advantage over such a person.

(Circle One) YES NO

6. Ownership of the Risk Retention Group consists of one of the following in accordance with Section 627.942(9)(e), F.S. (check one):

(a) _____ the sole owners are all persons who comprise the membership of the group and who are provided insurance by the group; or

(b) _____ the sole owner of the Group is an organization which has as its members only persons who comprise the membership group, and its owners are only persons who comprise the membership of the group and who are provided insurance by the group.

7. This Risk Retention Group is comprised of members who are engaged in the following described business or activities, which are similar or related with respect to the liability to which such members are exposed by virtue of related, similar, or common business, trade, product, services, premises, or operations. Provide a detailed description of business or activities engaged in by group membership which coverage is provided (Attach additional page(s) if necessary):

**APPLICATION FOR REGISTRATION AS A
RISK RETENTION GROUP**

8. List the name, address and telephone number of each officer/director of the Risk Retention Group and the key officer or staff person (not an employee of the group's management company) responsible for overseeing "hands on management" of the group. (Attach additional pages if necessary.):

- 8A. List the name of the individual, address, and telephone number of the company responsible for management of the insurance operations of this Risk Retention Group. (If none, answer none.)

- 8B. List the name, address, and telephone number of the principal agent or broker responsible for marketing the group's insurance policies. (If none, answer none.)

9. The activities of the Risk Retention Group do not include the provision of insurance other than:

- (a) liability insurance for assuming and spreading all or any portion of the similar or related liability exposure of its group members; and
- (b) reinsurance with respect to the similar or related liability exposure of another Risk Retention Group (or a member of such other Risk Retention Group) engaged in business or activities which qualify such other Risk Retention Group (or member) under item (6) above for membership in this group.

10. The Risk Retention Group will comply with the unfair claim settlement practices laws of this state.

(Circle One) YES NO

11. The Risk Retention Group will pay, on a non-discriminatory basis, applicable premium and other taxes which are levied on such group under the laws of this state.

(Circle One) YES NO

- 11A. List the name, address and phone number of the company or individual responsible for payment of these fees.

NAME	ADDRESS	PHONE NUMBER
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12. The Risk Retention Group has designated the Chief Financial Officer of this State to be its agent solely for the purpose of receiving service of legal documents or process.

(Circle One) YES NO

**APPLICATION FOR REGISTRATION AS A
RISK RETENTION GROUP**

13. The Risk Retention Group will submit to examination by the Insurance Commissioner of this State to determine the Group's financial condition, if:
- (a) The Insurance Commissioner (Director, Superintendent) of the Group's domicile State has not begun or has refused to initiate an examination of the Group; and
- (b) any such examination by the Insurance Commissioner of this State is coordinated so as to avoid unjustified duplication and unjustified repetition.
14. The Risk Retention Group will comply with a lawful order issued in a delinquency proceeding commenced by the Insurance Commissioner of this State upon a finding of financial impairment, or in a voluntary dissolution proceeding.
- (Circle One) YES NO
15. The Risk Retention Group will comply with the laws of Florida concerning deceptive, false or fraudulent acts or practices, including any injunctions regarding such conduct obtained from a court of competent jurisdiction.
- (Circle One) YES NO
16. The Risk Retention Group will comply with an injunction issued by a court of competent jurisdiction upon petition by the Insurance Commissioner of this State alleging that the Group is in hazardous financial condition or is financially impaired.
- (Circle One) YES NO
17. The Risk Retention Group will provide the following notice, in 10-point type, in any insurance policy issued by the Group:
- (Circle One) YES NO

NOTICE

This policy is issued by your Risk Retention Group. Your Risk Retention Group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for your Risk Retention Group.

18. The Risk Retention Group has submitted to the Insurance Commissioner of this State, as part of this application and before it has offered any insurance in this state, a copy of the plan of operation or feasibility study which it has filed with the Insurance Commissioner (Director, Superintendent) of its chartering state. This plan or study discloses the name of the state in which the group is chartered, as well as the group's principal place of business, and such plan or study further includes the coverages, deductibles, coverage limits, rates, and rating classification systems for each line of insurance the group intends to offer. The group will promptly submit to the Insurance Commissioner of this State any revisions of such plan or study to reflect any changes to the plan including, but without limitation, additional lines of liability insurance which the group intends to offer, and any changes in the designation of the group's chartering state.
- (Circle One) YES NO
19. The Risk Retention Group will submit its annual financial statement to the Insurance Commissioner of this State by March 1st each year. The annual financial statement will be certified by an independent public accountant and include a statement of opinion on loss and loss adjustment expense reserves made by a member of the American Academy of Actuaries or a qualified loss reserve specialist.
- (Circle One) YES NO

**APPLICATION FOR REGISTRATION AS A
RISK RETENTION GROUP**

20. The Risk Retention Group will not solicit or sell insurance to any person in this state who is not eligible for membership in the group.

(Circle One) YES NO

21. The Risk Retention Group will not solicit or sell insurance in this state, or otherwise operate in this state, if the group is financially impaired or is in a hazardous financial condition.

(Circle One) YES NO

We do hereby swear and affirm that the aforementioned statements and information are true and correct.

President or Chief Executive Officer

(Corporate Seal)

Secretary

Sworn before me this ____ day of _____, 20 ____.

NOTARY PUBLIC

STATE OF:

My commission Expires:

**APPLICATION FOR REGISTRATION AS A
RISK RETENTION GROUP
ADDENDUM**

To further notify the Office of Insurance Regulation of your intention to act as a Risk Retention Group in Florida under the provisions of the 1986 Federal Liability Risk Retention Act and applicable Florida Statutes, please respond to the following:

1. The Federal Identification Number of the Risk Retention Group is _____.
(According to IRS Form SS-4 (Rev 4-91)). The following must use FEIN's even if they do not have any employees: Trusts, Estates, Partnerships, Corporations, Nonprofit Organizations, and Plan Administrators.)
2. The name and social security numbers of Florida licensed agents (or those persons who will, in the near future, become Florida licensed agents) of the Group are as follows: (Use additional page if necessary.)

Name and address

Social Security Number

3. The Group will participate, on a non-discriminatory basis, in any mechanism established or authorized under the laws of Florida for the equitable apportionment among insurers of liability insurance losses and expenses incurred on policies written through such mechanism.

We do hereby swear and affirm that the aforementioned statements and information are true and correct.

(Corporate Seal

President or Chief Executive Officer

Date

Secretary

Date

Sworn before me this ____ day of _____, 20 ____.

NOTARY PUBLIC

STATE OF:

My commission Expires:

APPLICATION FOR REGISTRATION AS A RISK RETENTION GROUP

NAME: _____

Completion Check List

1. _____ Application for Registration as a Risk Retention Group
 - (a) All questions (1-21) are answered completely and correctly
 - (b) Registration signed and notarized
 - (c) Addendum to Registration as a Risk Retention Group is answered completely and correctly and is signed and notarized
2. _____ Service of Process Documents
 - (a) _____ Appointment of Attorney to Accept Service is answered completely and correctly
 - (b) _____ Resolution Form; signed by President/CEO and Secretary with Corporate Seal Affixed
3. _____ Articles of Incorporation of the RRG showing that it has been organized primarily for the purpose of assuming and spreading all, or any portion, of the liability exposure of it's group members
4. _____ Certified copy of the RRG's Certificate of Authority license issued by it's state of domicile authorizing it to transact business as an insurance company (Not a photocopy. Must bear original seal of state of domicile.)
5. _____ Plan of Operation or feasibility study which the Risk Retention Group has submitted to the insurance commissioner of its domicile state
6. _____ Audited Financial Statement and Loss Reserve certification which the Risk Retention Group has submitted to the Insurance Commissioner (Director or Superintendent) of it's chartering state
7. _____ Completed Check List returned with Risk Retention Group Notification

RETURN THIS COMPLETED FORM WITH YOUR REGISTRATION

SERVICE OF PROCESS CONSENT & AGREEMENT

(Please type or print all information clearly)

☐ Original Designation ☐ Insurer Name Change ☐ Merger/Acquisition ☐ Update Delivery Information

Insurer or Company Name: _____

Previous Name (If applicable): _____

Home Office Address: _____

City, State, Zip _____

FEI# _____

FL Company Code _____

Telephone# _____

Know all men by these present, that the insurer or other entity named above is subject to the statutory agent for service of process provisions of the Florida Insurance Code duly organized and existing under and by virtue of the laws of the state of domicile.

Said entity does hereby agree and consent that actions may be commenced against it in any court having jurisdiction in any county in the State of Florida, in which a cause of action may arise, or in which the plaintiff may reside, by the service of process upon the Chief Financial Officer of the State of Florida. Said entity also hereby stipulates and agrees that any and all process so served shall be taken and held in all Courts to be as valid and binding upon this insurer or other entity as if personal service had been made upon the President or Secretary, or any other duly authorized and accredited officer thereof.

The undersigned hereby further agrees and stipulates that this agreement is and shall remain irrevocable, so long as there is liability, under any policy, claim or cause of action within this state, either fixed or contingent. Said insurer or other entity does hereby designate the following as the name and address of the person to whom all process is to be forwarded when process is served upon said Chief Financial Officer of the State of Florida on behalf of the above named insurer or entity, **In the event of a change in the name of the insurer or the designation of the person to whom process is to be forwarded, whether it be name, address, and/or phone or fax numbers, the insurer or company shall immediately file a new agreement form with the Chief Financial Officer of the State of Florida at the address shown at the bottom of this page.**

Designated Person
to receive process: _____

E-Mail Address: _____

Phone#: _____ Fax# _____

Mailing Address: _____

Street Address: _____

Signature: _____

I hereby consent and agree to be the person to whom process served upon the Chief Financial Officer of the State of Florida for said entity, may be forwarded.

In Witness Whereof, we, the President or Chief Executive Officer and Secretary of said insurer or other entity, being duly authorized by the Board of Directors or governing body of this entity to execute this document, have hereunto set our hands and affixed the seal of said insurer or other entity on this the _____ day of _____, AD. _____.

SEAL

President or CEO's Signature

President or CEO's Name (Typed or Printed)

Secretary's Signature

Secretary's Name (Typed or Printed)

Any signatures other than the President, CEO, or Secretary for the Company must be validated by the attachment of a resolution of the Board of Directors or Governing body of said company delegating the authority to sign for the company.

69O-136.031
69O-203.100
69O-191.107
OIR-C1-144
Rev 06/2004

Service of Process Section

200 East Gaines Street • PO Box 6200 • Tallahassee, FL 32314-6200 • (850) 413-4200 • Fax (850) 922-2544

STATE OF FLORIDA

DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSURANCE REGULATION
APPOINTMENT OF ATTORNEY TO ACCEPT SERVICE

The, _____ a Risk Retention Group (called the Group) duly organized under the laws of the State of _____, appoints the Chief Financial Officer of the State of Florida, and his or her successors in office, to be its lawful attorney upon whom all legal process in any action or proceeding against it shall be served and further agrees that any lawful process against it which is served upon this attorney shall have the same legal validity as if served personally upon the Group.

The Group gives the Chief Financial Officer and his or her successors, full authority to do every act necessary to be done under this appointment as fully as the Group could do if personally present, and ratifies all that lawfully do under the power granted by this appointment. This authority may be withdrawn only upon a written notice of revocation and in any case shall continue in effect so long as any liability arising out of this appointment remains outstanding in the State. This instrument is executed pursuant to and shall be construed to constitute full compliance with Section 3(a)(1)(d) of the Liability Risk Retention Act of 1986.

The Group designates (_____) whose
(an individual)
mailing address is (_____),
street address is (_____),
e-mail address is (_____),
phone number is (_____), and fax number is (_____)
as the person to whom process against the Group served upon the Chief Financial Officer shall be forwarded.

IN WITNESS OF THIS APPOINTMENT, said Group, in pursuant to a resolution duly adopted by it's Board of Directors, has caused this instrument to be executed in this manner by its President and Secretary, and its corporate seal to be affixed at the City of _____, State of _____.
This ____ day of _____, 20 ____.

Attest:

Secretary

(Name of Risk Retention Group)

By

(Corporate Seal)

President



DEPARTMENT OF FINANCIAL SERVICES
Office of Insurance Regulation

**TRANSMITTAL OF PREMIUM TAXES FOR
RISK RETENTION GROUPS (RRG's)**

Policy Information:

If policies are from more than one RRG, submit separate transmittal & check for each:

Risk Retention Group Company Name: _____

NAIC #: _____ and/or FEIN #: _____

Covering Policies Issued during: _____ Quarter of 20____
(1st, 2nd, 3rd, or 4th) (year)

Remittance Information:

Total Gross Premium: \$ _____ Total Tax Remitted (= to 5% Gross Premium) \$ _____

Check which one applies:

- ☐ Agency/Agent
☐ RRG Company
☐ Other

From: _____

Contact for Questions: _____
(Name & Phone # and/or E-mail Address)

**MAIL TO: Florida Department of Financial Services
Revenue Processing Section
Post Office Box 6100
Tallahassee, FL 32314-6100**

FOR DEPARTMENT USE ONLY

AMOUNT	TYPE	CODE	
		CLASS	FEE
	10	04	G
	10	12	P

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

**Uniform Certificate of Authority Application (UCAA)
Expansion Application Checklist
For Expansion Application Only**

The application checklist is intended to help guide the insurer (herein after referred to as "Applicant Company") with the assembly of a complete Expansion Uniform Certificate of Authority Application (UCAA). Please be sure to complete the checklist by appropriately marking the boxes on the left side of the page prior to submitting the application for review. The completed checklist should be attached to the top of the application.

Regulator Use Only

- | | | |
|-----|--|--------------------------|
| 1. | Application Form and Supporting Documents, containing:
<input type="checkbox"/> Completed UCAA Expansion Application Checklist (Form 1E)
<input type="checkbox"/> Original UCAA Expansion Form executed and signed (Form 2E)
<input type="checkbox"/> Include all lines of insurance the Applicant Company is licensed to transact, currently transacting and requesting authority to transact in all jurisdictions. (Form 3)
<input type="checkbox"/> Notification to state of domicile of planned expansion
<input type="checkbox"/> Cover letter (optional) | <input type="checkbox"/> |
| 2. | Filing Fee (pursuant to Section II Filing Requirements Item 2), containing:
<input type="checkbox"/> Payment of required filing fee
<input type="checkbox"/> Copy of check | <input type="checkbox"/> |
| 3. | Minimum Paid-in Capital and Surplus Requirements (pursuant to Section II Filing Requirements Item 3)
<input type="checkbox"/> Provide explanation of compliance with minimum capital & surplus requirements for state for which application is prepared | <input type="checkbox"/> |
| 4. | Certificate of Deposit for Statutory Deposit Requirements (pursuant to Section II Filing Requirements Item 4)
<input type="checkbox"/> An original Certificate of Deposit prepared by state of domicile (Form 7) | <input type="checkbox"/> |
| 5. | Name Approval (pursuant to Section II Filing Requirements Item 5)
<input type="checkbox"/> Evidence of name approval request | <input type="checkbox"/> |
| 6. | Plan of Operation (pursuant to Section II Filing Requirements Item 6)
<input type="checkbox"/> Completed questionnaire (Form 8)
<input type="checkbox"/> Pro Forma (Form 13)
<input type="checkbox"/> Narrative | <input type="checkbox"/> |
| 7. | Holding Company Act Filings (pursuant to Section II Filing Requirements Item 7)

<input type="checkbox"/> Include Holding Company Act Filings, including Form B, Form F or substantially similar statement. | <input type="checkbox"/> |
| 8. | Certificate of Compliance (pursuant to Section II Filing Requirements Item 8)
<input type="checkbox"/> Original Certificate of Compliance (Form 6) completed by domiciliary state insurance regulatory agency | <input type="checkbox"/> |
| 9. | Report of Examination (pursuant to Section II Filing Requirements Item 9)
<input type="checkbox"/> Includes a copy of the most recent Report of Financial Examination from its domiciliary state and a note of all more recent examinations, completed by any state, including market conduct examinations along with a description of each examination. | <input type="checkbox"/> |
| 10. | Statutory Membership(s)
<input type="checkbox"/> Submit documentation as listed in Section II Filing Requirements Item 10 | <input type="checkbox"/> |

Applicant Company Name: _____

NAIC No. _____
FEIN: _____

Regulator Use Only

11. Public Records Package – Submit ALL items in chart in Section II Item 11, including:

a. Articles of Incorporation, including:

☐ Original certification by domiciliary state

b. Bylaws, including:

☐ Original certification by the Applicant Company's corporate assistant

c. Statement with attachments, including:

☐ Current year annual statement*, verified and signed, including actuarial opinion, and NAIC Management's Discussion and Analysis

☐ Current year quarterly statements (one copy for each quarter), verified and signed

*1. Updated statements should be submitted on a timely basis while application is pending.

2. If annual statement for two preceding years has not been filed with the NAIC, one copy of each year must be submitted with the application.

d. Independent CPA Audit Report

12. NAIC Biographical Affidavit (Form 11) for the following:

☐ Officers (as listed on Jurat Page of most recent financial statement)

☐ Directors (as listed on Jurat Page of most recent financial statement)

☐ Key managerial personnel (including any vice presidents or other individuals who will control the operations of the Applicant Company)

☐ Individuals with a 10% or more beneficial ownership in the Applicant Company who will exercise control over the Applicant Company or, officers and directors of an entity with a 10% or more beneficial ownership in the Applicant Company who exercise control over the Applicant Company; and

☐ Individuals with a 10% or more beneficial ownership in the Applicant Company's ultimate controlling person who will exercise control over the Applicant Company, and officers and directors of the ultimate controlling person who will control the operations of the Applicant Company

☐ Affidavit originally signed and notarized within one year of application date

☐ Affidavit certified by independent third party

13. Uniform Consent to Service of Process

☐ Original executed Service of Process form (Form 12)

14. State-Specific Information

☐ Check state-specific requirements for those states that require additional background information, such as fingerprints, in place of or in addition to Business Character Reports. If applying in one of those states, necessary fingerprint cards and processing fees should be included.

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Uniform Certificate of Authority Application (UCAA) Expansion Application

To the Insurance Commissioner/Director/Superintendent of the State of:

(Check the appropriate states in which the Applicant Company is applying.)

Alabama		Montana	
Alaska		Nebraska	
Arizona		Nevada	
Arkansas		New Hampshire	
California		New Jersey	
Colorado		New Mexico	
District of Columbia		New York	
Connecticut		North Carolina	
Delaware		North Dakota	
Florida		Ohio	
Georgia		Oklahoma	
Hawaii		Oregon	
Idaho		Pennsylvania	
Illinois		Puerto Rico	
Indiana		Rhode Island	
Iowa		South Carolina	
Kansas		South Dakota	
Kentucky		Tennessee	
Louisiana		Texas	
Maine		Utah	
Maryland		Vermont	
Massachusetts		Virginia	
Michigan		Washington	
Minnesota		West Virginia	
Mississippi		Wisconsin	
Missouri		Wyoming	

The undersigned Applicant Company hereby certifies that the classes of insurance as indicated on the Lines of Insurance, Form 3, are all lines of business (a) currently authorized for transaction, (b) currently transacted, and (c) which the Applicant Company is applying to transact.

Name of Applicant Company: _____ NAIC No.: _____ -- _____

Group Code

Home Office Address: _____

Administrative Office Address: _____

Mailing Address: _____

Phone: _____ Fax: _____

Are these addresses the same as those shown on the Applicant Company's Annual Statement?

Yes ☐ No ☐

If not, indicate why: _____

Applicant Company Name: _____

NAIC No. _____

FEIN: _____

Date Incorporated: _____ Form of Organization: _____

Billing Address: _____

E-Mail Address: _____ Phone: _____ Fax: _____

Premium Tax Statement Address: _____

E-Mail Address: _____ Phone: _____ Fax: _____

Producer Licensing Address: _____

E-Mail Address: _____ Phone: _____ Fax: _____

Rate/Form Filing Address: _____

E-Mail Address: _____ Phone: _____ Fax: _____

Consumer Affairs Address: _____

E-Mail Address: _____ Phone: _____ Fax: _____

State or Country of Domicile: _____ Date Organized: _____

Date of Last Amendment of Charter, Bylaws or Subscriber's Agreement: _____

Date of Last Financial Examination: _____

Date of Last Market Conduct Examination: _____

Par Value of Issued Stock: \$ _____ Surplus as regards policyholders: \$ _____

Certificate of Deposit (Home State): \$ _____

Ultimate Owner/Holding Company: _____

Has the Applicant Company ever been refused admission to this or any other state prior to the date of this application?

Yes ☐ No ☐

If yes, give full explanation in an attached letter.

Is Applicant Company a member of a group that is required to file an Own Risk Solvency Assessment (ORSA) report with your lead state?

Yes ☐ No ☐

Is the Applicant Company required to file an ORSA report with its lead state?

Yes ☐ No ☐

If yes to either ORSA question, please provide:

Lead State: _____ Lead State Contact Name: _____

E-mail Address _____ Phone: _____

The Applicant Company hereby designates (name natural persons only) _____ to appoint persons and entities to act as and to be licensed as agents in the State of _____, and to terminate the said appointments.

NOTE: This does not apply to those states that do not require appointments.

Applicant Company Name: _____

NAIC No. _____
FEIN: _____

The following information is required of the individual (Applicant Company employee or paid consultant) who is authorized to represent the Applicant Company before the department

Name: _____

Title: _____

Mailing Address: _____

E-Mail Address: _____ Phone: _____ Fax: _____

Please provide a listing of all other applications filed by the Applicant Company, or any of its affiliates, that are pending before the Department.

Applicant Company Officers' Certification and Attestation

One of the three officers (listed below) of the Applicant Company must carefully read the following:

1. I hereby certify, under penalty of perjury, that I have read the application, that I am familiar with its contents, and that all of the information, including the attachments, submitted in this application is true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license discipline or other administrative action and may subject me or the Applicant Company, or both, to civil or criminal penalties.
2. I acknowledge that I am familiar with the insurance laws and regulations of said state, accept the Constitution of such state, in which the Applicant Company is licensed or to which the Applicant Company is applying for licensure.
3. I acknowledge that I am the _____ of the Applicant Company, am authorized to execute and am executing this document on behalf of the Applicant Company.
4. I hereby certify under penalty of perjury under the laws of the applicable jurisdictions that all of the forgoing is true and correct, executed at _____.

Date

Signature of President

Full Legal Name of President

Date

Signature of Secretary

Full Legal Name of Secretary

Date

Signature of Treasurer

Full Legal Name of Treasurer

Name of Applicant Company

Date

Signature of Witness

Full Legal Name of Witness

UNIFORM CERTIFICATE OF AUTHORITY APPLICATION



EXPANSION APPLICATION FLORIDA SPECIFIC INFORMATION

1. Florida requires fingerprinting of all individuals for which biographical affidavits or business character reports are being submitted. To print or download a copy of the fingerprint card instructions including instructions for submitting fingerprint fees ([click here](#)). The fingerprint cards can be obtained from the Applications Coordinator by calling (850) 413-2575 or email to appcoord@flor.com.

UNIFORM CERTIFICATE OF AUTHORITY APPLICATION



PRIMARY APPLICATION FLORIDA SPECIFIC INFORMATION

1. Insurers are required to provide a copy of the Articles of Incorporation of any firm involved in the financing or formation of the insurer certified by the public official with whom the originals are on file in the state of domicile.
2. Florida requires a statement of the method to be used in the financing of the insurer and verification of funds. To print or download the items to be included ([click here](#)). There are additional financial requirements for mutual insurers. To print or download a copy of Section 628.161, Florida Statutes ([click here](#)).
3. For mutual insurers only, provide a copy of a fidelity bond or insurance policy per Section 628.171, Florida Statutes. To print or download a copy of Section 628.171, Florida Statutes ([click here](#)).
4. Florida requires fingerprinting of all individuals for which biographical affidavits or business character reports are being submitted. To print or download a copy of the fingerprint card instructions including instructions for submitting fingerprint fees ([click here](#)). The fingerprint cards can be obtained from the Applications Coordinator by calling (850) 413-2575 or email to appcoord@floir.com.

624.308 Rules.—

(1) The department and the commission may each adopt rules pursuant to ss. 120.536(1) and 120.54 to implement provisions of law conferring duties upon the department or the commission, respectively.

(2) In addition to any other penalty provided, willful violation of any such rule shall subject the violator to such suspension or revocation of certificate of authority or license as may be applicable under this code as for violation of the provision as to which such rule relates.

624.402 Exceptions, certificate of authority required.—A certificate of authority shall not be required of an insurer with respect to:

(8)(a) An insurer domiciled outside the United States covering only persons who, at the time of issuance or renewal, are nonresidents of the United States if:

1. The insurer does not solicit, sell, or accept application for any insurance policy or contract to be delivered or issued for delivery to any person in any state;
2. The insurer registers with the office via a letter of notification upon commencing business from this state;
3. The insurer provides the following information, in English, to the office annually by March 1:
 - a. The name of the insurer; the country of domicile; the address of the insurer's principal office and office in this state; the names of the owners of the insurer and their percentage of ownership; the names of the officers and directors of the insurer; the name, e-mail, and telephone number of a contact person for the insurer; and the number of individuals who are employed by the insurer or its affiliates in this state;
 - b. The lines of insurance and types of products offered by the insurer;
 - c. A statement from the applicable regulatory body of the insurer's domicile certifying that the insurer is licensed or registered for those lines of insurance and types of products in that domicile; and
 - d. A copy of the filings required by the applicable regulatory body of the insurer's country of domicile in that country's official language or in English, if available;
4. All certificates, policies, or contracts issued in this state showing coverage under the insurer's policy include the following statement in a contrasting color and at least 10-point type: "The policy providing your coverage and the insurer providing this policy have not been approved by the Florida Office of Insurance Regulation"; and
5. If the insurer ceases to do business from this state, the insurer will provide written notification to the office within 30 days after cessation.

(b) For purposes of this subsection, "nonresident" means a trust or other entity organized and domiciled under the laws of a country other than the United States or a person who resides in and maintains a physical place of domicile in a country other than the United States, which he or she recognizes as and intends to maintain as his or her permanent home. A nonresident does not include an unauthorized immigrant present in the United States. Notwithstanding any other provision of law, it is conclusively presumed, for purposes of this subsection, that a person is a resident of the United States if such person has:

1. Had his or her principal place of domicile in the United States for 180 days or more in the 365 days prior to issuance or renewal of the policy;
2. Registered to vote in any state;
3. Made a statement of domicile in any state; or
4. Filed for homestead tax exemption on property in any state.

(c) Subject to the limitations provided in this subsection, services, including those listed in the definition of the term "transact" in s. 624.10, may be provided by the insurer or an affiliated person as defined in s. 624.04 under common ownership or control with the insurer.

(d) An alien insurer transacting insurance in this state without complying with this subsection shall be in violation of this chapter and subject to the penalties provided in s. 624.15.

627.954 Rules.—The commission may establish and from time to time amend such rules relating to risk retention groups and purchasing groups as may be necessary or desirable to carry out the provisions of this part.

624.09 "Authorized," "unauthorized" insurer defined.—

(1) An "authorized" insurer is one duly authorized by a subsisting certificate of authority issued by the office to transact insurance in this state.

(2) An "unauthorized" insurer is one not so authorized.

624.307 General powers; duties.—

(1) The department and office shall enforce the provisions of this code and shall execute the duties imposed upon them by this code, within the respective jurisdiction of each, as provided by law.

624.34 Authority of Department of Law Enforcement to accept fingerprints of, and exchange criminal history records with respect to, certain persons.—

(1) The Department of Law Enforcement may accept fingerprints of organizers, incorporators, subscribers, officers, stockholders, directors, or any other persons involved, directly or indirectly, in the organization, operation, or management of:

(a) Any insurer or proposed insurer transacting or proposing to transact insurance in this state.

(b) Any other entity which is examined or investigated or which is eligible to be examined or investigated under the provisions of the Florida Insurance Code.

(2) The Department of Law Enforcement may accept fingerprints of individuals who apply for a license as an agent, customer representative, adjuster, service representative, navigator, or managing general agent or the fingerprints of the majority owner, sole proprietor, partners, officers, and directors of a corporation or other legal entity that applies for licensure with the department or office under the Florida Insurance Code.

(3) The Department of Law Enforcement may, to the extent provided for by federal law, exchange state, multistate, and federal criminal history records with the department or office for the purpose of the issuance, denial, suspension, or revocation of a certificate of authority, certification, or license to operate in this state.

(4) The Department of Law Enforcement may accept fingerprints of any other person required by statute or rule to submit fingerprints to the department or office or any applicant or licensee regulated by the department or office who is required to demonstrate that he or she has not been convicted of or pled guilty or nolo contendere to a felony or a misdemeanor.

(5) The Department of Law Enforcement shall, upon receipt of fingerprints from the department or office, submit the fingerprints to the Federal Bureau of Investigation to check federal criminal history records.

(6) Statewide criminal records obtained through the Department of Law Enforcement, federal criminal records obtained through the Federal Bureau of Investigation, and local criminal records obtained through local law enforcement agencies shall be used by the department and office for the purpose of issuance, denial, suspension, or revocation of certificates of authority, certifications, or licenses issued to operate in this state.

624.407 Surplus required; new insurers.—

(1) To receive authority to transact any one kind or combinations of kinds of insurance, as defined in part V of this chapter, an insurer applying for its original certificate of authority in this state shall possess surplus as to policyholders at least the greater of:

- (a) For a property and casualty insurer, \$5 million, or \$2.5 million for any other insurer;
- (b) For life insurers, 4 percent of the insurer's total liabilities;
- (c) For life and health insurers, 4 percent of the insurer's total liabilities, plus 6 percent of the insurer's liabilities relative to health insurance;
- (d) For all insurers other than life insurers and life and health insurers, 10 percent of the insurer's total liabilities;
- (e) Notwithstanding paragraph (a) or paragraph (d), for a domestic insurer that transacts residential property insurance and is:
 - 1. Not a wholly owned subsidiary of an insurer domiciled in any other state, \$15 million.
 - 2. A wholly owned subsidiary of an insurer domiciled in any other state, \$50 million; or
- (f) Notwithstanding paragraphs (a), (d), and (e), for a domestic insurer that only transacts limited sinkhole coverage insurance for personal lines residential property pursuant to s. 627.7151, \$7.5 million.

(2) Notwithstanding subsection (1), a new insurer may not be required to have surplus as to policyholders greater than \$100 million.

(3) The requirements of this section shall be based upon all the kinds of insurance actually transacted or to be transacted by the insurer in any and all areas in which it operates, whether or not only a portion of such kinds of insurance are transacted in this state.

(4) As to surplus as to policyholders required for qualification to transact one or more kinds of insurance, domestic mutual insurers are governed by chapter 628, and domestic reciprocal insurers are governed by chapter 629.

(5) For the purposes of this section, liabilities do not include liabilities required under s. 625.041(5). For purposes of computing minimum surplus as to policyholders pursuant to s. 625.305(1), liabilities include liabilities required under s. 625.041(5).

624.408 Surplus required; current insurers.—

(1) To maintain a certificate of authority to transact any one kind or combinations of kinds of insurance, as defined in part V of this chapter, an insurer in this state must at all times maintain surplus as to policyholders at least the greater of:

- (a) Except as provided in paragraphs (e), (f), and (g), \$1.5 million.
- (b) For life insurers, 4 percent of the insurer's total liabilities.
- (c) For life and health insurers, 4 percent of the insurer's total liabilities plus 6 percent of the insurer's liabilities relative to health insurance.
- (d) For all insurers other than mortgage guaranty insurers, life insurers, and life and health insurers, 10 percent of the insurer's total liabilities.
- (e) For property and casualty insurers, \$4 million, except for property and casualty insurers authorized to underwrite any line of residential property insurance.
- (f) For residential property insurers not holding a certificate of authority before July 1, 2011, \$15 million.
- (g) For residential property insurers holding a certificate of authority before July 1, 2011, and until June 30, 2016, \$5 million; on or after July 1, 2016, and until June 30, 2021, \$10 million; on or after July 1, 2021, \$15 million.
- (h) Notwithstanding paragraphs (e), (f), and (g), for a domestic insurer that only transacts limited sinkhole coverage insurance for personal lines residential property pursuant to s. 627.7151, \$7.5 million.

The office may reduce the surplus requirement in paragraphs (f) and (g) if the insurer is not writing new business, has premiums in force of less than \$1 million per year in residential property insurance, or is a mutual insurance company.

(2) For purposes of this section, liabilities do not include liabilities required under s. 625.041(5). For purposes of computing minimum surplus as to policyholders pursuant to s. 625.305(1), liabilities include liabilities required under s. 625.041(5).

(3) This section does not require an insurer to have surplus as to policyholders greater than \$100 million.

(4) A mortgage guaranty insurer shall maintain a minimum surplus as required by s. 635.042.

624.411 Deposit requirement; domestic insurers and foreign insurers.—

(1) As to domestic insurers, the office shall not issue or permit to exist a certificate of authority unless such insurer has deposited and maintains deposited in trust for the protection of the insurer's policyholders or its policyholders and creditors with the department securities eligible for such deposit under s. 625.52, having at all times a value of not less than as follows:

(a) To transact casualty insurance, \$250,000.

(b) To transact all other kinds of insurance, \$100,000 per kind of insurance.

(c) A domestic insurer authorized to transact more than one kind of insurance shall not be required to deposit more than \$300,000 under this subsection.

(2) As to foreign insurers, the office, upon issuing or permitting to exist a certificate of authority, may require for good cause a deposit and maintenance of the deposit in trust for the protection of the insured's policyholders or its policyholders and creditors with the department securities eligible for such deposit under s. 625.52, having at all times a value of not less than as follows:

(a) To transact casualty insurance, \$150,000.

(b) To transact all other kinds of insurance, \$100,000 per kind of insurance.

(c) A foreign insurer authorized to transact more than one kind of insurance in this state shall not be required to deposit more than \$200,000 under this subsection.

(d) A foreign insurer with surplus as to policyholders of more than \$10 million according to its latest annual statement shall not be required to make a deposit under this subsection.

(3) Whenever the office determines that the financial condition of an insurer has deteriorated or that the policyholders' best interests are not being preserved by the activities of an insurer, the office may require such insurer to deposit and maintain deposited in trust with the department for the protection of the insurer's policyholders or its policyholders and creditors, for such time as the office deems necessary, securities eligible for such deposit under s. 625.52, having a market value of not less than the amount which the office determines is necessary, which amount shall be not less than \$100,000, or more than 25 percent of the insurer's obligations in this state, as determined from the latest annual financial statement of the insured. The deposit required under this subsection shall not exceed \$2 million and is in addition to any other deposits required of an insurer pursuant to subsections (1) and (2) or any other provisions of the Florida Insurance Code.

(4) All such deposits in this state are subject to the applicable provisions of part III of chapter 625.

624.413 Application for certificate of authority.—

(1) To apply for a certificate of authority, an insurer shall file its application therefor with the office, upon a form adopted by the commission and furnished by the office, showing its name; location of its home office and, if an alien insurer, its principal office in the United States; kinds of insurance to be transacted; state or country of domicile; and such additional information as the commission reasonably requires, together with the following documents:

(a) One copy of its corporate charter, articles of incorporation, existing and proposed nonfacultative reinsurance contracts, declaration of trust, or other charter documents, with

all amendments thereto, certified by the public official with whom the originals are on file in the state or country of domicile.

(b) If a mutual insurer, a copy of its bylaws, as amended, certified by its secretary or other officer having custody thereof.

(c) If a foreign or alien reciprocal insurer, a copy of the power of attorney of its attorney in fact and of its subscribers' agreement, if any, certified by the attorney in fact; and, if a domestic reciprocal insurer, the declaration provided for in s. 629.081.

(d) A copy of its financial statement as of December 31 next preceding, containing information generally included in insurer financial statements prepared in accordance with generally accepted insurance accounting principles and practices and in a form generally utilized by insurers for financial statements, sworn to by at least two executive officers of the insurer, or certified by the public official having supervision of insurance in the insurer's state of domicile or of entry into the United States. To facilitate uniformity in financial statements, the commission may by rule adopt the form for financial statements approved by the National Association of Insurance Commissioners in 2002, and may adopt subsequent amendments thereto if the form remains substantially consistent.

(e) Supplemental quarterly financial statements for each calendar quarter since the beginning of the year of its application for the certificate of authority, sworn to by at least two of its executive officers. To facilitate uniformity in financial statements, the commission may by rule adopt the form for quarterly financial statements approved by the National Association of Insurance Commissioners in 2002, and may adopt subsequent amendments thereto if the form remains substantially consistent.

(f) If a foreign or alien insurer, a copy of the report of the most recent examination of the insurer certified by the public official having supervision of insurance in its state of domicile or of entry into the United States. The end of the most recent year covered by the examination must be within the 5-year period preceding the date of application. In lieu of the certified examination report, the office may accept an audited certified public accountant's report prepared on a basis consistent with the insurance laws of the insurer's state of domicile, certified by the public official having supervision of insurance in its state of domicile or of entry into the United States.

(g) If a foreign or alien insurer, a certificate of compliance from the public official having supervision of insurance in its state or country of domicile showing that it is duly organized and authorized to transact insurance therein and the kinds of insurance it is so authorized to transact.

(h) If a foreign or alien insurer, a certificate of the public official having custody of any deposit maintained by the insurer in another state in lieu of a deposit or part thereof required in this state under s. 624.411 or s. 624.412, showing the amount of such deposit and the assets or securities of which comprised.

(i) If a life insurer, a certificate of valuation.

(j) If an alien insurer, a copy of the appointment and authority of its United States manager, certified by its officer having custody of its records.

(2) The application shall be accompanied by the applicable fees and license tax as specified in s. 624.501.

624.414 Issuance or refusal of authority.—The fee for filing application for a certificate of authority shall not be subject to refund. The office shall issue to the applicant insurer a proper certificate of authority if it finds that the insurer has met the requirements of this code, exclusive of the requirements relative to the filing and approval of an insurer's policy forms, riders, endorsements, applications, and rates. If it does not so find, the office shall issue its order refusing the certificate. The certificate, if issued, shall specify the kind or kinds and line or lines of insurance the insurer is authorized to transact in this state. The issuance of a certificate of authority does not signify that an insurer has met the requirements of this code relative to the filing and approval of an insurer's policy forms,

riders, endorsements, applications, and rates which may be required prior to an insurer actually writing any premiums.

624.416 Continuance, expiration, reinstatement, and amendment of certificate of authority.—

(4) The office may amend a certificate of authority at any time to accord with changes in the insurer's charter or insuring powers.

624.422 Service of process; appointment of Chief Financial Officer as process agent.—

(1) Each licensed insurer, whether domestic, foreign, or alien, shall be deemed to have appointed the Chief Financial Officer and her or his successors in office as its attorney to receive service of all legal process issued against it in any civil action or proceeding in this state; and process so served shall be valid and binding upon the insurer.

(2) Prior to its authorization to transact insurance in this state, each insurer shall file with the department designation of the name and address of the person to whom process against it served upon the Chief Financial Officer is to be forwarded. The insurer may change the designation at any time by a new filing.

(3) Service of process upon the Chief Financial Officer as the insurer's attorney pursuant to such an appointment shall be the sole method of service of process upon an authorized domestic, foreign, or alien insurer in this state.

624.462 Commercial self-insurance funds.—

(1) Any group of persons may form a commercial self-insurance fund for the purpose of pooling and spreading liabilities of its group members in any commercial property or casualty risk or surety insurance. Any fund established pursuant to subparagraph (2)(a)1. may be organized as a corporation under part I of chapter 607.

(2) As used in ss. 624.460-624.488, "commercial self-insurance fund" or "fund" means a group of members, operating individually and collectively through a trust or corporation, that must be:

(a) Established by:

1. A not-for-profit trade association, industry association, or professional association of employers or professionals which has a constitution or bylaws, which is incorporated under the laws of this state, and which has been organized for purposes other than that of obtaining or providing insurance and operated in good faith for a continuous period of 1 year;

2. A self-insurance trust fund organized pursuant to s. 627.357 and maintained in good faith for a continuous period of 1 year for purposes other than that of obtaining or providing insurance pursuant to this section. Each member of a commercial self-insurance trust fund established pursuant to this subsection must maintain membership in the self-insurance trust fund organized pursuant to s. 627.357;

3. A group of 10 or more health care providers, as defined in s. 627.351(4)(h), for purposes of providing medical malpractice coverage; or

4. A not-for-profit group comprised of one or more community associations responsible for operating at least 50 residential parcels or units created and operating under chapter 718, chapter 719, chapter 720, chapter 721, or chapter 723 which restricts its membership to community associations only and which has been organized and maintained in good faith for the purpose of pooling and spreading the liabilities of its group members relating to property or casualty risk or surety insurance which, in accordance with applicable provisions of part I of chapter 626, appoints resident general lines agents only, and which does not prevent, impede, or restrict any applicant or fund participant from maintaining or selecting an agent of choice. The fund may not refuse to appoint the agent of record for any fund applicant or fund member and may not favor one or more such appointed agents over other appointed agents.

(b)1. In the case of funds established pursuant to subparagraph (a)2. or subparagraph (a)4., operated pursuant to a trust agreement by a board of trustees which shall have complete fiscal control over the fund and which shall be responsible for all operations of the fund. The majority of the trustees shall be owners, partners, officers, directors, or employees of one or more members of the fund. The trustees shall have the authority to approve applications of members for participation in the fund and to contract with an authorized administrator or servicing company to administer the day-to-day affairs of the fund.

2. In the case of funds established pursuant to subparagraph (a)1. or subparagraph (a)3., operated pursuant to a trust agreement by a board of trustees or as a corporation by a board of directors which board shall:

a. Be responsible to members of the fund or beneficiaries of the trust or policyholders of the corporation;

b. Appoint independent certified public accountants, legal counsel, actuaries, and investment advisers as needed;

c. Approve payment of dividends to members;

d. Approve changes in corporate structure; and

e. Have the authority to contract with an administrator authorized under s. 626.88 to administer the day-to-day affairs of the fund, including, but not limited to, marketing, underwriting, billing, collection, claims administration, safety and loss prevention, reinsurance, policy issuance, accounting, regulatory reporting, and general administration. The fees or compensation for services under such contract shall be comparable to the costs for similar services incurred by insurers writing the same lines of insurance, or where available such expenses as filed by boards, bureaus, and associations designated by insurers to file such data. A majority of the trustees or directors shall be owners, partners, officers, directors, or employees of one or more members of the fund.

(3) Each member of a commercial self-insurance trust fund established pursuant to this section, except a fund established pursuant to subparagraph (2)(a)3., must maintain membership in the association or self-insurance trust fund established under s. 627.357. Membership in a not-for-profit trade association, industry association, or professional association of employers or professionals for the purpose of obtaining or providing insurance shall be in accordance with the constitution or bylaws of the association, and the dues, fees, or other costs of membership shall not be different for members obtaining insurance from the commercial self-insurance fund. The association shall not be liable for any actions of the fund nor shall it have any responsibility for establishing or enforcing any policy of the commercial self-insurance fund. Fees, services, and other aspects of the relationship between the association and the fund shall be subject to contractual agreement.

(4) Any financial institution may participate as a member in a commercial self-insurance fund. A financial institution may not require as a condition precedent to making a loan that the prospective borrower insure with any commercial self-insurance fund. Any financial institution participating in a commercial self-insurance fund may participate only for the purpose of providing coverage on the financial institution's direct commercial property and commercial casualty or surety insurance exposures. The financial institution may not participate for the purpose of covering the direct or indirect exposures of its customers.

(5) A commercial self-insurance fund created under subparagraph (2)(a)4. shall be an insurer for the purpose of any assessments levied by the Florida Hurricane Catastrophe Fund as provided under s. 215.555 or by the Citizens Property Insurance Corporation as provided under s. 627.351(6)(b)3. The office shall establish the method for determining the imputed premium that is subject to any such assessment.

(6) A governmental self-insurance pool created pursuant to s. 768.28(16) shall not be considered a commercial self-insurance fund.

624.466 Application requirements for certificate of authority.—All applications for a certificate of authority for a commercial self-insurance fund shall be on a form adopted by the commission and furnished by the office and shall include or have attached the following:

(1) The name of the fund and the location of the fund's principal office, which shall be maintained within this state.

(2) The kinds of insurance initially proposed to be transacted and a copy of each policy, endorsement, and application form it initially proposes to issue or use.

(3) A copy of the constitution, bylaws, or trust agreement which governs the operation of the fund. The constitution, bylaws, or trust agreement shall contain a provision prohibiting any distribution of surplus funds or profit except to members of the fund, as approved by the office pursuant to s. 624.473.

(4) The names and addresses of the trustees of the fund. The office shall not grant or continue approval as to any fund if the office determines any trustee to be incompetent or untrustworthy; that any trustee has been found guilty of, or has pled guilty or no contest to, a felony, a crime involving moral turpitude, or a crime punishable by imprisonment of 1 year or more under the law of any state, territory, or country, whether or not a judgment or conviction has been entered; or that any trustee has had any type of insurance license revoked in this or any other state.

(5) A copy of a properly executed indemnity agreement binding each fund member to individual, several, and proportionate liability as set forth in ss. 624.472 and 624.474.

(6) A plan of risk management which has established measures and procedures to minimize both the frequency and severity of losses.

(7) Proof of competent and trustworthy persons to administer or service the fund in the areas of claims adjusting, underwriting, risk management, and loss control.

(8) Membership applications and the name and address of each member applying for coverage and a current financial statement on each member applying for coverage showing the aggregate net worth of all members to be not less than \$500,000, a combined ratio of current assets to current liabilities of more than 1 to 1, and a combined working capital of an amount establishing financial strength and liquidity of the businesses to promptly provide for payment of the normal property or casualty claims proposed to be self-insured.

(9)(a) An initial deposit of cash or securities of the type eligible for deposit by insurers under s. 625.52 in the amount of \$100,000.

1. All income from deposits shall belong to the fund and shall be transmitted to the fund as it becomes available.

2. No judgment creditor or other claimant of the fund shall have the right to levy upon any of the assets or securities held as a deposit under this section.

(b) In lieu of the deposit of cash or securities, a fund may file with the office a surety bond in like amount. The bond shall be one issued by an authorized surety insurer, shall be for the same purpose as the deposit in lieu of which it is filed, and shall be subject to the office's approval.

1. No bond shall be approved unless it covers liabilities arising from all policies and contracts issued and entered into during the time the bond is in effect and unless the office is satisfied that the bond provides the same degree of security as would be provided by a deposit of securities.

2. No bond shall be canceled or subject to cancellation unless at least 60 days' advance notice thereof in writing is filed with the office.

(c) Deposits of securities or cash pursuant to this section shall be administered by the office and department in accordance with part III of chapter 625.

(10)(a) Copies of acceptable excess insurance policies written by an insurer or insurers authorized or approved to transact insurance in this state, which excess insurance provides specific and aggregate limits and retention levels satisfactory to the office in accordance with sound actuarial principles. The office may waive this requirement if the fund

demonstrates to the satisfaction of the office that its operation is and will be actuarially sound without obtaining excess insurance.

(b) At least 10 days prior to the proposed effective date of the issuance of any policy, the trustees shall submit proof that the members have paid into a common claims fund in a designated depository cash premiums in an amount of not less than \$50,000 or 10 percent of the estimated annual premium of the members at the inception, whichever is greater.

(11) A copy of a fidelity bond or insurance policy from an authorized insurer providing coverage in an amount equal to not less than 10 percent of the funds handled annually and issued in the name of the fund covering its trustees, employees, administrator, or other individuals managing or handling the funds or assets of the fund. In no case may such bond or policy be less than \$1,000 or more than \$500,000, except that the office may for good cause prescribe an amount in excess of \$500,000, subject to the 10-percent limitation of the preceding sentence.

(12)(a) A plan of operation designed to provide sufficient revenues to pay current and future liabilities, as determined in accordance with sound actuarial principles.

(b) A statement prepared by an actuary who is a member of the American Academy of Actuaries or the Casualty Actuarial Society establishing that the fund has prepared a plan of operation which is based on sound actuarial principles. The office shall not approve the fund unless the office determines that the plan established by the fund is designed to provide sufficient revenues to pay current and future liabilities, as determined in accordance with sound actuarial principles.

(13) Such additional information as the commission or office reasonably requires.

624.501 Filing, license, appointment, and miscellaneous fees.—The department, commission, or office, as appropriate, shall collect in advance, and persons so served shall pay to it in advance, fees, licenses, and miscellaneous charges as follows:

(1) Certificate of authority of insurer.

(a) Filing application for original certificate of authority or modification thereof as a result of a merger, acquisition, or change of controlling interest due to a sale or exchange of stock, including all documents required to be filed therewith, filing fee.....\$1,500.00

(b) Reinstatement fee.....\$50.00

(2) Charter documents of insurer.

(a) Filing articles of incorporation or other charter documents, other than at time of application for original certificate of authority, filing fee.....\$10.00

(b) Filing amendment to articles of incorporation or charter, other than at time of application for original certificate of authority, filing fee.....\$5.00

(c) Filing bylaws, when required, or amendments thereof, filing fee.....\$5.00

(3) Annual license tax of insurer, each domestic insurer, foreign insurer, and alien insurer (except that, as to fraternal benefit societies insuring less than 200 members in this state and the members of which as a prerequisite to membership possess a physical handicap or disability, such license tax shall be \$25).....\$1,000.00

(4) Statements of insurer, filing (except when filed as part of application for original certificate of authority), filing fees:

(a) Annual statement.....\$250.00

(b) Quarterly statement.....\$250.00

(5) All insurance representatives, application for license, application for reinstatement of suspended license, each filing, filing fee.....\$50.00

(6) Insurance representatives, property, marine, casualty, and surety insurance.

(a) Agent's original appointment and biennial renewal or continuation thereof, each insurer or unaffiliated agent making an appointment:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b) Customer representative's original appointment and biennial renewal or continuation thereof:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(c) Nonresident agent's original appointment and biennial renewal or continuation thereof, appointment fee, each insurer or unaffiliated agent making an appointment.....\$60.00

(d) Service representatives; managing general agents.

Original appointment and biennial renewal or continuation thereof, each insurer or managing general agent, whichever is applicable.....\$60.00

(7) Life insurance agents.

(a) Agent's original appointment and biennial renewal or continuation thereof, each insurer or unaffiliated agent making an appointment:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b) Nonresident agent's original appointment and biennial renewal or continuation thereof, appointment fee, each insurer or unaffiliated agent making an appointment.....\$60.00

(8) Health insurance agents.

(a) Agent's original appointment and biennial renewal or continuation thereof, each insurer or unaffiliated agent making an appointment:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b) Nonresident agent's original appointment and biennial renewal or continuation thereof, appointment fee, each insurer or unaffiliated agent making an appointment.....\$60.00
 (9)(a) Except as provided in paragraph (b), all limited appointments as agent, as provided for in s. 626.321. Agent's original appointment and biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b) For all limited appointments as agent, as provided in s. 626.321(1)(c) and (d), the agent's original appointment and biennial renewal or continuation thereof for each insurer is equal to the number of offices, branch offices, or places of business covered by the license multiplied by the fees set forth in paragraph (a).

(10) Fraternal benefit society agents. Original appointment and biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(11) Surplus lines agent. Agent's appointment and biennial renewal or continuation thereof, appointment fee.....\$150.00

(12) Adjusters:

(a) Adjuster's original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00

(b) Nonresident adjuster's original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00

(c) Emergency adjuster's license, appointment fee.....\$10.00

(d) Fee to cover actual cost of credit report, when such report must be secured by department.

(13) Examination—Fee to cover actual cost of examination.

(14) Temporary license and appointment as agent or adjuster, where expressly provided for, rate of fee for each month of the period for which the license and appointment is issued.....\$5.00

(15) Issuance, reissuance, reinstatement, modification resulting in a modified license being issued, duplicate copy of any insurance representative license, or an appointment being reinstated.....\$5.00

(16) Additional appointment continuation fees as prescribed in chapter 626.....\$5.00

(17) Filing application for permit to form insurer as referred to in chapter 628, filing fee.....\$25.00

(18) Annual license fee of rating organization, each domestic or foreign organization.....\$25.00

(19) Miscellaneous services:

(a) For copies of documents or records on file with the department, commission, or office, per page.....\$.15

(b) For each certificate of the department, commission, or office under its seal, authenticating any document or other instrument (other than a license or certificate of authority).....\$5.00

(c) For preparing lists of agents, adjusters, and other insurance representatives, and for other miscellaneous services, such reasonable charge as may be fixed by the office or department.

(d) For processing requests for approval of continuing education courses, processing fee.....\$100.00

(e) Insurer's registration fee for agent exchanging business more than 24 times in calendar year under s. 626.752, s. 626.793, or s. 626.837, registration fee per agent per year.....\$30.00

(20) Adjusting firm, original or renewal 3-year license.....\$60.00

(21) Limited surety agent or professional bail bond agent, as defined in s. 648.25, each agent and each insurer represented. Original appointment and biennial renewal or continuation thereof, each agent or insurer, whichever is applicable:

Appointment fee.....\$44.00

State tax.....24.00

County tax.....12.00

Total.....\$80.00

(22) Certain military installations, as authorized under s. 626.322: original appointment and biennial renewal or continuation thereof, each insurer.....\$20.00

(23) Filing application for original certificate of authority for third-party administrator or original certificate of approval for a service company, including all documents required to be filed therewith, filing fee.....\$100.00

(24) Fingerprinting processing fee—Fee to cover fingerprint processing.

(25) Sales representatives, miscellaneous lines. Original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00

(26) Reinsurance intermediary:

(a) Application filing and license fee.....\$50.00

(b) Original appointment and biennial renewal or continuation thereof, appointment fee.....\$60.00

(27) Title insurance agents:

(a) Agent's original appointment or biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(b) Agency original appointment or biennial renewal or continuation thereof, each insurer:

Appointment fee.....\$42.00

State tax.....12.00

County tax.....6.00

Total.....\$60.00

(c) Filing for title insurance agent's license:

Application for filing, each filing, filing
fee.....\$10.00

(d) Additional appointment continuation fee as prescribed by s. 626.843.....\$5.00

(e) Title insurer and title insurance agency administrative surcharge:

1. On or before January 30 of each calendar year, each title insurer shall pay to the office for each licensed title insurance agency appointed by the title insurer and for each retail office of the insurer on January 1 of that calendar year an administrative surcharge of \$200.00.
2. On or before January 30 of each calendar year, each licensed title insurance agency shall remit to the department an administrative surcharge of \$200.00.

The administrative surcharge may be used solely to defray the costs to the department and office in their examination or audit of title insurance agencies and retail offices of title insurers and to gather title insurance data for statistical purposes to be furnished to and used by the office in its regulation of title insurance.

(28) Late filing of appointment renewals for agents, adjusters, and other insurance representatives, each appointment.....\$20.00

624.610 Reinsurance.—

(11)(a) Any domestic or commercially domiciled insurer ceding directly written risks of loss under this section shall, within 30 days after receipt of a cover note or similar confirmation of coverage, or, without exception, no later than 6 months after the effective date of the reinsurance treaty, file with the office one copy of a summary statement containing the following information about each treaty:

1. The contract period;
2. The nature of the reinsured's business;
3. An indication as to whether the treaty is proportional, nonproportional, coinsurance, modified coinsurance, or indemnity, as applicable;
4. The ceding company's loss retention per risk;
5. The reinsured limits;
6. Any special contract restrictions;
7. A schedule of reinsurers assuming the risks of loss;
8. An indication as to whether payments to the assuming insurer are based on written premiums or earned premiums;
9. Identification of any intermediary or broker used in obtaining the reinsurance and the commission paid to such intermediary or broker if known; and
10. Ceding commissions and allowances.

(b) The summary statement must be signed and attested to by either the chief executive officer or the chief financial officer of the reporting insurer. In addition to the summary

statement, the office may require the filing of any supporting information relating to the ceding of such risks as it deems necessary. If the summary statement prepared by the ceding insurer discloses that the net effect of a reinsurance treaty or treaties (or series of treaties with one or more affiliated reinsurers entered into for the purpose of avoiding the following threshold amount) at any time results in an increase of more than 25 percent to the insurer's surplus as to policyholders, then the insurer shall certify in writing to the office that the relevant reinsurance treaty or treaties comply with the accounting requirements contained in any rule adopted by the commission under subsection (14). If such certificate is filed after the summary statement of such reinsurance treaty or treaties, the insurer shall refile the summary statement with the certificate. In any event, the certificate must state that a copy of the certificate was sent to the reinsurer under the reinsurance treaty.

(c) This subsection applies to cessions of directly written risk or loss. This subsection does not apply to contracts of facultative reinsurance or to any ceding insurer that has a surplus as to policyholders which exceeds \$100 million as of the immediately preceding December 31. A ceding insurer otherwise subject to this section which had less than \$500,000 in direct premiums written in this state during the preceding calendar year and no more than \$250,000 in direct premiums written in this state during the preceding calendar quarter, and which had fewer than 1,000 policyholders at the end of the preceding calendar year, is exempt from this subsection.

(d) An authorized insurer not otherwise exempt from the provisions of this subsection shall provide the information required by this subsection with underlying and supporting documentation upon written request of the office.

(e) The office may, upon a showing of good cause, waive the requirements of this subsection.

625.306 Cash and deposits.—An insurer may have funds in coin or currency of the United States on hand or on deposit in any solvent national or state bank, savings and loan association, or trust company.

626.913 Surplus Lines Law; short title; purposes.—

(1) Sections 626.913-626.937 constitute and may be referred to as the "Surplus Lines Law."

(2) It is declared that the purposes of the Surplus Lines Law are to provide orderly access for the insuring public of this state to insurers not authorized to transact insurance in this state, through only qualified, licensed, and supervised surplus lines agents resident in this state, for insurance coverages and to the extent thereof not procurable from authorized insurers; to protect such authorized insurers, who under the laws of this state must meet certain standards as to policy forms and rates, from unwarranted competition by unauthorized insurers who, in the absence of this law, would not be subject to similar requirements; and for other purposes as set forth in this Surplus Lines Law.

(3) This section, and this Surplus Lines Law, do not apply as to insurance coverages which are subject to s. 626.938.

(4) Except as may be specifically stated to apply to surplus lines insurers, the provisions of chapter 627 do not apply to surplus lines insurance authorized under ss. 626.913-626.937, the Surplus Lines Law.

626.918 Eligible surplus lines insurers.—

(1) A surplus lines agent may not place any coverage with any unauthorized insurer which is not then an eligible surplus lines insurer, except as permitted under subsections (5) and (6).

(2) An unauthorized insurer may not be or become an eligible surplus lines insurer unless made eligible by the office in accordance with the following conditions:

(a) Eligibility of the insurer must be requested in writing by the Florida Surplus Lines Service Office.

(b) The insurer must be currently an authorized insurer in the state or country of its domicile as to the kind or kinds of insurance proposed to be so placed and must have been such an insurer for not less than the 3 years next preceding or must be the wholly owned subsidiary of such authorized insurer or must be the wholly owned subsidiary of an already eligible surplus lines insurer as to the kind or kinds of insurance proposed for a period of not less than the 3 years next preceding. However, the office may waive the 3-year requirement if the insurer provides a product or service not readily available to the consumers of this state or has operated successfully for a period of at least 1 year next preceding and has capital and surplus of not less than \$25 million.

(c) Before granting eligibility, the requesting surplus lines agent or the insurer shall furnish the office with a duly authenticated copy of its current annual financial statement in the English language and with all monetary values therein expressed in United States dollars, at an exchange rate (in the case of statements originally made in the currencies of other countries) then-current and shown in the statement, and with such additional information relative to the insurer as the office may request.

(d)1.a. The insurer must have and maintain surplus as to policyholders of not less than \$15 million; in addition, an alien insurer must also have and maintain in the United States a trust fund for the protection of all its policyholders in the United States under terms deemed by the office to be reasonably adequate, in an amount not less than \$5.4 million. Any such surplus as to policyholders or trust fund shall be represented by investments consisting of eligible investments for like funds of like domestic insurers under part II of chapter 625 provided, however, that in the case of an alien insurance company, any such surplus as to policyholders may be represented by investments permitted by the domestic regulator of such alien insurance company if such investments are substantially similar in terms of quality, liquidity, and security to eligible investments for like funds of like domestic insurers under part II of chapter 625. Clean, irrevocable, unconditional, and evergreen letters of credit issued or confirmed by a qualified United States financial institution, as defined in subparagraph 2., may be used to fund the trust.

b. For those surplus lines insurers that were eligible on January 1, 1994, and that maintained their eligibility thereafter, the required surplus as to policyholders shall be:

(I) On December 31, 1994, and until December 30, 1995, \$2.5 million.

(II) On December 31, 1995, and until December 30, 1996, \$3.5 million.

(III) On December 31, 1996, and until December 30, 1997, \$4.5 million.

(IV) On December 31, 1997, and until December 30, 1998, \$5.5 million.

(V) On December 31, 1998, and until December 30, 1999, \$6.5 million.

(VI) On December 31, 1999, and until December 30, 2000, \$8 million.

(VII) On December 31, 2000, and until December 30, 2001, \$9.5 million.

(VIII) On December 31, 2001, and until December 30, 2002, \$11 million.

(IX) On December 31, 2002, and until December 30, 2003, \$13 million.

(X) On December 31, 2003, and thereafter, \$15 million.

c. The capital and surplus requirements as set forth in sub-subparagraph b. do not apply in the case of an insurance exchange created by the laws of individual states, where the exchange maintains capital and surplus pursuant to the requirements of that state, or maintains capital and surplus in an amount not less than \$50 million in the aggregate. For an insurance exchange which maintains funds in the amount of at least \$12 million for the protection of all insurance exchange policyholders, each individual syndicate shall maintain minimum capital and surplus in an amount not less than \$3 million. If the insurance exchange does not maintain funds in the amount of at least \$12 million for the protection of all insurance exchange policyholders, each individual syndicate shall meet the minimum capital and surplus requirements set forth in sub-subparagraph b.

d. A surplus lines insurer which is a member of an insurance holding company that includes a member which is a Florida domestic insurer as set forth in its holding company registration statement, as set forth in s. 628.801 and rules adopted thereunder, may elect to maintain surplus as to policyholders in an amount equal to the requirements of s. 624.408, subject to the requirement that the surplus lines insurer shall at all times be in compliance with the requirements of chapter 625.

The election shall be submitted to the office and shall be effective upon the office's being satisfied that the requirements of sub-subparagraph d. have been met. The initial date of election shall be the date of office approval. The election approval application shall be on a form adopted by commission rule. The office may approve an election form submitted pursuant to sub-subparagraph d. only if it was on file with the former Department of Insurance before February 28, 1998.

2. For purposes of letters of credit under subparagraph 1., the term "qualified United States financial institution" means an institution that:

a. Is organized or, in the case of a United States office of a foreign banking organization, is licensed under the laws of the United States or any state.

b. Is regulated, supervised, and examined by authorities of the United States or any state having regulatory authority over banks and trust companies.

c. Has been determined by the office or the Securities Valuation Office of the National Association of Insurance Commissioners to meet such standards of financial condition and standing as are considered necessary and appropriate to regulate the quality of financial institutions whose letters of credit are acceptable to the office.

(e) The insurer must be of good reputation as to the providing of service to its policyholders and the payment of losses and claims.

(f) The insurer must be eligible, as for authority to transact insurance in this state, under s. 624.404(3).

(g) This subsection does not apply as to unauthorized insurers made eligible under s. 626.917 as to wet marine and aviation risks.

(3) The office shall from time to time publish a list of all currently eligible surplus lines insurers and shall mail a copy thereof to each licensed surplus lines agent at his or her office of record with the office.

(4) This section shall not be deemed to cast upon the office any duty or responsibility to determine the actual financial condition or claims practices of any unauthorized insurer; and the status of eligibility, if granted by the office, shall indicate only that the insurer appears to be sound financially and to have satisfactory claims practices and that the office has no credible evidence to the contrary.

(5) When it appears that any particular insurance risk which is eligible for export, but on which insurance coverage, in whole or in part, is not procurable from the eligible surplus lines insurers, after a search of eligible surplus lines insurers, then the surplus lines agent may file a supplemental signed statement setting forth such facts and advising the office that such part of the risk as shall be unprocurable, as aforesaid, is being placed with named unauthorized insurers, in the amounts and percentages set forth in the statement. Such named unauthorized insurer shall, however, before accepting any risk in this state, deposit with the department cash or securities acceptable to the office and department of the market value of \$50,000 for each individual risk, contract, or certificate, which deposit shall be held by the department for the benefit of Florida policyholders only; and the surplus lines agent shall procure from such unauthorized insurer and file with the office a certified copy of its statement of condition as of the close of the last calendar year. If such statement reveals, including both capital and surplus, net assets of at least that amount required for licensure of a domestic insurer, then the surplus lines agent may proceed to consummate such contract of insurance. Whenever any insurance risk, or any part thereof, is placed with an unauthorized insurer, as provided herein, the policy, binder, or cover note shall contain a

statement signed by the insured and the agent with the following notation: "The insured is aware that certain insurers participating in this risk have not been approved to transact business in Florida nor have they been declared eligible as surplus lines insurers by the Office of Insurance Regulation of Florida. The placing of such insurance by a duly licensed surplus lines agent in Florida shall not be construed as approval of such insurer by the Office of Insurance Regulation of Florida. Consequently, the insured is aware that the insured has severely limited the assistance available under the insurance laws of Florida. The insured is further aware that he or she may be charged a reasonable per policy fee, as provided in s. 626.916(4), Florida Statutes, for each policy certified for export." All other provisions of this code shall apply to such placement the same as if such risks were placed with an eligible surplus lines insurer.

(6) When any particular insurance risk subject to subsection (5) is eligible for placement with an unauthorized insurer and not more than 12.5 percent of the risk is so subject, the office may, at its discretion, permit the agent to obtain from the insured a signed statement as indicated in subsection (5). All other provisions of this code apply to such placement the same as if such risks were placed with an eligible surplus lines insurer.

628.041 Applicability of general corporation statutes.—The applicable statutes of this state relating to the powers and procedures of domestic private corporations formed for profit shall apply to domestic stock insurers and to domestic mutual insurers, except:

- (1) As to any domestic mutual insurers incorporated pursuant to chapter 617, which chapter shall govern such insurers when in conflict with part I of chapter 607; and
- (2) When in conflict with the express provisions of this code.

628.6011 Assessable mutual insurers.—

(1) An "assessable mutual insurer" is an insurer incorporated in Florida without permanent capital stock which has only policyholders, insureds, or risks located in Florida and which transacts insurance only within Florida. An assessable mutual insurer may be formed only in accordance with part I. Members of the assessable mutual have a contingent liability for discharge of its liabilities as provided in this part. An assessable mutual may be authorized to offer only property, health, and casualty insurance.

(2) The assessable mutual shall not participate in the Florida Insurance Guaranty Association or the Florida Life and Health Insurance Guaranty Association.

628.051 Application for permit to form insurer; contents; fee.—

(1) No domestic insurer shall be formed unless the persons so proposing have received a permit from the office.

(2) Written application for such permit shall be filed with the office. Such application and filing shall include:

(a) The name, type, and purpose of insurer.

(b) The name, residence address, business background, and qualifications of each person associated or to be associated in the formation or financing of the insurer. Each such person with an ownership interest of 10 percent or more, or who will hold a position as an officer or director, must furnish on forms adopted by the commission and supplied by the office a sworn biographical statement, legible copies of fingerprints, and authority for release of information in regard to the investigation of such person's background.

(c) A full disclosure of the terms of all understandings and agreements existing or proposed among persons so associated relative to the insurer, or the formation or financing thereof, accompanied by a copy of each such agreement or understanding.

(d) A full disclosure of the terms of all understandings and agreements existing or proposed for management or exclusive agency contracts.

- (e) A copy of all proposed articles or certificates of incorporation and proposed bylaws of the proposed insurer.
 - (f) A copy of all articles or certificates of incorporation of involved corporations, if a copy of the same is not already on file in the office.
 - (g) A copy of all syndicate, association, firm, partnership, organization, or other similar agreements, by whatever name called, involved in the formation of the proposed insurer or its financing.
 - (h) If the applicant is a reciprocal insurer, a copy of the power of attorney and of other agreements existing or proposed as affecting investors, subscribers, the attorney in fact, or the applicant.
 - (i) A copy of any security, or of any proposed document evidencing any right or interest, proposed to be offered.
 - (j) Such other pertinent information and documents as reasonably requested by the commission or office.
- (3) The application shall be accompanied by the filing fee specified in s. 624.501.

628.061 Investigation of proposed organization.—In connection with any proposal to incorporate a domestic insurer, the office shall make an investigation of:

- (1) The character, reputation, financial standing, and motives of the organizers, incorporators, and subscribers organizing the proposed insurer.
- (2) The character, financial responsibility, insurance experience, and business qualifications of its proposed officers.
- (3) The character, financial responsibility, business experience, and standing of the proposed stockholders and directors.

628.071 Granting, denial of permit.—

- (1) The office shall expeditiously examine and investigate the application for a permit as referred to in s. 628.051. If the office finds that:
 - (a) The application is complete;
 - (b) The documents therewith filed are in compliance with law;
 - (c) None of the stockholders, organizers, incorporators, subscribers, and other persons who directly or indirectly exercise or have the ability to exercise effective control of the proposed insurer or who will be involved in its management have been found guilty of, or have pleaded guilty or nolo contendere to, a felony or a crime punishable by imprisonment of 1 year or more under the law of the United States or any state thereof, or under the law of any other country, which involves moral turpitude, without regard to whether a judgment of conviction has been entered by the court having jurisdiction of such cases;
 - (d) The proposed financial structure is adequate; and
 - (e) All stockholders, organizers, incorporators, subscribers, and other persons who directly or indirectly exercise or have the ability to exercise effective control of the proposed insurer or who will be involved in management of the proposed insurer possess the financial standing and business experience to form an insurer;

it shall issue to the applicant a permit to form the proposed insurer.

- (2) If the office does not so find, or finds that the insurer if formed or financed would not be able to qualify for or retain a certificate of authority by reason of the provisions of s. 624.404(3), a permit shall not be granted.
- (3) A permit granted under the provisions of this section shall be valid for 1 year from the date of issue, and during any extension of such period, not to exceed an additional year, as may be authorized by the office upon cause shown. The articles of incorporation and all other proceedings thereunder shall become void 1 year from the issue date of such permit

or upon the expiration of such extended period, unless the formation of the proposed insurer has been completed and a certificate of authority has been issued by the office.

628.081 Incorporation of domestic insurer.—

- (1) Five or more individuals, none of whom is less than 18 years of age, may incorporate a stock insurer; 10 or more individuals, none of whom is less than 18 years of age, may incorporate a mutual insurer. At least a majority of the incorporators shall be citizens of the United States.
- (2) The incorporators shall execute articles of incorporation in triplicate. At least three of them shall acknowledge execution before an officer authorized to take acknowledgments.
- (3) The articles of incorporation shall state the purpose for which the corporation is formed and shall state and show:
 - (a) The name of the corporation.
 - (b) The duration of its existence, which may be perpetual.
 - (c) The kinds of insurance which the corporation is formed to transact.
 - (d) If a stock corporation, its authorized capital stock, the number of shares of stock into which divided, and the par value of each such share, which par value shall be at least \$1 but not more than \$100.
 - (e) If a mutual corporation, the maximum contingent liability of its members, other than as to nonassessable policies, for payment of losses and expenses incurred; such liability shall be as stated in the articles of incorporation but shall not be less than 3 nor more than 10 times the premium for the member's policy at the annual premium rate for a term of 1 year.
 - (f) The number of directors, not less than five, who shall constitute the board of directors and conduct the affairs of the corporation. The term of office of initial directors shall not be for more than 1 year after the date of incorporation.
 - (g) The name of the county, and the city, town, or place within the county, in which its principal office or principal place of business is to be located in this state.
 - (h) Such other provisions, not inconsistent with law, deemed appropriate by the incorporators.
 - (i) The name and residence address of each incorporator and the citizenship of each incorporator who is not a citizen of the United States.

628.091 Filing, approval of articles of incorporation.—

- (1) No domestic stock or mutual insurer shall be formed unless its articles of incorporation are approved by the office prior to filing the same with and approval by the Department of State as provided by law.
- (2) The incorporators shall file the triplicate originals of the articles of incorporation with the office, accompanied by the filing fee specified in s. 624.501.
- (3) The office shall promptly examine the articles of incorporation. If it finds that the articles of incorporation conform to law, and that a permit has been or will be issued, it shall endorse its approval on each of the triplicate originals of the articles of incorporation, retain one copy for its files, and return the remaining copies to the incorporators for filing with the Department of State.
- (4) If the office does not so find, it shall refuse to approve the articles of incorporation and shall return the originals.

628.121 Capital stock; amount; payment.—

- (1) The articles of incorporation of a stock insurer shall provide for authorized capital in an amount not less than that required under this code.
- (2) In the sale of the insurer's capital stock, an amount not less than the minimum paid-in capital stock required under this code shall be paid in with money of the United States or in

equivalent United States Government securities. Any additional sums paid for stock or any stock sold after the minimum required capital has been so paid in in money may be in the form of any type of securities in which the insurer is authorized to invest its funds under part II of chapter 625.

628.151 Insurance business exclusive.—

- (1) No domestic insurer shall engage directly or indirectly in any business other than the insurance business and business activities reasonably and necessarily incidental to such insurance business.
- (2) A title insurer may also engage in business as an escrow agent; and any insurer may also engage in the business of making, acquiring, selling, dealing in, and servicing of real estate mortgage loans and loans incidental thereto.
- (3) A business trust whose declaration of trust was filed with the Secretary of State of Florida prior to January 1, 1959, and which, at the time of the adoption of this code, held a certificate of authority as a title insurer may qualify as an insurer for lawyers' professional liability insurance by complying with the applicable provisions of this code.

628.161 Initial qualifications; mutuals.—

- (1) When newly organized, a mutual insurer may be authorized to transact any of the kinds of insurance listed in the schedule contained in subsection (2).
- (2)(a) When applying for an initial certificate of authority, the mutual insurer must have unencumbered surplus as to policyholder funds in the amount set out below as minimum initial surplus as to policyholders:
 1. With respect to health insurance, \$300,000.
 2. With respect to property insurance, \$200,000.
 3. With respect to casualty insurance, \$300,000.
 4. With respect to any combination of health, property, or casualty insurance, \$400,000.
 5. With respect to life insurance, \$2.5 million.
- (b) Thereafter, the mutual insurer must maintain the maintenance level surplus as to policyholders set out below:
 1. With respect to health insurance, \$200,000.
 2. With respect to property insurance, \$150,000.
 3. With respect to casualty insurance, \$200,000.
 4. With respect to any combination of health, property, or casualty insurance, \$250,000.
 5. With respect to life insurance, \$1.5 million.
- (3) The mutual insurer shall make an initial deposit with the department and thereafter maintain such deposit in an amount equal to one-half the minimum initial surplus as required in paragraph (2)(a), except that with respect to life insurance, the deposit shall be in the amount of \$200,000.
- (4) Unless a mutual insurer maintains the minimum surplus as to policyholders required by s. 624.408, the mutual insurer must be organized as an assessable mutual insurer subject to the requirements of part II of this chapter.
- (5) Deposits required by this section shall be made in compliance with part III of chapter 625. This deposit requirement is in lieu of the requirements of s. 624.411.
- (6) A self-insured fund organized under s. 624.4621 and holding a certificate of authority as a self-insurer's fund on December 31, 1993, may become a mutual insurer under this part, pursuant to a plan of reorganization approved by the office. A plan of reorganization must be approved by the office if:
 - (a) The self-insurer's fund has sufficient financial resources to satisfy all of its obligations under all policies and coverages afforded by the fund before the reorganization and has sufficient financial resources to satisfy all of its other liabilities;
 - (b) The self-insurer's fund has a minimum of \$5 million of surplus;

- (c) The self-insurer's fund submits a plan that demonstrates its ability to satisfy the requirements of this chapter pertaining to mutual insurers on an ongoing basis; and
- (d) The mutual insurer resulting from the reorganization of the self-insurer's fund retains ownership of all of the assets of the self-insurer's fund, retains all of the liabilities of the self-insurer's fund, and agrees to hold all fund members harmless from any assessment for liabilities of the self-insurer's fund before the date of reorganization.

Upon approval of the plan by the office, any contingent liability of the members or former members of the self-insurer's fund for assessment for losses of the self-insurer's fund is considered satisfied, and all liability for any such contingent assessment is extinguished as of the date the self-insurer's fund becomes an authorized mutual insurer and retains all of the assets and liabilities of the self-insurer's fund.

628.221 Bylaws of mutual insurer.—

- (1) The initial board of directors of a domestic mutual insurer shall adopt original bylaws, subject to the approval of the insurer's members at the next succeeding meeting. The members shall have power to make, modify, and revoke bylaws.
- (2) The bylaws shall provide:
 - (a) That each member is entitled to one vote upon each matter coming to a vote at meetings of members, or to more votes in accordance with a reasonable classification of members as set forth in the bylaws and based upon the amount of insurance in force, or upon the amount of the premiums paid by such member, or upon other reasonable factors. A member shall have the right to vote in person or by his or her written proxy. No such proxy shall be made irrevocable or for longer than a reasonable period of time;
 - (b) For the election of directors by the members and the number, qualifications, terms of office, and powers of the directors;
 - (c) The time, notice, quorum, and conduct of annual and special meetings of members and voting thereat. The bylaws may provide that the annual meeting shall be held at a place, date, and time to be set forth in the policy and without giving other notice of such meeting;
 - (d) The number, designation, election, terms, and powers and duties of the respective corporate officer;
 - (e) For deposit, custody, and disbursement of and accounting for corporate funds;
 - (f) That a quorum at all annual and special meetings of members will consist of all members present and voting in person or by proxy, after due notice of such meeting;
 - (g) For any other reasonable provisions customary, necessary, or convenient for the management or regulation of its corporate affairs and not inconsistent with law.
- (3) The insurer shall promptly file with the office a copy, certified by the insurer's secretary, of its bylaws and of every modification thereof or addition thereto. The office shall disapprove any bylaw provision deemed by it to be unlawful, unreasonable, inadequate, unfair, or detrimental to the proper interests or protection of the insurer's members or any class thereof. The insurer shall not, after receiving written notice of such disapproval and during the existence thereof, effectuate any bylaw provision so disapproved.

628.231 Directors.—

- (1) The affairs of every domestic insurer shall be managed by not less than five directors.
- (2) Directors must be elected by the members or stockholders of a domestic insurer at the annual meeting of stockholders or members. Directors may be elected for terms of not more than 3 years each and until their successors are elected and have qualified; and, if to be elected for terms of more than 1 year, the insurer's bylaws shall provide for a staggered-terms system under which the terms of a proportionate part of the members of the board of directors will expire on the date of each annual meeting of stockholders or members.

- (3) A majority of the directors must be citizens of the United States.
- (4) If so provided in a stock insurer's bylaws, a director of such stock insurer shall be a stockholder thereof; and, if so provided in a mutual insurer's bylaws, a director of such mutual insurer shall be a policyholder thereof.
- (5) In discharging his or her duties, a director may consider such factors as the directors deem relevant, including, but not limited to, the long-term prospects and interests of the corporation and its shareholders, the social, economic, legal, or other effects of any action on the employees, suppliers, or policyholders of the corporation or its subsidiaries, the communities and society in which the corporation or its subsidiaries operate, and the economy of the state and the nation. The director may also consider the short-term and long-term interests of the insurer, including, but not limited to, benefits that may accrue to the insured from the insurer's long-term plans, the possibility that such interests may be best served by the continued independence of the insurer, the resources, intent, and past, present, and potential conduct of any person seeking to acquire control of the insurer, and any other relevant factors.

628.251 Management and exclusive agency contracts.—

- (1) No domestic mutual insurer or stock insurer shall make any contract whereby any person is granted or is to enjoy in fact the management of the insurer to the substantial exclusion of its board of directors or to have the controlling or preemptive right to produce substantially all insurance business for the insurer, unless the contract is filed with and approved by the office.
- (2) Any such contract shall provide that any such manager or producer of its business shall within 90 days after expiration of each calendar year furnish the insurer's board of directors a written statement of amounts received under or on account of the contract and amounts expended thereunder during such calendar year, including the emoluments received therefrom by the respective directors, officers, and other principal management personnel of the manager or producer, and with such classification of items and further detail as the insurer's board of directors may reasonably require.
- (3) The office shall disapprove any such contract if it finds that it:
 - (a) Subjects the insurer to excessive charges;
 - (b) Is to extend for an unreasonable length of time;
 - (c) Does not contain fair and adequate standards of performance; or
 - (d) Contains other inequitable provision or provisions which impair the proper interests of policyholders or members of the insurer.

628.261 Notice of change of director or officer.—An insurer shall give the office written notice of any change of personnel among the directors or principal officers of the insurer within 45 days of such change. The written notice shall include all information necessary to allow the office to determine that the insurer will be in compliance with s. 624.404(3) and at a minimum shall contain the information required by s. 628.051(2)(b), (c), and (d).

628.451 Merger or share exchange of stock insurers and other entities.—

- (1) Notwithstanding general limitations on the ability of corporations to merge with other types of entities, a merger may be effected between or among one or more domestic or foreign stock insurers authorized to transact insurance in this state and one or more other entities authorized to transact insurance and self-insurance in this state, including a self-insurance trust fund existing pursuant to s. 627.357, provided, in the case of a merger of a stock insurer with a self-insurance trust fund, that the stock insurer is the surviving entity after the merger, by compliance with the applicable provisions of the statutes of this state governing the merger or share exchange of stock corporations formed for profit and the

applicable provisions of the statutes and regulations of this state governing the merger or share exchange of other entities, including self-insurance trust funds, formed pursuant to the laws of this state, but subject to the special provisions of this section:

(a) A merger or share exchange may be initially proposed at any meeting of the board of directors of a domestic stock insurer by the affirmative vote of two-thirds of the total number of directors of the corporation, or at any meeting of the stockholders of the corporation by the affirmative vote of a majority of the total number of shares of stock outstanding and entitled to vote, provided the notice of such meeting sets forth such proposal.

(b) The plan of merger or share exchange, proposed as required by paragraph (a), shall be submitted to a duly called meeting of the stockholders of record of each domestic stock insurer and may become effective only if adopted at such meeting by the affirmative vote of 75 percent of the total number of shares of stock outstanding and entitled to vote. The notice of such meeting shall set forth in full the proposed plan of merger or share exchange.

(2) No such merger or share exchange shall be effectuated unless in advance thereof the plan and agreement therefor have been filed with the office and approved by it. The office shall give such approval provided it finds such plan or agreement:

(a) Is in compliance with law;

(b) Is fair to the stockholders of or other holders of interests in any insurer or self-insurer involved; and

(c) Would not substantially reduce the security of and service to be rendered to policyholders of the domestic insurer in this state or elsewhere.

(3) No director, officer, agent, or employee of any insurer party to such merger or share exchange shall receive any fee, commission, compensation, or other valuable consideration whatsoever for in any manner aiding, promoting, or assisting therein except as set forth in such plan or agreement.

(4) Any plan or proposal through which a stock insurer proposes to acquire a controlling stock interest in another stock insurer or other insurance or self-insurance entity through an exchange of stock of the first insurer, issued by the insurer for the purpose, for such controlling stock of or other interests in the second insurer or self-insurer is deemed to be a plan or proposal of merger of the second insurer or self-insurer into the first insurer for the purposes of this section and is subject to the applicable provisions hereof.

628.461 Acquisition of controlling stock.—

(1) A person may not, individually or in conjunction with any affiliated person of such person, acquire directly or indirectly, conclude a tender offer or exchange offer for, enter into any agreement to exchange securities for, or otherwise finally acquire 10 percent or more of the outstanding voting securities of a domestic stock insurer or of a controlling company, unless:

(a) The person or affiliated person has filed with the office and sent to the insurer and controlling company a letter of notification regarding the transaction or proposed transaction within 5 days after any form of tender offer or exchange offer is proposed, or within 5 days after the acquisition of the securities if no tender offer or exchange offer is involved. The notification must be provided on forms prescribed by the commission containing information determined necessary to understand the transaction and identify all purchasers and owners involved;

(b) The person or affiliated person has filed with the office the statement as specified in subsection (3). The statement must be completed and filed within 30 days after:

1. Any definitive acquisition agreement is entered;

2. Any form of tender offer or exchange offer is proposed; or

3. The acquisition of the securities, if no definitive acquisition agreement, tender offer, or exchange offer is involved; and

(c) The office has approved the tender or exchange offer, or acquisition if no tender offer or exchange offer is involved, and approval is in effect.

A filing required under this subsection must be made for any acquisition that equals or exceeds 10 percent of the outstanding voting securities.

(2) This section does not apply to any acquisition of voting securities of a domestic stock insurer or of a controlling company by any person who, on July 1, 1976, is the owner of a majority of such voting securities or who, on or after July 1, 1976, becomes the owner of a majority of such voting securities with the approval of the office under this section. The person or affiliated person filing the notice required by paragraph (1)(a) may request, in writing, the office to waive the requirements of paragraph (1)(b) if there is no change in the ultimate controlling shareholder or ownership percentages of the ultimate controlling shareholders and no unaffiliated parties acquire any direct or indirect interest in the insurer. The office may waive the filing if it determines that in fact there is no change in the ultimate controlling shareholder or ownership percentages of the ultimate controlling shareholders and no unaffiliated parties will acquire any direct or indirect interest in the insurer.

(3) The statement to be filed with the office under subsection (1) and furnished to the insurer and controlling company must contain all the following information and any additional information that the office deems necessary to determine the character, experience, ability, and other qualifications of the person or affiliated person of such person for the protection of the policyholders and shareholders of the insurer and the public:

(a) The identity of, and the background information specified in subsection (4) on, each natural person by whom, or on whose behalf, the acquisition is to be made; and, if the acquisition is to be made by, or on behalf of, a corporation, association, or trust, as to the corporation, association, or trust and as to any person who controls, directly or indirectly, the corporation, association, or trust, the identity of, and the background information specified in subsection (4) on, each director, officer, trustee, or other natural person performing duties similar to those of a director, officer, or trustee for the corporation, association, or trust.

(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 that such persons may have made to liquidate such 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 that such persons may have made to liquidate any controlling company of such 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 number of shares or other securities that 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.

(e) Information as to any contract, arrangement, or understanding with any party with respect to any of the securities of the 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.

(f) Effective January 1, 2015, an agreement by the person required to file the statement that the person will provide the annual report specified in s. 628.801(2) if control exists.

(g) Effective January 1, 2015, an acknowledgment by the person required to file the statement that the person and all subsidiaries within the person's control in the insurance holding company system will provide, as necessary, information to the office upon request to evaluate enterprise risk to the insurer.

(4)(a) The information as to the background and identity of each person, which information is required to be furnished pursuant to paragraph (3)(a), shall include:

1. The person's occupations, positions of employment, and offices held during the past 10 years.
2. The principal business and address of any business, corporation, or other organization in which each such office of the person was held or in which each such occupation or position of employment was carried on.
3. Whether the person was, at any time during such 10-year period, convicted of any crime other than a traffic violation.
4. Whether the person has been, during such 10-year period, the subject of any proceeding for the revocation of any license and, if so, the nature of the proceeding and the disposition of the proceeding.
5. Whether, during the 10-year period, the person has been the subject of any proceeding under the federal ¹Bankruptcy Act or whether, during the 10-year period, any corporation, partnership, firm, trust, or association in which the person was a director, officer, trustee, partner, or other official has been subject to any such proceeding, either during the time in which the person was a director, officer, trustee, partner, or other official or within 12 months thereafter.
6. Whether, during the 10-year period, the person has been enjoined, either temporarily or permanently, by a court of competent jurisdiction from violating any federal or state law regulating the business of insurance, securities, or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities, or banking, together with details as to any such event.

(b) Any corporation, association, or trust filing the statement required by this section shall give all required information that is within the knowledge of the directors, officers, or trustees (or others performing functions similar to those of a director, officer, or trustee) of the corporation, association, or trust making the filing and of any person controlling either directly or indirectly such corporation, association, or trust. A copy of the statement and any amendments to the statement shall be sent by registered mail to the insurer at its principal office within the state and to any controlling company at its principal office. If any material change occurs in the facts set forth in the statement filed with the office and sent to such insurer or controlling company pursuant to this section, an amendment setting forth such changes shall be filed immediately with the office and sent immediately to such insurer and controlling company.

(5)(a) The acquisition of voting securities shall be deemed approved unless the office disapproves the proposed acquisition within 90 days after the statement required by subsection (1) has been filed. The office may on its own initiate, or if requested to do so in writing by a substantially affected party shall conduct, a proceeding to consider the appropriateness of the proposed filing. The 90-day time period shall be tolled during the pendency of the proceeding. Any written request for a proceeding must be filed with the office within 10 days of the date notice of the filing is given. During the pendency of the proceeding or review period by the office, any person or affiliated person complying with the filing requirements of this section may proceed and take all steps necessary to conclude the acquisition so long as the acquisition becoming final is conditioned upon obtaining office approval. The office shall, however, at any time that it finds an immediate danger to the public health, safety, and welfare of the domestic policyholders exists, immediately order, pursuant to s. 120.569(2)(n), the proposed acquisition temporarily disapproved and any further steps to conclude the acquisition ceased.

(b) During the pendency of the office's review of any acquisition subject to the provisions of this section, the acquiring person shall not make any material change in the operation of the insurer or controlling company unless the office has specifically approved the change nor shall the acquiring person make any material change in the management of the insurer unless advance written notice of the change in management is furnished to the office. A

material change in the operation of the insurer is a transaction which disposes of or obligates 5 percent or more of the capital and surplus of the insurer. A material change in the management of the insurer is any change in management involving officers or directors of the insurer or any person of the insurer or controlling company having authority to dispose of or obligate 5 percent or more of the insurer's capital or surplus. The office shall approve a material change in operation if it finds the applicable provisions of subsection (7) have been met. The office may disapprove a material change in management if it finds that the applicable provisions of subsection (7) have not been met and in such case the insurer shall promptly change management as acceptable to the office.

(c) If a request for a proceeding is filed, the proceeding shall be conducted within 60 days after the date the written request for a proceeding is received by the office. A recommended order shall be issued within 20 days of the date of the close of the proceedings. A final order shall be issued within 20 days of the date of the recommended order or, if exceptions to the recommended order are filed, within 20 days of the date the exceptions are filed.

(6) The office may disapprove any acquisition subject to the provisions of this section by any person or any affiliated person of such person who:

(a) Willfully violates this section;

(b) In violation of an order of the office issued pursuant to subsection (10), fails to divest himself or herself of any stock obtained in violation of this section, or fails to divest himself or herself of any direct or indirect control of such stock, within 25 days after such order; or

(c) In violation of an order issued by the office pursuant to subsection (10), acquires additional stock of the domestic insurance company or controlling company, or direct or indirect control of such stock, without complying with this section.

(7) The person or persons filing the statement required by subsection (1) shall have the burden of proof. The office shall approve any such acquisition if it finds, on the basis of the record made during any proceeding or on the basis of the filed statement if no proceeding is conducted, that:

(a) Upon completion of the acquisition, the domestic stock insurer will be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;

(b) The financial condition of the acquiring person or persons will not jeopardize the financial stability of the insurer or prejudice the interests of its policyholders or the public;

(c) Any plan or proposal which the acquiring person has, or acquiring persons have, made:

1. To liquidate the insurer, sell 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; or
2. To liquidate any controlling company, sell its assets, or merge or consolidate it with any person, or to make any major change in its business or corporate structure or management which would have an effect upon the insurer

is fair and free of prejudice to the policyholders of the domestic stock insurer or to the public;

(d) The competence, experience, and integrity of those persons who will control directly or indirectly the operation of the domestic stock insurer indicate that the acquisition is in the best interest of the policyholders of the insurer and in the public interest;

(e) The natural persons for whom background information is required to be furnished pursuant to this section have such backgrounds as to indicate that it is in the best interests of the policyholders of the domestic stock insurer, and in the public interest, to permit such persons to exercise control over such domestic stock insurer;

(f) The officers and directors to be employed after the acquisition have sufficient insurance experience and ability to assure reasonable promise of successful operation;

(g) The management of the insurer after the acquisition will be competent and trustworthy and will possess sufficient managerial experience so as to make the proposed operation of the insurer not hazardous to the insurance-buying public;

(h) The management of the insurer after the acquisition will not include any person who has directly or indirectly through ownership, control, reinsurance transactions, or other insurance or business relations unlawfully manipulated the assets, accounts, finances, or books of any insurer or otherwise acted in bad faith with respect thereto;

(i) The acquisition is not likely to be hazardous or prejudicial to the insurer's policyholders or the public; and

(j) The effect of the acquisition of control would not substantially lessen competition in insurance in this state or would not tend to create a monopoly therein.

(8) No vote by the stockholder of record, or by any other person, of any security acquired in contravention of the provisions of this section is valid. Any acquisition of any security contrary to the provisions of this section is void. Upon the petition of the domestic stock insurer or controlling company, the circuit court for the county in which the principal office of such domestic stock insurer is located may, without limiting the generality of its authority, order the issuance or entry of an injunction or other order to enforce the provisions of this section. There shall be a private right of action in favor of the domestic stock insurer or controlling company to enforce the provisions of this section. No demand upon the office that it perform its functions shall be required as a prerequisite to any suit by the domestic stock insurer or controlling company against any other person, and in no case shall the office be deemed a necessary party to any action by such domestic stock insurer or controlling company to enforce the provisions of this section. Any person who makes or proposes an acquisition requiring the filing of a statement pursuant to this section, or who files such a statement, shall be deemed to have thereby designated the Chief Financial Officer, or his or her assistant or deputy or another person in charge of his or her office, as such person's agent for service of process under this section, and shall thereby be deemed to have submitted himself or herself to the administrative jurisdiction of the office and to the jurisdiction of the circuit court.

(9) Any approval by the office under this section does not constitute a recommendation by the office for an acquisition, tender offer, or exchange offer. It is unlawful for a person to represent that the office's approval constitutes a recommendation. A person who violates the provisions of this subsection is guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084. The statute-of-limitations period for the prosecution of an offense committed under this subsection is 5 years.

(10) Upon notification to the office by the domestic stock insurer or a controlling company that any person or any affiliated person of such person has acquired 10 percent or more of the outstanding voting securities of the domestic stock insurer or controlling company without complying with the provisions of this section, the office shall order that the person and any affiliated person of such person cease acquisition of any further securities of the domestic stock insurer or controlling company; however, the person or any affiliated person of such person may request a proceeding, which proceeding shall be convened within 7 days after the rendering of the order for the sole purpose of determining whether the person, individually or in connection with any affiliated person of such person, has acquired 10 percent or more of the outstanding voting securities of a domestic stock insurer or controlling company. Upon the failure of the person or affiliated person to request a hearing within 7 days, or upon a determination at a hearing convened pursuant to this subsection that the person or affiliated person has acquired voting securities of a domestic stock insurer or controlling company in violation of this section, the office may order the person and affiliated person to divest themselves of any voting securities so acquired.

(11)(a) The office shall, if necessary to protect the public interest, suspend or revoke the certificate of authority of any insurer or controlling company:

1. The control of which is acquired in violation of this section;
2. That is controlled, directly or indirectly, by any person or any affiliated person of such person who, in violation of this section, has obtained control of a domestic stock insurer or controlling company; or

3. That is controlled, directly or indirectly, by any person who, directly or indirectly, controls any other person who, in violation of this section, acquires control of a domestic stock insurer or controlling company.

(b) If any insurer is subject to suspension or revocation pursuant to paragraph (a), the insurer shall be deemed to be in such condition, or to be using or to have been subject to such methods or practices in the conduct of its business, as to render its further transaction of insurance presently or prospectively hazardous to its policyholders, creditors, or stockholders or to the public.

(12)(a) A person may rebut a presumption of control by filing a disclaimer of control with the office on a form prescribed by the office. The disclaimer must fully disclose all material relationships and bases for affiliation between the person and the insurer as well as the basis for disclaiming the affiliation. In lieu of such form, a person or acquiring party may file with the office a copy of a Schedule 13G filed with the Securities and Exchange Commission pursuant to rules 13d-1(b) or 13d-1(c) under the Securities Exchange Act of 1934, as amended. After a disclaimer has been filed, the insurer is relieved of any duty to register or report under this section which may arise out of the insurer's relationship with the person unless the office disallows the disclaimer.

(b) A controlling person of a domestic insurer who seeks to divest the person's controlling interest in the domestic insurer in any manner shall file with the office, with a copy provided to the insurer, confidential notice, not subject to public inspection as provided under s. 624.4212, of the person's proposed divestiture at least 30 days before the cessation of control. The office shall determine those instances in which the party seeking to divest or to acquire a controlling interest in an insurer must file for and obtain approval of the transaction. The information remains confidential until the conclusion of the transaction unless the office, in its discretion, determines that confidential treatment interferes with enforcement of this section. If the statement referred to in subsection (1) is otherwise filed, this paragraph does not apply.

(13) The commission may adopt rules that are necessary to administer this section.

628.4615 Specialty insurers; acquisition of controlling stock, ownership interest, assets, or control; merger or consolidation.—

(1) For the purposes of this section, the term "specialty insurer" means any person holding a license or certificate of authority as:

(a) A motor vehicle service agreement company authorized to issue motor vehicle service agreements as those terms are defined in s. 634.011;

(b) A home warranty association authorized to issue "home warranties" as those terms are defined in s. 634.301;

(c) A service warranty association authorized to issue "service warranties" as those terms are defined in s. 634.401(13) and (14);

(d) A prepaid limited health service organization authorized to issue prepaid limited health service contracts, as those terms are defined in chapter 636;

(e) An authorized health maintenance organization operating pursuant to s. 641.21;

(f) An authorized prepaid health clinic operating pursuant to s. 641.405;

(g) A legal expense insurance corporation authorized to engage in a legal expense insurance business pursuant to s. 642.021;

(h) A provider that is licensed to operate a facility that undertakes to provide continuing care as those terms are defined in s. 651.011;

(i) A multiple-employer welfare arrangement operating pursuant to ss. 624.436-624.446;

(j) A premium finance company authorized to finance insurance premiums pursuant to s. 627.828; or

(k) A corporation authorized to accept donor annuity agreements pursuant to s. 627.481.

(2) A person may not, individually or in conjunction with any affiliated person of such person, directly or indirectly, conclude a tender offer or exchange offer for, enter into any

agreement to exchange securities for, or otherwise finally acquire, 10 percent or more of the outstanding voting securities of a specialty insurer which is a stock corporation or of a controlling company of a specialty insurer which is a stock corporation; or conclude an acquisition of, or otherwise finally acquire, 10 percent or more of the ownership interest of a specialty insurer which is not a stock corporation or of a controlling company of a specialty insurer which is not a stock corporation, unless:

(a) The person or affiliated person has filed with the office and sent by registered mail to the principal office of the specialty insurer and controlling company a letter of notification regarding the transaction or proposed transaction no later than 5 days after any form of tender offer or exchange offer is proposed, or no later than 5 days after the acquisition of the securities or ownership interest if no tender offer or exchange offer is involved. The notification must be provided on forms prescribed by the commission containing information determined necessary to understand the transaction and identify all purchasers and owners involved;

(b) The person or affiliated person has filed with the office an application signed under oath and prepared on forms prescribed by the commission which contains the information specified in subsection (4). The application must be completed and filed within 30 days after any form of tender offer or exchange offer is proposed, or after the acquisition of the securities if no tender offer or exchange offer is involved; and

(c) The office has approved the tender offer or exchange offer, or acquisition if no tender offer or exchange offer is involved.

(3) This section does not apply to any acquisition of voting securities or ownership interest of a specialty insurer or of a controlling company by any person who, on July 9, 1986, is the owner of a majority of such voting securities or ownership interest or who, on or after July 9, 1986, becomes the owner of a majority of such voting securities or ownership interest with the approval of the office under this section. The person or affiliated person filing the required notice in paragraph (2)(a) may request the office to waive the requirements of paragraph (2)(b) if there is no change in the ultimate controlling shareholder or ownership percentages of the ultimate controlling shareholders and no unaffiliated parties acquire any direct or indirect interest in the specialty insurer. The office may waive the filing if it determines that in fact there is no change in the ultimate controlling shareholder or ownership percentages of the ultimate controlling shareholders and no unaffiliated parties will acquire any direct or indirect interest in the specialty insurer.

(4) The application to be filed with the office and furnished to the specialty insurer and controlling company shall contain the following information and any additional information as the office deems necessary to determine the character, experience, ability, and other qualifications of the person or affiliated person of such person for the protection of the insureds of the insurer and of the public:

(a)1. The identity of, and the background information specified in subsection (5) on, each natural person by whom, or on whose behalf, the acquisition is to be made; and,
2. If the acquisition is to be made by, or on behalf of, a person other than a natural person and as to any person who controls, either directly or indirectly, such other person, the identity of, and the background information specified in subsection (5) on:

- a. Each director, officer, or trustee, if a corporation, or
- b. Each partner, owner, manager, or joint venturer, or other person performing duties similar to those of persons in the aforementioned positions, if not a corporation,

for the person.

(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.

(5)(a) The information as to the background and identity of each natural person, which information is required to be furnished pursuant to paragraph (4)(a), shall include:

1. The natural person's occupations, positions of employment, and offices held during the past 10 years.
2. The principal business and address of any business, corporation, or organization in which each such office of the natural person was held, or in which each such occupation or position of employment was carried on.
3. Whether the natural person was, at any time during such 10-year period, convicted of any crime other than a traffic violation.
4. Whether the natural person has been, during such 10-year period, the subject of any proceeding for the revocation of any license and, if so, the nature of the proceeding and the disposition of the proceeding.
5. Whether, during the 10-year period, the natural person has been the subject of any proceeding under the federal ¹Bankruptcy Act; or whether, during the 10-year period, any person or other business or organization in which the natural person was a director, officer, trustee, partner, owner, manager, or other official has been subject to any such proceeding, either during the time in which the natural person was a director, officer, or trustee, if a corporation, or a partner, owner, manager, joint venturer, or other official, if not a corporation, or within 12 months thereafter.
6. Whether, during the 10-year period, the natural person has been enjoined, either temporarily or permanently, by a court of competent jurisdiction from violating any federal or state law regulating the business of insurance, securities, or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities, or banking, together with details as to any such event.
7. Fingerprints of each person referred to in subsection (4).

(b) Any person filing the statement required by this section shall give all required information that is within the knowledge of:

1. The directors, officers, or trustees, if a corporation, or
2. The partners, owners, managers, or joint venturers, or others performing functions similar to those of a director, officer, or trustee, if not a corporation,

of the person making the filing and of any person controlling either directly or indirectly such person. If any material change occurs in the facts set forth in the application filed with the office pursuant to this section, an amendment setting forth such changes shall be filed immediately with the office, and a copy of the amendment shall be sent by registered mail to the principal office of the specialty insurer and to the principal office of the controlling company.

(6)(a) The acquisition application shall be reviewed in accordance with chapter 120. The office may on its own initiate, or, if requested to do so in writing by a substantially affected person, shall conduct, a proceeding to consider the appropriateness of the proposed filing. Time periods for purposes of chapter 120 shall be tolled during the pendency of the proceeding. Any written request for a proceeding must be filed with the office within 10 days of the date notice of the filing is given. During the pendency of the proceeding or review period by the office, any person or affiliated person complying with the filing requirements of this section may proceed and take all steps necessary to conclude the acquisition so long as the acquisition becoming final is conditioned upon obtaining office approval. The office shall, however, at any time it finds an immediate danger to the public health, safety, and welfare of the insureds exists, immediately order, pursuant to s. 120.569(2)(n), the proposed acquisition disapproved and any further steps to conclude the acquisition ceased.

(b) During the pendency of the office's review of any acquisition subject to the provisions of this section, the acquiring person shall not make any material change in the operation of the specialty insurer or controlling company unless the office has specifically approved the change nor shall the acquiring person make any material change in the management of the specialty insurer unless advance written notice of the change in management is furnished to the office. A material change in the operation of the specialty insurer is a transaction which disposes of or obligates 5 percent or more of the capital and surplus of the specialty insurer. A material change in the management of the specialty insurer is any change in management involving officers or directors of the specialty insurer or any person of the specialty insurer or controlling company having authority to dispose of or obligate 5 percent or more of the specialty insurer's capital or surplus. The office shall approve a material change in operations if it finds the applicable provisions of subsection (8) have been met. The office may disapprove a material change in management if it finds that the applicable provisions of subsection (8) have not been met and in such case the specialty insurer shall promptly change management as acceptable to the office.

(c) If a request for a proceeding is filed, the proceeding shall be conducted within 60 days after the date the written request for a proceeding is received by the office. A recommended order shall be issued within 20 days of the date of the close of the proceedings. A final order shall be issued within 20 days of the date of the recommended order or, if exceptions to the recommended order are filed, within 20 days of the date the exceptions are filed.

(7) The office may disapprove any acquisition subject to the provisions of this section by any person or any affiliated person of such person who:

(a) Willfully violates this section;

(b) In violation of an order of the office issued pursuant to subsection (11), fails to divest himself or herself of any stock or ownership interest obtained in violation of this section or fails to divest himself or herself of any direct or indirect control of such stock or ownership interest, within 25 days after such order; or

(c) In violation of an order issued by the office pursuant to subsection (11), acquires an additional stock or ownership interest in a specialty insurer or controlling company or direct or indirect control of such stock or ownership interest, without complying with this section.

(8) The person or persons filing the application required by subsection (2) shall have the burden of proof. The office shall approve any such acquisition if it finds, on the basis of the record made during any proceeding or on the basis of the filed application if no proceeding is conducted, that:

(a) Upon completion of the acquisition, the specialty insurer will be able to satisfy the requirements for the issuance of a license or certificate to write the line of insurance for which it is presently licensed or certificated.

(b) The financial condition of the acquiring person or persons will not jeopardize the financial stability of the specialty insurer or prejudice the interests of its insureds or the public.

- (c) Any plan or proposal which the acquiring person has, or acquiring persons have, made:
1. To liquidate the specialty insurer, sell 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, or
 2. To liquidate any controlling company, sell its assets, or merge or consolidate it with any person, or to make any major change in its business or corporate structure or management which would have an effect upon the specialty insurer,

is fair and free of prejudice to the insureds of the specialty insurer or to the public.

- (d) The competence, experience, and integrity of those persons who will control directly or indirectly the operation of the specialty insurer indicate that the acquisition is in the best interest of the insureds of the insurer and in the public interest.
- (e) The natural persons for whom background information is required to be furnished pursuant to this section have such backgrounds as to indicate that it is in the best interests of the insureds of the specialty insurer and in the public interest to permit such persons to exercise control over the specialty insurer.
- (f) The directors and officers, if such specialty insurer or controlling company is a stock corporation, or the trustees, partners, owners, managers, or joint venturers or other persons performing duties similar to those of persons in the aforementioned positions, if such specialty insurer or controlling company is not a stock corporation, to be employed after the acquisition have sufficient insurance experience and ability to assure reasonable promise of successful operation.
- (g) The management of the specialty insurer after the acquisition will be competent and trustworthy, and will possess sufficient managerial experience so as to make the proposed operation of the specialty insurer not hazardous to the insurance-buying public.
- (h) The management of the specialty insurer after the acquisition shall not include any person who has directly or indirectly through ownership, control, reinsurance transactions, or other insurance or business relations unlawfully manipulated the assets, accounts, finances, or books of any insurer or otherwise acted in bad faith with respect thereto.
- (i) The acquisition is not likely to be hazardous or prejudicial to the insureds of the insurer or to the public.
- (j) The effect of the acquisition would not substantially lessen competition in the line of insurance for which the specialty insurer is licensed or certified in this state or would not tend to create a monopoly therein.
- (9) No vote by the stockholder of record, or by any other person, of any security acquired in contravention of the provisions of this section is valid. Any acquisition contrary to the provisions of this section is void. Upon the petition of the specialty insurer or the controlling company, the circuit court for the county in which the principal office of the specialty insurer is located may, without limiting the generality of its authority, order the issuance or entry of an injunction or other order to enforce the provisions of this section. There shall be a private right of action in favor of the specialty insurer or controlling company to enforce the provisions of this section. No demand upon the office that it perform its functions shall be required as a prerequisite to any suit by the specialty insurer or controlling company against any other person, and in no case shall the office be deemed a necessary party to any action by the specialty insurer or controlling company to enforce the provisions of this section. Any person who makes or proposes an acquisition requiring the filing of an application pursuant to this section, or who files such an application, shall be deemed to have thereby designated the Chief Financial Officer, or his or her assistant or deputy or another person in charge of his or her office, as such person's agent for service of process under this section and shall thereby be deemed to have submitted himself or herself to the administrative jurisdiction of the office and to the jurisdiction of the circuit court.

(10) Any approval by the office under this section does not constitute a recommendation by the office of the tender offer or exchange offer, or acquisition, if no tender offer or exchange offer is involved. It is unlawful for a person to represent that the office's approval constitutes a recommendation. A person who violates the provisions of this subsection commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084. The statute-of-limitations period for the prosecution of an offense committed under this subsection is 5 years.

(11) If the office determines that any person or any affiliated person of such person has acquired 10 percent or more of the outstanding voting securities of a specialty insurer or controlling company which is a stock corporation, or 10 percent or more of the ownership interest of a specialty insurer or controlling company which is not a stock corporation, without complying with the provisions of this section, the office may order that the person and any affiliated person of such person cease acquisition of the specialty insurer or controlling company and, if appropriate, divest itself of any stock or ownership interest acquired in violation of this section.

(12)(a) The office shall, if necessary to protect the public interest, suspend or revoke the certificate of authority of any specialty insurer or controlling company acquired in violation of this section.

(b) If any specialty insurer is subject to suspension or revocation pursuant to paragraph (a), the specialty insurer shall be deemed to be in such condition, or to be using or to have been subject to such methods or practices in the conduct of its business, as to render its further transaction of insurance presently or prospectively hazardous to its insureds, creditors, or stockholders or to the public.

(13)(a) For the purpose of this section, the term "acquisition" includes:

1. A tender offer or exchange offer for securities, assets, or other ownership interest;
2. An agreement to exchange securities for other securities, assets, or other ownership interest;
3. A merger of a person or affiliated person into a specialty insurer or a merger of any person with a specialty insurer;
4. A consolidation; or
5. Any other form of change of control

whereby any person or affiliated person acquires or attempts to acquire, directly or indirectly, 10 percent or more of the ownership interest or assets of a specialty insurer or of a controlling company. However, in the case of a health maintenance organization organized as a for-profit corporation, the provisions of s. 628.451 shall govern with respect to any merger or consolidation, and, in the case of a health maintenance organization organized as a not-for-profit corporation, the provisions of s. 628.471 shall govern with respect to any merger or consolidation.

(b) For the purpose of this section, the term "affiliated person" of another person includes:

1. The spouse of such other natural person;
2. The parents of such other natural person and their lineal descendants and the parents of such other natural person's spouse and their lineal descendants;
3. Any person who directly or indirectly owns or controls, or holds with power to vote, 10 percent or more of the outstanding voting securities of such other person;
4. Any person who directly or indirectly owns 10 percent or more of the outstanding voting securities which are directly or indirectly owned or controlled, or held with power to vote, by such other person;
5. Any person or group of persons who directly or indirectly control, are controlled by, or are under common control with such other person;
6. Any director, officer, trustee, partner, owner, manager, joint venturer, or employee, or other person performing duties similar to those of persons in the aforementioned positions, of such other person;

7. If such other person is an investment company, any investment adviser of such company or any member of an advisory board of such company;
8. If such other person is an unincorporated investment company not having a board of directors, the depositor of such company; or
9. Any person who has entered into an agreement, written or unwritten, to act in concert with such other person in acquiring, or limiting the disposition of, securities of a specialty insurer or controlling company which is a stock corporation or in acquiring, or limiting the disposition of, an ownership interest of a specialty insurer or controlling company which is not a stock corporation.
- (c) For the purposes of this section, the term "controlling company" means any corporation, trust, or association owning, directly or indirectly, 25 percent or more of the voting securities of one or more specialty insurance companies which are stock corporations, or 25 percent or more of the ownership interest of one or more specialty insurance companies which are not stock corporations.
- (d) For the purpose of this section, the term "natural person" means an individual.
- (e) For the purpose of this section, the term "person" includes a natural person, corporation, association, trust, general partnership, limited partnership, joint venture, firm, proprietorship, or any other entity which may hold a license or certificate as a specialty insurer.
- (14) The commission may adopt, amend, or repeal rules that are necessary to implement the provisions of this section, pursuant to chapter 120.

628.471 Mergers; mutual insurers.—

- (1) A domestic mutual insurer shall not merge with a stock insurer.
- (2) A domestic mutual insurer may merge with another mutual insurer under the applicable procedures prescribed by the statutes of this state applying to corporations formed for profit, except as hereinbelow provided.
- (3) The plan and agreement for merger shall be submitted to and approved by at least two-thirds of the members of each mutual insurer voting thereon at meetings called for the purpose pursuant to such reasonable notice and procedure as has been approved by the office. If a life insurer, the right to vote may be limited to members whose policies are other than term and group policies and have been in effect for more than 1 year.
- (4) No such merger shall be effectuated unless in advance thereof the plan and agreement therefor have been filed with the office and approved by it. The office shall give such approval unless it finds such plan or agreement:
 - (a) Is inequitable to the policyholders of any domestic insurer involved; or
 - (b) Would substantially reduce the security of and service to be rendered to policyholders of the domestic insurer in this state and elsewhere.

628.905 Licensing; authority.—

- (1) A captive insurance company, if permitted by its charter or articles of incorporation, may apply to the office for a license to do any and all insurance authorized under the insurance code, other than workers' compensation and employer's liability, life, health, personal motor vehicle, and personal residential property insurance, except that:
 - (a) A pure captive insurance company may not insure any risks other than those of its parent, affiliated companies, controlled unaffiliated businesses, or a combination thereof.
 - (b) An industrial insured captive insurance company may not insure any risks other than those of the industrial insureds that comprise the industrial insured group and their affiliated companies, or its stockholders or members, and affiliates thereof, of the industrial insured captive, or the stockholders or affiliates of the parent corporation of the industrial insured captive insurance company.
 - (c) A special purpose captive insurance company may insure only the risks of its parent.

- (d) A captive insurance company may not accept or cede reinsurance except as provided in this part.
- (e) An industrial insured captive insurance company with unencumbered capital and surplus of at least \$20 million may be licensed to provide workers' compensation and employer's liability insurance in excess of \$25 million in the annual aggregate. An industrial insured captive insurance company must maintain unencumbered capital and surplus of at least \$20 million to continue to write such excess workers' compensation insurance in Florida.
- (2) To conduct insurance business in this state, a captive insurance company must:
 - (a) Obtain from the office a license authorizing it to conduct insurance business in this state;
 - (b) Hold at least one board of directors' meeting each year in this state;
 - (c) Maintain its principal place of business in this state; and
 - (d) Appoint a resident registered agent to accept service of process and to otherwise act on its behalf in this state. In the case of a captive insurance company formed as a corporation or a nonprofit corporation, if the registered agent cannot with reasonable diligence be found at the registered office of the captive insurance company, the Chief Financial Officer of this state must be an agent of the captive insurance company upon whom any process, notice, or demand may be served.
- (3) Before receiving a license, a captive insurance company formed as a corporation or a nonprofit corporation must file with the office a certified copy of its articles of incorporation and bylaws, a statement under oath of its president and secretary showing its financial condition, and any other statements or documents required by the office. In addition, an applicant captive insurance company must file with the office evidence of:
 - (a) The amount and liquidity of the proposed captive insurance company's assets relative to the risks to be assumed;
 - (b) The adequacy of the expertise, experience, and character of the person or persons who will manage the company;
 - (c) The overall soundness of the company's plan of operation;
 - (d) The adequacy of the loss prevention programs of the company's parent, member organizations, or industrial insureds, as applicable; and
 - (e) Any other factors considered relevant by the office in ascertaining whether the company will be able to meet its policy obligations.
- (4) A captive insurance company or captive reinsurance company must pay to the office a nonrefundable fee of \$1,500 for processing its application for license.
 - (a) A captive insurance company or captive reinsurance company must also pay an annual renewal fee of \$1,000.
 - (b) The office may charge a fee of \$5 for any document requiring certification of authenticity or the signature of a representative of the office.
- (5) If the office is satisfied that the documents and statements filed by the captive insurance company comply with this chapter, the office may grant a license authorizing the company to conduct insurance business in this state until the next succeeding March 1, at which time the license may be renewed.
- (6) Upon approval of the office, a foreign or alien captive insurance company may become a domestic captive insurance company by complying with all of the requirements of law relative to the organization and licensing of a domestic captive insurance company of the same or equivalent type in this state and by filing with the Secretary of State its charter or other organizational documents, together with any appropriate amendments that have been adopted in accordance with the laws of this state to bring the charter or other organizational documents into compliance with the laws of this state, along with a certificate of good standing issued by the office. The captive insurance company is then entitled to the necessary or appropriate certificates and licenses to continue transacting business in this state and is subject to the authority and jurisdiction of this state. In connection with this

redomestication, the office may waive any requirements for public hearings. It is not necessary for a captive insurance company redomesticating into this state to merge, consolidate, transfer assets, or otherwise engage in any other reorganization, other than as specified in this section.

(7) An industrial insured captive insurance company need not be incorporated in this state if it has been validly incorporated under the laws of another jurisdiction.

629.071 Surplus funds required.—

(1) A domestic reciprocal insurer hereunder formed, if it has otherwise complied with the applicable provisions of this code, may be authorized to transact insurance if it has and thereafter maintains surplus funds of not less than \$250,000.

(2) In addition to the surplus required to be maintained under subsection (1), the insurer shall have, when first so authorized, an expendable surplus of not less than \$750,000.

629.081 Organization of reciprocal insurer.—

(1) Twenty-five or more persons domiciled in this state may organize a domestic reciprocal insurer and make application to the office for a certificate of authority to transact insurance.

(2) The proposed attorney shall fulfill the requirements of and shall execute and file with the office, when applying for a certificate of authority, a declaration setting forth:

(a) The name of the insurer;

(b) The location of the insurer's principal office, which shall be the same as that of the attorney and shall be maintained within this state;

(c) The kinds of insurance proposed to be transacted;

(d) The names and addresses of the original subscribers;

(e) The designation and appointment of the proposed attorney and a copy of the power of attorney;

(f) The names and addresses of the officers and directors of the attorney, if a corporation, or of its members, if other than a corporation;

(g) The powers of the subscribers' advisory committee, and the names and terms of office of the members thereof;

(h) That all moneys paid to the reciprocal shall, after deducting therefrom any sum payable to the attorney, be held in the name of the insurer and for the purposes specified in the subscribers' agreement;

(i) A copy of the subscribers' agreement;

(j) A statement that each of the original subscribers has in good faith applied for insurance of a kind proposed to be transacted, and that the insurer has received from each such subscriber the full premium or premium deposit required for the policy applied for, for a term of not less than 6 months at an adequate rate theretofore filed with and approved by the office;

(k) A statement of the financial condition of the insurer, a schedule of its assets, and a statement that the surplus as required by s. 629.071 is on hand; and

(l) A copy of each policy, endorsement, and application form it then proposes to issue or use.

Such declaration shall be acknowledged by the attorney before an officer authorized to take acknowledgments.

629.091 Certificate of authority.—The certificate of authority of a reciprocal insurer shall be issued to its attorney in the name of the insurer.

629.101 Power of attorney.—

(1) The rights and powers of the attorney of a reciprocal insurer shall be as provided in the power of attorney given it by the subscribers.

- (2) The power of attorney must set forth:
 - (a) The powers of the attorney;
 - (b) That the attorney is empowered to accept service of process on behalf of the insurer in actions against the insurer upon contracts exchanged;
 - (c) The general services to be performed by the attorney;
 - (d) The maximum amount to be deducted from advance premiums or deposits to be paid to the attorney and the general items of expense in addition to losses, to be paid by the insurer; and
 - (e) Except as to nonassessable policies, a provision for a contingent several liability of each subscriber in a specified amount, which amount shall be not less than 5 nor more than 10 times the premium or premium deposit stated in the policy.
- (3) The power of attorney may:
 - (a) Provide for the right of substitution of the attorney and revocation of the power of attorney and rights thereunder;
 - (b) Impose such restrictions upon the exercise of the power as are agreed upon by the subscribers;
 - (c) Provide for the exercise of any right reserved to the subscribers directly or through their advisory committee; and
 - (d) Contain other lawful provisions deemed advisable.
- (4) The terms of any power of attorney or agreement collateral thereto shall be reasonable and equitable, and no such power or agreement shall be used or be effective in this state unless filed with the office.

629.121 Attorney's bond.—



- (1) Concurrently with the filing of the declaration provided for in s. 629.081, the attorney of a domestic reciprocal insurer shall file with the office a bond in favor of this state for the benefit of all persons damaged as a result of breach by the attorney of the conditions of his or her bond as set forth in subsection (2). The bond shall be executed by the attorney and by an authorized corporate surety and shall be subject to the approval of the office.
- (2) The bond shall be in the sum of \$100,000, aggregate in form, the bond conditioned that the attorney will faithfully account for all moneys and other property of the insurer coming into his or her hands, and that he or she will not withdraw or appropriate to his or her own use from the funds of the insurer any moneys or property to which he or she is not entitled under the power of attorney.
- (3) The bond shall provide that it is not subject to cancellation unless 30 days' advance notice in writing of cancellation is given both the attorney and the office.

629.131 Deposit in lieu of bond.—In lieu of the bond required under s. 629.121, the attorney may maintain on deposit with the department a like amount in value of securities qualified for deposit under s. 625.52 and subject to the same conditions as the bond.

629.181 Financial condition; method of determining.—In determining the financial condition of a reciprocal insurer, the office shall apply the following rules:

- (1) The surplus deposits of subscribers shall be allowed as assets, except that any premium deposits delinquent for 90 days shall first be charged against such surplus deposit.
- (2) An assessment levied upon subscribers, but not collected, shall not be allowed as an asset.
- (3) The contingent liability of subscribers shall not be allowed as an asset.

M E M O R A N D U M

DATE: July 27, 2017
TO: David Altmaier, Commissioner, Office of Insurance Regulation
THROUGH: Anoush Brangaccio, General Counsel
FROM: Virginia Christy 
Stephen Fredrickson 
SUBJECT: Cabinet Agenda for August 16, 2017
Request for Approval to Publish Repeal of
Rules 69O-154.110, .111
Assignment # 207474-17

The Office of Insurance Regulation requests that these proposed rule repeals be presented to the Cabinet aides on or before August 9, 2017 and to the Financial Services Commission on August 16, 2017, with a request to approve for publication the proposed rules.

Rules 69O-154.110 and .111 provided guidelines for issuance of certificates of creditable coverage. Due to a change in statute, a certificate of creditable coverage is no longer required. Therefore, the 2 rules are no longer necessary.

Sections 624.308, 624.307(1), 627.6561(5)(b), (7)(b), (8)(a), (e), (9)(b), 641.31071(8)(a), (e), (10)(b), 627.64871, 641.31071, F.S. provide rulemaking authority and laws implemented for these rules.

Stephen Fredrickson is the attorney handling these rules. Attached are: 1) the proposed rule(s), 2) any incorporated materials, such as forms; and 3) copies of the rulemaking statutory authority and law implemented.

Approved for signature:


Anoush Brangaccio, General Counsel

Approved for submission to Financial Services
Commission:


David Altmaier, Commissioner
Office of Insurance Regulation

69O-154.110 Certificate of Creditable Coverage.

Rulemaking Authority 624.308, 627.6561(8)(e), 641.31071(8)(a), (e), (10)(b) FS. Law Implemented 624.307(1), 627.64871, 627.6561(8), 641.31071 FS. History—New 9-19-00, Formerly 4-154.110, Repealed.

69O-154.111 Demonstration of Creditable Coverage If Certificate is not Provided.

Rulemaking Authority 624.308, 627.6561(5)(b), (7)(b), (8)(a), (e), (9)(b), 641.31071(8)(a), (e), (10)(b) FS. Law Implemented 624.307(1), 627.64871, 641.31071 FS. History—New 9-19-00, Formerly 4-154.111, Repealed.

690-154.110 Certificate of Creditable Coverage.

(1) ~~A health insurance issuer in the individual market shall provide a certificate of creditable coverage and make other disclosures regarding an individual's coverage under an individual policy necessary to enable individuals to avoid or reduce pre-existing condition exclusions included under subsequent group health insurance coverage the individual may obtain.~~

~~(2) Issuers shall establish procedures by which individuals and dependents shall request and receive certificates.~~

~~(3) The certificate shall read as indicated on Form OIR-1361 (rev. 10/98), Certificate of Individual Health Coverage, which is hereby adopted and incorporated by reference, and may be obtained from the Bureau of Life and Health Forms & Rates, 200 East Gaines Street, Tallahassee, Florida 32399-0328.~~

~~(4)(a) Individuals have the right to receive a certificate automatically, without charge, when they lose coverage under an individual policy.~~

~~(b) A certificate shall also be provided upon a request by, or on behalf of, an individual no later than 24 months after coverage ceases even if a certificate has previously been provided when coverage was originally lost.~~

~~(c) The certificate shall be provided at the earliest time that an issuer, acting in a reasonable and prompt fashion, can provide the certificate.~~

~~(5)(a) An issuer of an individual policy shall prepare certificates with respect to the coverage on any of the individual's dependents that are covered under the individual policy.~~

~~(b) Until July 1, 1998, an issuer may satisfy the obligation to provide a written certificate regarding coverage of a dependent of a policyholder by providing the name of the policyholder covered by the policy and specifying the type of coverage as family coverage.~~

~~(c) If requested to provide a certificate related to a dependent, the issuer shall make a reasonable effort to obtain and provide the name of the dependent.~~

~~(6)(a) The certificate shall be provided, without charge, to each individual or an entity requesting the certificate on behalf of the individual.~~

~~(b) The certificate may be provided by first-class mail.~~

~~(c) If the certificate or certificates are provided to the individual and the individual's spouse at the individual's last known address, the requirements of this section are satisfied with respect to all individuals and dependents residing at that address.~~

~~(d) If a dependent does not reside at the individual's last known address, a separate certificate shall be provided to the dependent at the dependent's last known address.~~

~~(e) If separate certificates are provided by mail to individuals and dependents who reside at the same address, separate mailings of each certificate are not required.~~

~~(7)(a) If an automatic certificate must be provided, and the individual or dependent entitled to receive the certificate designates another individual or entity to receive the certificate, the issuer responsible for providing the certificate may provide the certificate to the designated party.~~

~~(b) If the individual entitled to receive the certificate designates another individual or entity to receive the certificate, the issuer responsible for providing the certificates shall provide the certificate to the designated party.~~

~~(8)(a) If an individual enrolls in a group health plan and the plan or issuer uses the alternative method of determining creditable coverage for categories of benefits as authorized in Section 627.6561(7)(b), F.S., the prior entity shall, upon request of the assuming entity, promptly furnish the categories of benefits and services used by the individual for which the requesting entity uses the alternative method of crediting coverage, and any specific information that the requesting entity requests to determine the individual's creditable coverage.~~

~~(b) Nothing in the Insurance Code is interpreted to prohibit the prior entity furnishing this information from charging the requesting entity for the reasonable cost of disclosing the information.~~

Rulemaking Authority 624.308, 627.6561(8)(e), 641.31071(8)(a), (e), (10)(b) F.S. Law Implemented 624.307(1), 627.64871, 627.6561(8), 641.31071 F.S. History New 9-19-00, Formerly 4-154.110.

690-154.111 Demonstration of Creditable Coverage If Certificate is not Provided.

~~(1) Individuals may establish creditable coverage through means other than certificates. If the accuracy of a certificate is contested or a certificate is unavailable when needed by the individual, the individual has the right to demonstrate creditable coverage and waiting periods through the presentation of documents or other means.~~

~~(2)(a) An issuer shall take into account all information that it obtains or that is presented on behalf of an individual to make a determination, based on the relevant facts and circumstances, whether or not an individual has 18 months of creditable coverage.~~

~~(b) An issuer shall treat the individual as having furnished a certificate if the individual:~~

- ~~1. Attests to the period of creditable coverage;~~
- ~~2. Presents relevant corroborating evidence of some creditable coverage during the period; and,~~
- ~~3. Cooperates with the issuer's efforts to verify the individual's coverage.~~

~~(3)(a) For this purpose, cooperation includes:~~

~~1. Providing, upon the issuer's request, written authorization for the issuer to request a certificate on behalf of the individual; and,~~

~~2. Cooperating in efforts to determine the validity of the corroborating evidence and the dates of creditable coverage.~~

~~(b) An issuer may refuse to credit coverage if the individual fails to cooperate with the issuer's efforts to verify coverage; however, the issuer shall not consider an individual's inability to obtain a certificate to be evidence of the absence of creditable coverage.~~

~~(4) Documents that shall be accepted as evidence to establish creditable coverage and waiting periods in the absence of a certificate include:~~

- ~~(a) Explanations of benefit (EOB) claims or other correspondence from a plan or issuer indicating coverage;~~
- ~~(b) Pay stubs showing a payroll deduction for health coverage;~~
- ~~(c) A health insurance identification card;~~
- ~~(d) A certificate of coverage under a group health policy;~~
- ~~(e) Records from medical care providers indicating health coverage;~~
- ~~(f) Third party statements verifying periods of coverage; and,~~
- ~~(g) Any other relevant documents that evidence periods of health coverage.~~

~~(5) Means other than documentation, such as by a telephone call from the issuer to a third party verifying creditable coverage, shall be accepted as evidence of creditable coverage or waiting period information if the means indicate information about satisfaction of a waiting period or the existence of creditable coverage.~~

~~(6) If, in the course of providing evidence including a certificate of creditable coverage, an individual shall demonstrate dependent status, the issuer shall treat the individual as having furnished a certificate showing the dependent status if the individual:~~

- ~~(a) Attests to the dependency and the period of the status; and,~~
- ~~(b) Cooperates with the issuer's efforts to verify the dependent status.~~

Rulemaking Authority 624.308, 627.6561(5)(b), (7)(b), (8)(a), (c), (9)(b), 641.31071(8)(a), (c), (10)(b) FS. Law Implemented 624.307(1), 627.64871, 641.31071 FS. History New 9-19-00, Formerly 4-154.111.

624.308 Rules.—

(1) The department and the commission may each adopt rules pursuant to ss. 120.536(1) and 120.54 to implement provisions of law conferring duties upon the department or the commission, respectively.

(2) In addition to any other penalty provided, willful violation of any such rule shall subject the violator to such suspension or revocation of certificate of authority or license as may be applicable under this code as for violation of the provision as to which such rule relates.

624.307 General powers; duties.—

(1) The department and office shall enforce the provisions of this code and shall execute the duties imposed upon them by this code, within the respective jurisdiction of each, as provided by law.

627.6561 Preexisting conditions.—

(1) As used in this section, the term:

(a) "Enrollment date" means, with respect to an individual covered under a group health policy, the date of enrollment of the individual in the plan or coverage or, if earlier, the first day of the waiting period of such enrollment.

(b) "Late enrollee" means, with respect to coverage under a group health policy, a participant or beneficiary who enrolls under the policy other than during:

1. The first period in which the individual is eligible to enroll under the policy.

2. A special enrollment period, as provided under s. 627.65615.

(c) "Waiting period" means, with respect to a group health policy and an individual who is a potential participant or beneficiary of the policy, the period that must pass with respect to the individual before the individual is eligible to be covered for benefits under the terms of the policy.

(2) Subject to the exceptions specified in subsection (4), an insurer that offers group health insurance coverage may, with respect to a participant or beneficiary, impose a preexisting condition exclusion only if:

(a) Such exclusion relates to a physical or mental condition, regardless of the cause of the condition, for which medical advice, diagnosis, care, or treatment was recommended or received within the 6-month period ending on the enrollment date;

(b) Such exclusion extends for a period of not more than 12 months, or 18 months in the case of a late enrollee, after the enrollment date; and

(c) The period of any such preexisting condition exclusion is reduced by the aggregate of the periods of creditable coverage, as defined in s. 627.6562(3), applicable to the participant or beneficiary as of the enrollment date.

(3) Genetic information may not be treated as a condition described in paragraph (2)(a) in the absence of a diagnosis of the condition related to such information.

(4)(a) Subject to paragraph (b), an insurer that offers group health insurance coverage may not impose any preexisting condition exclusion in the case of:

1. An individual who, as of the last day of the 30-day period beginning with the date of birth, is covered under creditable coverage.

2. A child who is adopted or placed for adoption before attaining 18 years of age and who, as of the last day of the 30-day period beginning on the date of the adoption or placement for adoption, is covered under creditable coverage. This provision does not apply to coverage before the date of such adoption or placement for adoption.

3. Pregnancy.

(b) ¹Subparagraphs 1. and 2. do not apply to an individual after the end of the first 63-day period during all of which the individual was not covered under any creditable coverage.

641.31071 Preexisting conditions.—

(1) As used in this section, the term:

(a) "Enrollment date" means, with respect to an individual covered under a group health maintenance organization contract, the date of enrollment of the individual in the plan or coverage or, if earlier, the first day of the waiting period of such enrollment.

(b) "Late enrollee" means, with respect to coverage under a group health maintenance organization contract, a participant or beneficiary who enrolls under the contract other than during:

1. The first period in which the individual is eligible to enroll under the plan.

2. A special enrollment period, as provided under s. 641.31072.

(c) "Waiting period" means, with respect to a group health maintenance organization contract and an individual who is a potential participant or beneficiary under the contract, the period that must pass with respect to the individual before the individual is eligible to be covered for benefits under the terms of the contract.

(2) Subject to the exceptions specified in subsection (4), a health maintenance organization that offers group coverage, may, with respect to a participant or beneficiary, impose a preexisting condition exclusion only if:

(a) Such exclusion relates to a physical or mental condition, regardless of the cause of the condition, for which medical advice, diagnosis, care, or treatment was recommended or received within the 6-month period ending on the enrollment date;

(b) Such exclusion extends for a period of not more than 12 months, or 18 months in the case of a late enrollee, after the enrollment date; and

(c) The period of any such preexisting condition exclusion is reduced by the aggregate of the periods of creditable coverage, as defined in s. 627.6562(3), applicable to the participant or beneficiary as of the enrollment date.

(3) Genetic information shall not be treated as a condition described in paragraph (2)(a) in the absence of a diagnosis of the condition related to such information.

(4)(a) Subject to paragraph (b), a health maintenance organization that offers group coverage may not impose any preexisting condition exclusion in the case of:



1. An individual who, as of the last day of the 30-day period beginning with the date of birth, is covered under creditable coverage.

2. A child who is adopted or placed for adoption before attaining 18 years of age and who, as of the last day of the 30-day period beginning on the date of the adoption or placement for adoption, is covered under creditable coverage. This provision shall not apply to coverage before the date of such adoption or placement for adoption.

3. Pregnancy.

(b) Subparagraphs (a)1. and 2. do not apply to an individual after the end of the first 63-day period during all of which the individual was not covered under any creditable coverage.

M E M O R A N D U M

DATE: July 27, 2017
TO: David Altmaier, Commissioner, Office of Insurance Regulation
THROUGH: Anoush Brangaccio, General Counsel
FROM: Virginia Christy 
Stephen Fredrickson 
SUBJECT: Cabinet Agenda for August 16, 2017
Request for Approval to Publish Repeal of
Rule 69O-149.204
Assignment # 207472-17

The Office of Insurance Regulation requests that this proposed repeal be presented to the Cabinet aides on or before August 9, 2017 and to the Financial Services Commission on August 16, 2017, with a request to approve for publication the proposed rules.

Rule 69O-149.204 provides guidelines for the Outline of Coverage previously required for Standard Health Benefit Plans. Due to statutory changes, insurers are no longer required to offer a Standard Health Benefit Plan.

Sections 624.308, 627.6675(3)(c), 624.307(1), 627.6498(4), 641.3922(3), F.S., provide rulemaking authority and laws implemented for this rule.

Stephen Fredrickson is the attorney handling this rule. Attached are: 1) the proposed rule(s), 2) any incorporated materials, such as forms; and 3) copies of the rulemaking statutory authority and law implemented.

Approved for signature:


Anoush Brangaccio, General Counsel

Approved for submission to Financial Services
Commission:


David Altmaier, Commissioner
Office of Insurance Regulation

69O-149.204 Outline of Coverage.

Rulemaking Authority 624.308, 627.6675(3)(c) FS. Law Implemented 624.307(1), 627.6498(4), 627.6675(3), 641.3922(3) FS. History—New 3-2-00, Amended 4-2-01, 4-17-02, Formerly 4-149.204, Amended 5-18-04
Repealed.

690-149.204 Outline of Coverage.

(1) This section provides an outline of the benefits considered in determining the standard risk rates.

(2) The reference to the 2003 Standard Health Benefit Plan refers to the plan recommended by the health benefit committee pursuant to Section 627.6699(12), F.S., and approved by the Office of Insurance Regulation. These plan designs can be found by accessing: http://www.flor.com/Sections/LandH/ProductReview/is_LHFR_Small_Emp_Benefit_Plan.aspx.

(3) It is noted that this list is an outline of the Standard Health Benefit Plans pursuant to Sections 627.6675(11) and 641.3922(10), F.S., and is not intended to be a comprehensive description of all policy benefits. The statutory sections indicated should be reviewed for more comprehensive information.

	Plan A	Plan B	Plan C
PPO/EPO and Indemnity	Standard Health Benefit Plan	2003-Standard Health Benefit Plan	2003-Standard Health Benefit Plan
Lifetime Limit	\$1,000,000	\$5,000,000	\$5,000,000
Annual Deductible* Single/Family	\$1,000/\$3,000	\$1,000/\$3,000	\$1,000/\$3,000
Out-of-Pocket Maximum Single/Family	\$2,000/\$4,000	\$3,000/\$6,000	\$5,000/\$10,000
Plan Coinsurance Amount:			
(1) Preferred Provider	(1) 80% of allowance in-network/60% of allowance out-of-network.	(1) 80% of allowance in-network/60% of allowance out-of-network.	(1) 80% of allowance in-network/60% of allowance out-of-network.
(2) Indemnity Plan	(2) 80% of allowance.	(2) 80% of allowance.	(2) 80% of allowance.
Physician	Coinsurance	Coinsurance	Coinsurance
Specialist	Coinsurance	Coinsurance	Coinsurance
Maternity	Coinsurance	Coinsurance	Coinsurance
Prescription Drug	\$7/\$14 Copay	\$10/\$30/\$50 Copay*	\$10/\$30/\$50 Copay*
In-Patient Hospital	Coinsurance	Coinsurance	Coinsurance
Out-Patient Hospital	Coinsurance	Coinsurance	Coinsurance
Out-Patient Rehabilitation	Coinsurance, 10 visits per year	Coinsurance, 20 visits per year	Coinsurance, 20 visits per year
Emergency	Coinsurance + \$50 Copay per visit	Coinsurance	Coinsurance
Mental and Nervous Disorders, In-Patient	Coinsurance, 10 days per year	Coinsurance, 10 days per year	Coinsurance, 10 days per year
Mental and Nervous Disorders, Out-Patient	Coinsurance, 20 visits per year, \$50 per visit maximum reimbursement	Coinsurance, 20 visits per year, \$50 per visit maximum reimbursement	Coinsurance, 20 visits per year, \$50 per visit maximum reimbursement
Alcohol/Substance Abuse, In-Patient	Not covered	Coinsurance, \$2,000 maximum benefit	Coinsurance, \$2,000 maximum benefit
Alcohol/Substance Abuse, Out-Patient	Not covered	Coinsurance, \$2,000 maximum benefit	Coinsurance, \$2,000 maximum benefit
Preventive Medical Services	Coinsurance, \$150 maximum per year	Coinsurance, \$250 maximum per year	Coinsurance, \$250 maximum per year
Organ Transplant	\$200,000 lifetime maximum	Coinsurance	Coinsurance
Home Health Care	Coinsurance, 60 visits per year, maximum \$60 per visit	Coinsurance, 60 visits per year	Coinsurance, 60 visits per year
	Plan A	Plan B HMO plan	Plan C HMO plan

HMO	Standard Health Benefit Plan	2003-Standard Health Benefit Plan	2003-Standard Health Benefit Plan
Lifetime Limit	None	\$5,000,000	\$5,000,000
Out-of-Pocket Maximum Single/Family	\$1,500/\$3,000	\$3,000/\$6,000	\$5,000/\$10,000
Primary Care Physician	\$10 Copay per visit	\$25 Copay per visit	\$25 Copay per visit
Specialist	\$10 Copay per visit	\$50 Copay per visit	\$50 Copay per visit
Maternity	Covered	\$300 Copay per day for five days	\$300 Copay per day for five days
Prescription Drug	\$7/\$14 Copay	\$10/\$30/\$50 Copay*	\$10/\$30/\$50 Copay*
In-Patient Hospital	\$100 Copay per day	\$300 Copay per day for five days	\$300 Copay per day for five days
Out-Patient Hospital	\$50 Copay per procedure	\$200 Copay per procedure	\$200 Copay per procedure
Out-Patient Rehabilitation	\$20 Copay per visit, 10 visits per year	\$25 Copay per visit, 20 visits per year	\$25 Copay per visit, 20 visits per year
Out-of-Network (emergency only)	Covered	Covered	Covered
Emergency	\$100 Copay (if not admitted)	\$150 Copay (if not admitted)	\$150 Copay (if not admitted)
Mental and Nervous Disorders, In-Patient	\$100 Copay per day for first 5 days, 10 days per year	\$100 Copay per day, 10 days per year	\$100 Copay per day, 10 days per year
Mental and Nervous Disorders, Out-Patient	\$10 Copay per visit, 20 visits per year, \$50 per visit maximum reimbursement	\$25 Copay per visit, 20 visits per year, \$50 per visit maximum reimbursement	\$25 Copay per visit, 20 visits per year, \$50 per visit maximum reimbursement
Alcohol/Substance Abuse, In-Patient	Not covered	\$100 Copay per day, \$2,000 maximum benefit	\$100 Copay per day, \$2,000 maximum benefit
Alcohol/Substance Abuse, Out-Patient	Not covered	\$25 Copay per visit, \$2,000 maximum benefit	\$25 Copay per visit, \$2,000 maximum benefit
Preventive Medical Services	\$150 maximum	\$250 maximum	\$250 maximum
Organ Transplant	\$200,000 lifetime maximum	Covered	Covered
Home Health Care	Covered in full, 60 visits per year	\$25 Copay per visit, 60 visits per year	\$25 Copay per visit, 60 visits per year

*Not included in out-of-pocket maximum

	Plan A	Plan D coins plan	Plan E coins plan
HMO	Standard Health Benefit Plan	2003-Standard Health Benefit Plan	2003-Standard Health Benefit Plan
Lifetime Limit	None	\$5,000,000	\$5,000,000
Annual Deductible* Single/Family	Not applicable	\$1,000/\$3,000	\$1,000/\$3,000
Out-of-Pocket Maximum Single/Family	\$1,500/\$3,000	\$3,000/\$6,000	\$5,000/\$10,000
Plan Coinsurance Amount:	Not applicable	80% of allowance	80% of allowance
Primary Care Physician	\$10 Copay per visit	Coinsurance	Coinsurance
Specialist	\$10 Copay per visit	Coinsurance	Coinsurance
Maternity	Covered	Coinsurance	Coinsurance
Prescription Drug	\$7/\$14 Copay	\$10/\$30/\$50 Copay*	\$10/\$30/\$50 Copay*
In-Patient Hospital	\$100 Copay	Coinsurance	Coinsurance
Out-Patient Hospital	Covered	Coinsurance	Coinsurance
Out-of-Network (emergency only)	Covered	Coinsurance	Coinsurance

Emergency	\$100 Copay (if not admitted)	Coinsurance	Coinsurance
Mental and Nervous Disorders, In-Patient	\$100 Copay per day for first 5 days, 10 days per year	Coinsurance, 10 days per year	Coinsurance, 10 days per year
Mental and Nervous Disorders, Out-Patient	\$10 Copay per visit, 20 visits per year, \$50 per visit maximum reimbursement	Coinsurance, 20 visits per year, \$50 per visit maximum reimbursement	Coinsurance, 20 visits per year, \$50 per visit maximum reimbursement
Alcohol/Substance Abuse, In-Patient	Not covered	Coinsurance, \$2,000 maximum benefit	Coinsurance, \$2,000 maximum benefit
Alcohol/Substance Abuse Out-Patient	Not covered	Coinsurance, \$2,000 maximum benefit	Coinsurance, \$2,000 maximum benefit
Preventive Medical Services	\$150 maximum	Coinsurance, \$250 maximum per year	Coinsurance, \$250 maximum per year
Organ Transplant	\$200,000 lifetime maximum	Coinsurance	Coinsurance
Home Health Care	Covered in full, 60 visits per year	Coinsurance, 60 visits per year	Coinsurance, 60 visits per year

*Not included in out of pocket maximum

*Not included in out of pocket maximum

Rulemaking Authority 624.308, 627.6675(3)(e) FS. Law Implemented 624.307(1), 627.6498(4), 627.6675(3), 641.3922(3) FS. History New 3-2-00, Amended 4-2-01, 4-17-02, Formerly 4-149.204, Amended 5-18-04.

690-149.204 Rulemaking Authority

624.308 Rules.—

- (1) The department and the commission may each adopt rules pursuant to ss. 120.536(1) and 120.54 to implement provisions of law conferring duties upon the department or the commission, respectively.
- (2) In addition to any other penalty provided, willful violation of any such rule shall subject the violator to such suspension or revocation of certificate of authority or license as may be applicable under this code as for violation of the provision as to which such rule relates.

627.6675 Conversion on termination of eligibility.—

(3) CONVERSION PREMIUM; EFFECT ON PREMIUM RATES FOR GROUP COVERAGE.—

- (a) The premium for the converted policy shall be determined in accordance with premium rates applicable to the age and class of risk of each person to be covered under the converted policy and to the type and amount of insurance provided. However, the premium for the converted policy may not exceed 200 percent of the standard risk rate as established by the office, pursuant to this subsection.
- (b) Actual or expected experience under converted policies may be combined with such experience under group policies for the purposes of determining premium and loss experience and establishing premium rate levels for group coverage.
- (c) The office shall annually determine standard risk rates, using reasonable actuarial techniques and standards adopted by the commission by rule. The standard risk rates must be determined as follows:
 1. Standard risk rates for individual coverage must be determined separately for indemnity policies, preferred provider/exclusive provider policies, and health maintenance organization contracts.
 2. The office shall survey insurers and health maintenance organizations representing at least an 80 percent market share, based on premiums earned in the state for the most recent calendar year, for each of the categories specified in subparagraph 1.
 3. Standard risk rate schedules must be determined, computed as the average rates charged by the carriers surveyed, giving appropriate weight to each carrier's statewide market share of earned premiums.
 4. The rate schedule shall be determined from analysis of the one county with the largest market share in the state of all such carriers.
 5. The rate for other counties must be determined by using the weighted average of each carrier's county factor relationship to the county determined in subparagraph 4.
 6. The rate schedule must be determined for different age brackets and family size brackets.

624.307 General powers; duties.—



- (1) The department and office shall enforce the provisions of this code and shall execute the duties imposed upon them by this code, within the respective jurisdiction of each, as provided by law.

641.3922 Conversion contracts; conditions.—Issuance of a converted contract shall be subject to the following conditions:

- (3) CONVERSION PREMIUM.—The premium for the converted contract shall be determined in accordance with premium rates applicable to the age and class of risk of each person to be covered under the converted contract and to the type and amount of coverage provided. However, the premium for the converted contract may not exceed 200 percent of the

standard risk rate, as established by the office under s. 627.6675(3). The mode of payment for the converted contract shall be quarterly or more frequently at the option of the organization, unless otherwise mutually agreed upon between the subscriber and the organization.

M E M O R A N D U M

DATE: July 27, 2017
TO: David Altmaier, Commissioner, Office of Insurance Regulation
THROUGH: Anoush Brangaccio, General Counsel
FROM: Virginia Christy 
Stephen Fredrickson 
SUBJECT: Cabinet Agenda for August 16, 2017
Request for Approval to Publish Amendments to
Rule 69O-162.008,.012
Assignment # 207468-17


The Office of Insurance Regulation requests that these proposed rule amendments be presented to the Cabinet aides on or before August 9, 2017 and to the Financial Services Commission on August 16, 2017, with a request to approve for publication the proposed rules.

Amend rules to refer to updated Annuity Mortality Tables for individual and group annuity contracts.

Sections 624.308(1), 627.805, 624.307(1), 625.121, 627.802, 627.803, 627.804, 627.413, F.S., provide rulemaking authority and laws implemented for these rules.

Stephen Fredrickson is the attorney handling these rules. Attached are: 1) the proposed rule(s), 2) any incorporated materials, such as forms; and 3) copies of the rulemaking statutory authority and law implemented.

Approved for signature:


Anoush Brangaccio, General Counsel

Approved for submission to Financial Services
Commission:


David Altmaier, Commissioner
Office of Insurance Regulation

69O-162.008 Contract Provision; Expense, Mortality and Investment Increment Factor.

Any individual or group variable annuity contract delivered or issued for delivery in this state shall stipulate the expense, mortality, and investment increment factors to be used in computing the dollar amount of variable benefits or other contractual payments or values thereunder, and shall guarantee that expense and mortality results shall not adversely affect such dollar amounts. The mortality and investment increment factors used in computing the dollar amount of variable benefits or other contractual payments or values under an individual variable contract shall not produce a large initial payment than would be produced by the use of annuity mortality tables in rule 69O-162.108 for policies issued on or before December 31, 2016 and the 1937 Standard Annuity Mortality Tables for use in determining reserve liabilities in accordance with the NAIC Valuation Manual as adopted by 625.1212 for policies issued on or after January 1, 2017 and an annual investment increment assumption of 3 ½%. "Expense" as used in this subsection may exclude some or all taxes as stipulated in the contract.

Rulemaking Specific Authority 624.308(1), 627.805 FS. Law Implemented 624.307(1), 627.803, 627.804, 627.413 FS.

History—Repromulgated 12-24-74, Formerly 4-10.08, 4-10.008, 4-162.008, Amended _____.

69O-162.012 Valuation of Account Assets; Reserve Liability.

(1) No Change

(2) The reserve liability for variable annuity contracts shall be established by the Office Director pursuant to the requirements of the 1937 Standard Annuity Mortality Tables for use in determining reserve liabilities listed in rule 69O-162.108 for policies issued prior to December 31, 2016 and for use in determining reserve liabilities in accordance with the NAIC Valuation Manual as adopted by 625.1212 for policies issued on or after January 1, 2017 and in Appendix VM-M of the NAIC Valuation Manual in accordance with actuarial procedures that recognize the variable nature of the benefits provided.

Rulemaking Authority 627.805 FS. Law Implemented 625.121, 627.802, 627.804 FS. History—Repromulgated 12-24-74, Formerly 4-10.12, 4-10.012, 4-162.012, Amended _____.

624.308 Rules.—

(1) The department and the commission may each adopt rules pursuant to ss. 120.536(1) and 120.54 to implement provisions of law conferring duties upon the department or the commission, respectively.

627.805 Regulation of variable and indeterminate value contracts; rules.—The Department of Financial Services and the Office of Insurance Regulation shall regulate the issuance and sale of variable and indeterminate value contracts pursuant to their respective authority as conferred by state law. The Office of Financial Regulation shall regulate the sale of variable and indeterminate value contracts pursuant to its authority under chapter 517. The Department of Financial Services and, when applicable, the Financial Services Commission, may adopt rules pursuant to ss. 120.536(1) and 120.54 to implement this part.

624.307 General powers; duties.—

(1) The department and office shall enforce the provisions of this code and shall execute the duties imposed upon them by this code, within the respective jurisdiction of each, as provided by law.

627.803 Statement of value of benefits.—Any contract or group certificate delivered or issued for delivery in this state which provides variable or indeterminate values shall contain a statement of the essential features of the procedure to be followed by the insurance company in determining the dollar amount of the benefits, values, or premiums and shall state in clear terms that the amount may decrease or increase according to such procedure. Any such contract delivered or issued for delivery in this state, and any such group certificate, shall contain on its first page, in a prominent position in contrasting color or boldfaced type, and in a type size as large as the type used in the text of the policy, a clear statement that the benefits, values, or premiums are on a variable basis and, if such is the fact, that the initial interest rate is guaranteed only for a limited period of time.

627.804 Investment of assets.—An insurer which issues contracts providing for benefits, values, or premiums that vary directly according to investment experience and which has established a separate account or accounts in connection with such contracts may invest and reinvest the assets held in the separate account or accounts without regard to any state requirements or limitations governing the investments of life insurance companies. The investments in the separate account or accounts shall not be considered in applying the investment limitations otherwise applicable to the investments of the company.

627.413 Contents of policies, in general; identification.—

- (1) Every policy shall specify:
- (a) The names of the parties to the contract.
 - (b) The subject of the insurance.
 - (c) The risks insured against.
 - (d) The time when the insurance thereunder takes effect and the period during which the insurance is to continue.
 - (e) The premium.
 - (f) The conditions pertaining to the insurance.
 - (g) The form numbers and edition dates or numeric code indicating edition dates, when such code has been supplied to the office, of all endorsements attached to a policy. This

requirement applies to life insurance policies and health insurance policies only at the time of original issue.

(2) If under the policy the exact amount of premium is determinable only at stated intervals or termination of the contract, a statement of the basis and rates upon which the premium is to be determined and paid shall be included.

(3) Subsections (1) and (2) do not apply to surety contracts or to group insurance policies.

(4) All policies and annuity contracts issued by insurers, and the forms thereof filed with the office, shall have printed thereon an appropriate designating letter or figure, or combination of letters or figures or terms identifying the respective forms of policies or contracts. Whenever any change is made in any such form, the designating letters, figures, or terms thereon shall be correspondingly changed.

(5) Any policy that is a minimum premium policy issued by an insurer pursuant to the minimum premium provisions of rules adopted by rating organizations licensed by the office, shall have typed, printed, stamped, or legibly handwritten on the certificate the words "minimum premium policy" or equivalent language. The office may impose an administrative fine pursuant to s. 624.4211 if the office finds any violation of this subsection.

(6) Notwithstanding any other provision of the Florida Insurance Code that is in conflict with federal requirements for a health savings account qualified high-deductible health plan, an insurer, or a health maintenance organization subject to part I of chapter 641, which is authorized to issue health insurance in this state may offer for sale an individual or group policy or contract that provides for a high-deductible plan that meets the federal requirements of a health savings account plan and which is offered in conjunction with a health savings account.

625.121 Standard Valuation Law; life insurance.—

(1) **SHORT TITLE.**—This section shall be known as the "Standard Valuation Law."

(2) **ANNUAL VALUATION.**—The office shall annually value, or cause to be valued, the reserves for all outstanding life insurance policies and annuity and pure endowment contracts of each life insurer doing business in this state. In the case of an alien insurer, such valuation is limited to its insurance transactions in the United States. In calculating reserves, the office may use group methods and approximate averages for fractions of a year or otherwise, and may accept the insurer's calculation of such reserves. In lieu of the valuation of the reserves required of a foreign or alien insurer, the office may accept any valuation made or caused to be made by the insurance supervisory official of any state or other jurisdiction if the valuation complies with the minimum standard provided under this section. If a valuation is made by the office, the office may use its actuary or employ an actuary for that purpose; and the reasonable compensation of the actuary, at a rate approved by the office, plus reimbursement of travel expenses pursuant to s. 624.320, supported by an itemized statement of such compensation and expenses, shall be paid by the insurer upon demand of the office. If a domestic insurer furnishes the office with a valuation of its outstanding policies as computed by its own actuary or by an actuary deemed satisfactory for that purpose by the office, the valuation shall be verified by the actuary of the office without cost to the insurer. This section applies to the calculation of reserves for policies and contracts not subject to s. 625.1212.

(3) **ACTUARIAL OPINION OF RESERVES.**—

(a) Each life insurer doing business in this state shall annually submit the opinion of a qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the commission by rule are computed appropriately, are based on assumptions that satisfy contractual provisions, are consistent with prior reported amounts, and comply with applicable laws of this state. The commission by rule

shall define the specifics of this opinion and add any other items determined necessary to its scope.

1. The opinion shall be submitted with the annual statement and must reflect the valuation of such reserve liabilities for each year ending on or before December 31 of the year before the operative date of the valuation manual as defined in s. 625.1212(2), and in accordance with s. 625.1212(4) for each year thereafter.
 2. The opinion applies to all business in force, including individual and group health insurance plans, in the form and substance acceptable to the office as specified by rule of the commission.
 3. The commission may adopt rules providing the standards of the actuarial opinion consistent with standards adopted by the Actuarial Standards Board on December 31, 2013, and subsequent revisions thereto if the standards remain substantially consistent.
 4. The office may accept an opinion filed by a foreign or alien insurer with the insurance supervisory official of another state if the office determines that the opinion reasonably meets the requirements applicable to an insurer domiciled in this state.
 5. As used in this subsection, the term "qualified actuary" means a member in good standing of the American Academy of Actuaries who also meets the requirements specified by rule of the commission.
 6. Disciplinary action by the office against the insurer or the qualified actuary shall be in accordance with the insurance code and related rules adopted by the commission.
 7. A memorandum in the form and substance specified by rule shall be prepared to support each actuarial opinion.
 8. If the insurer fails to provide a supporting memorandum at the request of the office within a period specified by rule of the commission, or if the office determines that the supporting memorandum provided by the insurer fails to meet the standards prescribed by rule of the commission, the office may engage a qualified actuary at the expense of the insurer to review the opinion and the basis for the opinion and prepare such supporting memorandum as required by the office.
 9. Except as otherwise provided in this subparagraph, any memorandum or other material in support of the opinion is confidential and exempt from s. 119.07(1) and is not subject to subpoena or discovery directly from the office; however, the memorandum or other material may be released by the office with the written consent of the insurer, or to the American Academy of Actuaries upon request stating that the memorandum or other material is required for the purpose of professional disciplinary proceedings and setting forth procedures satisfactory to the office for preserving the confidentiality of the memorandum or other material. If any portion of the confidential memorandum is cited by the insurer in its marketing, is cited before any governmental agency other than a state insurance department, or is released by the insurer to the news media, no portion of the memorandum is confidential. Neither the office nor any person who receives documents, materials, or other information while acting under the authority of the office or with whom such information is shared pursuant to this paragraph may testify in a private civil action concerning the confidential documents, materials, or information. However, the department or office may use the confidential and exempt information in the furtherance of any regulatory or legal action brought against an insurer as a part of the official duties of the department or office. A waiver of an applicable privilege or claim of confidentiality in the documents, materials, or information may not occur as a result of disclosure to the office under this section or any other section of the insurance code, or as a result of sharing as authorized under s. 624.4212.
- (b) In addition to the opinion required by paragraph (a), the office may, pursuant to commission rule, require an opinion of the same qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the commission by rule, when considered in light of the assets held by the insurer with respect to the reserves and related actuarial items, including, but not limited to, the

investment earnings on the assets and considerations anticipated to be received and retained under the policies and contracts, make adequate provision for the insurer's obligations under the policies and contracts, including, but not limited to, the benefits under, and expenses associated with, the policies and contracts.

(c) The commission may provide by rule for a transition period for establishing any higher reserves which the qualified actuary may deem necessary in order to render the opinion required by this subsection.

(4) MINIMUM STANDARD FOR VALUATION OF POLICIES AND CONTRACTS ISSUED BEFORE OPERATIVE DATE OF STANDARD NONFORFEITURE LAW.—The minimum standard for the valuation of all such policies and contracts issued prior to the operative date of s. 627.476 (Standard Nonforfeiture Law) shall be any basis satisfactory to the office. Any basis satisfactory to the former Department of Insurance on the effective date of this code shall be deemed to meet such minimum standards.

(5) MINIMUM STANDARD FOR VALUATION OF POLICIES AND CONTRACTS ISSUED ON OR AFTER OPERATIVE DATE OF THE STANDARD NONFORFEITURE LAW.—Except as otherwise provided in paragraph (h) and subsections (6), (13), and (14), the minimum standard for the valuation of all such policies and contracts issued on or after the operative date of s. 627.476 shall be the commissioners' reserve valuation method defined in subsections (7), (11), and (14); 5 percent interest for group annuity and pure endowment contracts and 3.5 percent interest for all other such policies and contracts, or in the case of life insurance policies and contracts, other than annuity and pure endowment contracts, issued on or after July 1, 1973, 4 percent interest for such policies issued prior to October 1, 1979, and 4.5 percent interest for such policies issued on or after October 1, 1979; and the following tables:

(a) For all ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in such policies:

1. For policies issued before the operative date of s. 627.476(9), the 1958 Commissioners Standard Ordinary (CSO) Mortality Table; except that, for any category of such policies issued on female risks, modified net premiums and present values, referred to in subsection (7), may be calculated according to an age up to 6 years younger than the actual age of the insured.

2. For policies issued on or after the operative date of s. 627.476(9), the 1980 Commissioners Standard Ordinary Mortality Table or, at the election of the insurer for any one or more specified plans of life insurance, the 1980 Commissioners Standard Ordinary Mortality Table with Ten-Year Select Mortality Factors.

3. For policies issued on or after July 1, 2004, ordinary mortality tables, adopted after 1980 by the NAIC, adopted by rule by the commission for use in determining the minimum standard of valuation for such policies.

(b) For all industrial life insurance policies issued on the standard basis, excluding any disability and accidental death benefits in such policies:

1. For policies issued before the first date, the 1961 Commissioners Standard Industrial Mortality Table is applicable according to s. 627.476, the 1941 Standard Industrial Mortality Table;

2. For policies issued on or after that date, the 1961 Commissioners Standard Industrial Mortality Table; and

3. For policies issued on or after October 1, 2014, a Commissioners Standard Industrial Mortality Table adopted by the NAIC after 1980 which is adopted by rule of the commission for use in determining the minimum standard of valuation for such policies.

(c) For individual annuity and pure endowment contracts, excluding any disability and accidental death benefits in such policies, the 1937 Standard Annuity Mortality Table or, at the option of the insurer, the Annuity Mortality Table for 1949, Ultimate, or any modification of these tables approved by the office.

(d) For group annuity and pure endowment contracts, excluding any disability and accidental death benefits in such policies, the Group Annuity Mortality Table for 1951; any modification of such table approved by the office; or, at the option of the insurer, any of the tables or modifications of tables specified for individual annuity and pure endowment contracts.

(e) For total and permanent disability benefits in or supplementary to ordinary policies or contracts:

1. For policies or contracts issued on or after January 1, 1966, the tables of period 2 disablement rates and the 1930 to 1950 termination rates of the 1952 disability study of the Society of Actuaries, with due regard to the type of benefit;
2. For policies or contracts issued on or after January 1, 1961, and before January 1, 1966, either of the tables specified in subparagraph 1. or, at the option of the insurer, the class three disability table (1926);
3. For policies issued before January 1, 1961, the class three disability table (1926); and
4. For policies or contracts issued on or after July 1, 2004, tables of disablement rates and termination rates adopted after 1980 by the NAIC, adopted by rule by the commission for use in determining the minimum standard of valuation for those policies or contracts.

Any such table for active lives shall be combined with a mortality table permitted for calculating the reserves for life insurance policies.

(f) For accidental death benefits in or supplementary to policies:

1. For policies issued on or after January 1, 1966, the 1959 Accidental Death Benefits Table;
2. For policies issued on or after January 1, 1961, and before January 1, 1966, the 1959 Accidental Death Benefits Table or, at the option of the insurer, the Intercompany Double Indemnity Mortality Table;
3. For policies issued before January 1, 1961, the Intercompany Double Indemnity Mortality Table; and
4. For policies issued on or after July 1, 2004, tables of accidental death benefits adopted after 1980 by the NAIC, adopted by rule by the commission for use in determining the minimum standard of valuation for those policies.

Either table shall be combined with a mortality table permitted for calculating the reserves for life insurance policies.

(g) For group life insurance, life insurance issued on the substandard basis, and other special benefits, such tables as may be approved by the office as being sufficient with relation to the benefits provided by such policies.

(h) Except as provided in subsection (6), the minimum standard for the valuation of all individual annuity and pure endowment contracts issued on or after the operative date of this paragraph and for all annuities and pure endowments purchased on or after such operative date under group annuity and pure endowment contracts shall be the commissioners' reserve valuation method defined in subsection (7) and the following tables and interest rates:

1. For individual annuity and pure endowment contracts issued before October 1, 1979, excluding any disability and accidental death benefits in such contracts, the 1971 Individual Annuity Mortality Table, or any modification of this table approved by the office, and 6 percent interest for single-premium immediate annuity contracts and 4 percent interest for all other individual annuity and pure endowment contracts.
2. For individual single-premium immediate annuity contracts issued on or after October 1, 1979, and before October 1, 1986, excluding any disability and accidental death benefits in

such contracts, the 1971 Individual Annuity Mortality Table, or any modification of this table approved by the office, and 7.5 percent interest. For such contracts issued on or after October 1, 1986, the 1983 Individual Annual Mortality Table, or any modification of such table approved by the office, and the applicable calendar year statutory valuation interest rate as described in subsection (6).

3. For individual annuity and pure endowment contracts issued on or after October 1, 1979, and before October 1, 1986, other than single-premium immediate annuity contracts, excluding any disability and accidental death benefits in such contracts, the 1971 Individual Annuity Mortality Table, or any modification of this table approved by the office, and 5.5 percent interest for single-premium deferred annuity and pure endowment contracts and 4.5 percent interest for all other such individual annuity and pure endowment contracts. For such contracts issued on or after October 1, 1986, the 1983 Individual Annual Mortality Table, or any modification of such table approved by the office, and the applicable calendar year statutory valuation interest rate as described in subsection (6).

4. For all annuities and pure endowments purchased before October 1, 1979, under group annuity and pure endowment contracts, excluding any disability and accidental death benefits purchased under such contracts, the 1971 Group Annuity Mortality Table, or any modification of this table approved by the office, and 6 percent interest.

5. For all annuities and pure endowments purchased on or after October 1, 1979, and before October 1, 1986, under group annuity and pure endowment contracts, excluding disability and accidental death benefits purchased under such contracts, the 1971 Group Annuity Mortality Table, or any modification of this table approved by the office, and 7.5 percent interest. For such contracts purchased on or after October 1, 1986, the 1983 Group Annuity Mortality Table, or any modification of such table approved by the office, and the applicable calendar year statutory valuation interest rate as described in subsection (6).

After July 1, 1973, an insurer may have filed with the former Department of Insurance a written notice of its election to comply with this paragraph after a specified date before January 1, 1979, which shall be the operative date of this paragraph for such insurer. However, an insurer may elect a different operative date for individual annuity and pure endowment contracts from that elected for group annuity and pure endowment contracts. If an insurer does not make such election, the operative date of this paragraph for such insurer is January 1, 1979.

(i) In lieu of the mortality tables specified in this subsection, and subject to rules previously adopted by the former Department of Insurance, the insurance company may, at its option:

1. Substitute the applicable 1958 CSO or CET Smoker and Nonsmoker Mortality Tables, in lieu of the 1980 CSO or CET mortality table standard, for policies issued on or after the operative date of s. 627.476(9) and before January 1, 1989.

2. Substitute the applicable 1980 CSO or CET Smoker and Nonsmoker Mortality Tables in lieu of the 1980 CSO or CET mortality table standard.

3. Use the Annuity 2000 Mortality Table for determining the minimum standard of valuation for individual annuity and pure endowment contracts issued on or after January 1, 1998, and before July 1, 1998.

4. Use the 1994 GAR Table for determining the minimum standard of valuation for annuities and pure endowments purchased on or after January 1, 1998, and before July 1, 1998, under group annuity and pure endowment contracts.

(j) The commission may adopt by rule the model regulation for valuation of life insurance policies as approved by the NAIC in March 1999, including tables of select mortality factors, and may make the regulation effective for policies issued on or after January 1, 2000.

(k) For individual annuity and pure endowment contracts issued on or after July 1, 2004, excluding disability and accidental death benefits purchased under those contracts,

individual annuity mortality tables adopted after 1980 by the NAIC, adopted by rule by the commission for use in determining the minimum standard of valuation for those contracts.

(l) For all annuities and pure endowments purchased on or after July 1, 2004, under group annuity and pure endowment contracts, excluding disability and accidental death benefits purchased under those contracts, group annuity mortality tables adopted after 1980 by the NAIC, adopted by rule by the commission for use in determining the minimum standard of valuation for those contracts.

(6) MINIMUM STANDARD OF VALUATION.—

(a) The interest rates used in determining the minimum standard for the valuation of:

1. All life insurance policies issued in a particular calendar year on or after the operative date of s. 627.476(9);
2. All individual annuity and pure endowment contracts issued in a particular calendar year on or after January 1, 1982;
3. All annuities and pure endowments purchased in a particular calendar year on or after January 1, 1982, under group annuity and pure endowment contracts; and
4. The net increase, if any, in a particular calendar year after January 1, 1982, in amounts held under guaranteed interest contracts,

shall be the calendar year statutory valuation interest rates for the year-of-issue purchase or increase as defined in this subsection.

(b) The calendar year statutory valuation interest rates I shall be determined as follows, and the results rounded to the nearest 0.25 percent:

1. For life insurance:

$$I = 0.03 + W(R1-0.03) + (W/2)(R2-0.09).$$

For purposes of this subparagraph, “R1” is the lesser of R and .09; “R2” is the greater of R and .09; “R” is the reference interest rate defined in this subsection; and “W” is the weighting factor defined in this subsection.

2. For single-premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and from guaranteed interest contracts with cash settlement options:

$$I = 0.03 + W(R-0.03).$$

For purposes of this subparagraph, “R” is the reference interest rate defined in this subsection, and “W” is the weighting factor defined in this subsection.

3. For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on an issue-year basis, except as stated in subparagraph 2., the formula for life insurance stated in subparagraph 1. shall apply to annuities and guaranteed interest contracts with guarantee durations in excess of 10 years, and the formula for single-premium immediate annuities stated in subparagraph 2. shall apply to annuities and guaranteed interest contracts with guarantee durations of 10 years or less.

4. For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the formula for single-premium immediate annuities stated in subparagraph 2. shall apply.

5. For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a change-in-fund basis, the formula for single-premium immediate annuities stated in subparagraph 2. shall apply.

However, if the calendar year statutory valuation interest rate for any life insurance policies issued in any calendar year determined without reference to this sentence differs from the corresponding actual rate for similar policies issued in the immediately preceding calendar year by less than 0.5 percent, the calendar year statutory valuation interest rate for such life insurance policies shall be equal to the corresponding actual rate for the immediately preceding calendar year. For purposes of applying the immediately preceding sentence, the calendar year statutory valuation interest rate for life insurance policies issued in a calendar year shall be determined for 1980, the reference interest rate defined for 1979 being used, and shall be determined for each subsequent calendar year regardless of when s. 627.476(9) becomes operative.

(c) The weighting factors referred to in the formulas stated in paragraph (b) are given in the following tables:

1. Weighting factors for life insurance:

Guarantee Duration	Weighting
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(Years)	Factors
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10 or less:.....	0.50
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More than 10, but not more than 20:.....	0.45
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More than 20:.....	0.35
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For life insurance, the "guarantee duration" is the maximum number of years the life insurance can remain in force on a basis guaranteed in the policy or under options to convert to plans of life insurance with premium rates or nonforfeiture values or both which are guaranteed in the original policy.

2. Weighting factor for single-premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and guaranteed interest contracts with cash settlement options: 0.80.

3. Weighting factors for other annuities and for guaranteed interest contracts, except as stated in subparagraph 2., shall be as specified in sub-subparagraphs a., b., and c., according to the rules and definitions in sub-subparagraphs d., e., and f. and in paragraph (f):

a. For annuities and guaranteed interest contracts valued on an issue-year basis:

Guarantee Duration	Weighting Factor
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(Years)	for Plan Type
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5 or less:.....	A—0.80
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	B—0.60
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	C—0.50
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More than 5, but not more than 10:.....	A—0.75
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	B—0.60
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C—0.50

More than 10, but not more than 20:.....A—0.65

B—0.50

C—0.45

More than 20:.....A—0.45

B—0.35

C—0.35

b. For annuities and guaranteed interest contracts valued on a change-in-fund basis, the factors shown in sub-subparagraph a. increased by: 0.15 for Plan Type A; 0.25 for Plan Type B; 0.05 for Plan Type C.

c. For annuities and guaranteed interest contracts valued on an issue-year basis, other than those with no cash settlement options, which do not guarantee interest on considerations received more than 1 year after issue or purchase and for annuities and guaranteed interest contracts valued on a change-in-fund basis which do not guarantee interest rates on considerations received more than 12 months beyond the valuation date, the factors shown in sub-subparagraph a. or derived in sub-subparagraph b. increased by: 0.05 for Plan Type A; 0.05 for Plan Type B; 0.05 for Plan Type C.

d. For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, the "guarantee duration" is the number of years for which the contract guarantees interest rates in excess of the calendar year statutory valuation interest rate for life insurance policies with guarantee duration in excess of 20 years. For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the guarantee duration is the number of years from the date of issue or date of purchase to the date annuity benefits are scheduled to commence.

e. "Plan type," as used in the tables above, is defined as follows:

(I) Plan Type A: At any time, the policyholder may withdraw funds only with an adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurer; the policyholder may withdraw funds only without such adjustment but in installments over 5 years or more; the policyholder may withdraw funds only as an immediate life annuity; or no withdrawal is permitted.

(II) Plan Type B: Before expiration of the interest rate guarantee, the policyholder may withdraw funds only with an adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurer; the policyholder may withdraw funds only without such adjustment but in installments over 5 years or more; or no withdrawal is permitted. At the end of interest rate guarantee, funds may be withdrawn without such adjustment in a single sum or installments over less than 5 years.

(III) Plan Type C: The policyholder may withdraw funds before expiration of interest rate guarantee in a single sum or installments over less than 5 years either without adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurer or subject only to a fixed surrender charge stipulated in the contract as a percentage of the fund.

f. An insurer may elect to value guaranteed interest contracts with cash settlement options and annuities with cash settlement options on either an issue-year basis or on a change-in-fund basis. Guaranteed interest contracts with no cash settlement options and other annuities with no cash settlement options must be valued on an issue-year basis.

(d) The "reference interest rate" referred to in paragraph (b) is defined as follows:

1. For all life insurance, the lesser of the average over a period of 36 months and the average over a period of 12 months, ending on June 30 of the calendar year next preceding the year of issue, of the interest rate index.

2. For single-premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, the average over a period of 12 months, ending on June 30 of the calendar year of issue or year of purchase, of the interest rate index.

3. For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a year-of-issue basis, except as stated in subparagraph 2., with guarantee duration in excess of 10 years, the lesser of the average over a period of 36 months and the average over a period of 12 months, ending on June 30 of the calendar year of issue or purchase, of the interest rate index.

4. For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a year-of-issue basis, except as stated in subparagraph 2., with guarantee duration of 10 years or less, the average over a period of 12 months, ending on June 30 of the calendar year of issue or purchase, of the interest rate index.

5. For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the average over a period of 12 months, ending on June 30 of the calendar year of issue or purchase, of the interest rate index.

6. For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a change-in-fund basis, except as stated in subparagraph 2., the average over a period of 12 months, ending on June 30 of the calendar year of the change in the fund, of the interest rate index.

(e) The interest rate index shall be the Moody's Corporate Bond Yield Average-Monthly Average Corporates as published by Moody's Investors Service, Inc., if the index is calculated by using substantially the same methodology used by Moody's on January 1, 1981. If Moody's corporate bond yield average ceases to be calculated in substantially the same manner, the interest rate index shall be the index specified in the valuation manual, as applicable, as provided under s. 625.1212, or an index adopted by the NAIC and approved by rule adopted by the commission. The methodology used in determining the index approved by rule must be substantially the same as the methodology employed on January 1, 1981, for determining Moody's Corporate Bond Yield Average-Monthly Average Corporates as published by Moody's Investors Service, Inc.

(f) As used in this subsection, an "issue-year basis" of valuation refers to a valuation basis under which the interest rate used to determine the minimum valuation standard for the entire duration of the annuity or guaranteed interest contract is the calendar year valuation interest rate for the year of purchase of the annuity or guaranteed interest contract; and the "change-in-fund" basis of valuation refers to a valuation basis under which the interest rate used to determine the minimum valuation standard applicable to each change in the fund held under the annuity or guaranteed interest contract is the calendar year valuation interest rate for the year of the change in the fund.

(7) COMMISSIONERS' RESERVE VALUATION METHOD.—

(a)1. Except as otherwise provided in this subsection and subsections (11) and (14), reserves according to the commissioners' reserve valuation method, for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums, shall be the excess, if any, of the present value, at the date of valuation, of such future guaranteed benefits provided for by such policies, over the then-present value of any future modified net premiums therefor. The modified net premiums for any such policy shall be such uniform percentage of the respective contract premiums for such benefits that the present value, at the date of issue of the policy, of all such modified net premiums shall be equal to the sum of the then-

present value of such benefits provided for by the policy and the excess of sub-subparagraph a. over sub-subparagraph b. as follows:

- a. A net-level annual premium equal to the present value, at the date of issue, of such benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of such policy on which a premium falls due; provided, however, that such net-level annual premium shall not exceed the net-level annual premium on the 19-year premium whole life plan for insurance of the same amount at an age 1 year higher than the age at issue of such policy.
 - b. A net-1-year-term premium for such benefits provided for in the first policy year.
2. For any life insurance policy which is issued on or after January 1, 1985, for which the contract premium in the first policy year exceeds that of the second year and for which no comparable additional benefit is provided in the first year for such excess, and which provides an endowment benefit, a cash surrender value, or a combination thereof in an amount greater than such excess premium, the reserve according to the commissioners' reserve valuation method as of any policy anniversary occurring on or before the assumed ending date, defined herein as the first policy anniversary on which the sum of any endowment benefit and any cash surrender value then available is greater than such excess premium, shall, except as otherwise provided in subsection (11), be the greater of the reserve as of such policy anniversary calculated as described in subparagraph 1. and the reserve as of such policy anniversary calculated as described in subparagraph 1. but with:
- a. The value defined in subparagraph 1. being reduced by 15 percent of the amount of such excess first year premium;
 - b. All present values of benefits and premiums being determined without reference to premiums or benefits provided for by the policy after the assumed ending date;
 - c. The policy being assumed to mature on such date as an endowment; and
 - d. The cash surrender value provided on such date being considered as an endowment benefit.

In making the above comparison, the mortality and interest bases stated in subsections (5) and (6) shall be used.

- (b) Reserves according to the commissioners' reserve valuation method for:
1. Life insurance policies providing for a varying amount of insurance or requiring the payment of varying premiums;
 2. Group annuity and pure endowment contracts, purchased under a retirement plan or plan of deferred compensation, established or maintained by an employer, including a partnership or sole proprietorship, or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under s. 408 of the Internal Revenue Code, as now or hereafter amended;
 3. Disability and accidental death benefits in all policies and contracts; and
 4. All other benefits, except life insurance and endowment benefits in life insurance policies, and benefits provided by all other annuity and pure endowment contracts,

shall be calculated by a method which is consistent with and yields results consistent with the principles of paragraph (a).

- (c) This subsection shall apply to all annuity and pure endowment contracts other than group annuity and pure endowment contracts purchased under a retirement plan or plan of deferred compensation, established or maintained by an employer, including a partnership or sole proprietorship, or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under s. 408 of

the Internal Revenue Code, as now or hereafter amended. Reserves according to the commissioners' annuity reserve method for benefits under annuity or pure endowment contracts, excluding any disability and accidental death benefits in such contracts, shall be the greatest of the respective excesses of the present values, at the date of valuation, of the future guaranteed benefits, including guaranteed nonforfeiture benefits, provided for by such contracts at the end of each respective contract year, over the present value, at the date of valuation, of any future valuation considerations derived from future gross considerations, required by the terms of such contract, that become payable prior to the end of such respective contract year. The future guaranteed benefits shall be determined by using the mortality table, if any, and the interest rate or rates specified in such contracts for determining guaranteed benefits. The valuation considerations are the portions of the respective gross considerations applied under the terms of such contracts to determine nonforfeiture values.

(8) MINIMUM AGGREGATE RESERVES.—

(a) In no event shall an insurer's aggregate reserves for all life insurance policies, excluding disability and accidental death benefits, issued on or after the operative date of s. 627.476, be less than the aggregate reserves calculated in accordance with the methods set forth in subsections (7), (11), and (12) and the mortality table or tables and rate or rates of interest used in calculating nonforfeiture benefits for such policies.

(b) In no event may the aggregate reserves for all policies, contracts, and benefits be less than the aggregate reserves determined by the qualified actuary to be necessary to render the opinion required by subsection (3).

(9) OPTIONAL RESERVE BASIS.—

(a) Reserves for all policies and contracts issued prior to the operative date of s. 627.476 may be calculated, at the option of the insurer, according to any standards which produce greater aggregate reserves for all such policies and contracts than the minimum reserves required by the laws in effect immediately prior to such date.

(b) For any category of policies, contracts, or benefits specified in subsections (5) and (6), issued on or after the operative date of s. 627.476 (the Standard Nonforfeiture Law for Life Insurance), reserves may be calculated, at the option of the insurer, according to any standard or standards which produce greater aggregate reserves for such category than those calculated according to the minimum standard herein provided; but the rate or rates of interest used for policies and contracts, other than annuity and pure endowment contracts, shall not be higher than the corresponding rate or rates of interest used in calculating any nonforfeiture benefits provided for therein.

(10) LOWER VALUATIONS.—An insurer that adopted a standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard provided under this section shall, with the approval of the office, adopt a lower standard of valuation, but not lower than the minimum herein provided; however, for the purposes of this subsection, the holding of additional reserves previously determined by an appointed actuary, as defined in s. 625.1212(2), to be necessary to render the opinion required by subsection (3) may not be deemed to be the adoption of a higher standard of valuation.

(11) ADDITIONAL PREMIUM.—If in any contract year the gross premium charged by a life insurer on a policy or contract is less than the valuation net premium for the policy or contract calculated by the method used in calculating the reserve thereon but using the minimum valuation standards of mortality and rate of interest, the minimum premium reserve required for the policy or contract shall be the greater of the reserve calculated according to the actual mortality table, rate of interest, and method used for the policy or contract, or the actual method used for the policy or contract but using the minimum valuation standards of mortality and rate of interest and replacing the valuation net premium by the actual gross premium in each contract year for which the valuation net premium exceeds the actual gross premium. The minimum valuation standards of mortality and rate of interest are those standards defined by subsections (4), (5), and (6). For any

life insurance policy that is issued on or after January 1, 1985, for which the gross premium in the first policy year exceeds that of the second year and for which no comparable additional benefit is provided in the first year for such excess, and which provides an endowment benefit, a cash surrender value, or a combination thereof in an amount greater than such excess premium, the foregoing provisions of this subsection shall be applied as if the method actually used in calculating the reserve for such policy were the method described in subsection (7), the provisions of subparagraph (7)(a)2. being ignored. The minimum premium reserve amount, if any, at each policy anniversary of such a policy is the excess, if any, of the amount determined by the foregoing provisions of this subsection plus the reserve calculated by the method described in subsection (7), the provisions of subparagraph (7)(a)2. being ignored, over the reserve actually calculated by the method described in subsection (7), the provisions of subparagraph (7)(a)2. being taken into account.

(12) RESERVE CALCULATION FOR INDETERMINATE PREMIUM PLANS.—In the case of a plan of life insurance which provides for future premium determination, the amounts of which are to be determined by the insurer based on then estimates of future experience, or in the case of a plan of life insurance or annuity for which the minimum reserves cannot be determined by the methods described in subsections (7) and (11), the reserves that are held under such plan must:

- (a) Be appropriate in relation to the benefits and the pattern of premiums for that plan; and
- (b) Be computed by a method that is consistent with the principles of this section, as determined by rules adopted by the commission.

(13) CREDIT LIFE AND DISABILITY POLICIES.—

(a) For policies issued prior to January 1, 2004:

1. The minimum reserve for single-premium credit disability insurance, monthly premium credit life insurance, and monthly premium credit disability insurance shall be the unearned gross premium.

2. As to single-premium credit life insurance policies, the insurer shall establish and maintain reserves that are not less than the value, at the valuation date, of the risk for the unexpired portion of the period for which the premium has been paid as computed on the basis of the commissioners' 1980 Standard Ordinary Mortality Table and 3.5 percent interest. At the discretion of the office, the insurer may make a reasonable assumption as to the ages at which net premiums are to be determined. In lieu of the foregoing basis, reserves based upon unearned gross premiums may be used at the option of the insurer.

(b) For policies issued on or after January 1, 2004:

1. The minimum reserve for single-premium credit disability insurance shall be either:

- a. The unearned gross premium, or
- b. Based upon a morbidity table that is adopted by the National Association of Insurance Commissioners and is specified in a rule the commission adopts pursuant to subsection (14).

2. The minimum reserve for monthly premium credit disability insurance shall be the unearned gross premium.

3. The minimum reserve for monthly premium credit life insurance shall be the unearned gross premium.

4. As to single-premium credit life insurance policies, the insurer shall establish and maintain reserves that are not less than the value, at the valuation date, of the risk for the unexpired portion of the period for which the premium has been paid as computed on the basis of the commissioners' 1980 Standard Ordinary Mortality Table or any ordinary mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by rule adopted by the commission for use in determining the minimum standard of valuation for such policies; and an interest rate determined in accordance with subsection (6). At the discretion of the office, the insurer may make a reasonable

assumption as to the ages at which net premiums are to be determined. In lieu of the foregoing basis, reserves based upon unearned gross premiums may be used at the option of the insurer.

(14) MINIMUM STANDARDS FOR HEALTH PLANS.—The commission shall adopt a rule containing the minimum standards applicable to the valuation of health plans in accordance with sound actuarial principles.

627.802 Establishment and maintenance of separate accounts.—A domestic life insurance company may establish one or more separate accounts and allocate thereto amounts, including without limitation proceeds applied under optional modes of settlement or under dividend options, to provide for life insurance or annuities, and benefits incidental thereto, payable in fixed or variable amounts or both. All amounts received by the company which are required by contract to be applied to provide variable benefits or values shall be added to the appropriate separate account. If so provided under applicable contracts, that portion of the assets of any such separate account equal to the reserves and other contract liabilities with respect to the account shall not be chargeable with liabilities arising out of any other business the company may conduct. Any deficit from mortality experience which may arise in any such separate account shall be adjusted by additions to the account by the company so that the assets of the account are always at least equal to the assets required to satisfy the obligations of the company.



Florida Office of Insurance Regulation

Commissioner David Altmaier

Performance Measures and Legislative Budget Request

Presented to:

The Financial Services Commission

August 16, 2017



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Performance Measures

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Current Budget Fiscal Year 2017 - 2018

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Proposed Performance Measures

If approved, the new measures will:

- Drive productivity, enhance operational function, and, most importantly, constantly challenge ourselves to do better
- Maintain existing criteria but modify the measures to better gauge efficiency
- Aid us in accomplishing our mission to promote a stable and competitive insurance market in the state of Florida for all market participants through improved processes

Performance Measures – Current and Proposed

Current		Proposed	Changes
1	Percentage of applications for a new certificate of authority and new types of insurance added to an existing certificate of authority completed within 90 days.	Average* number of days to process applications with a benchmark** score of 3.	✓
2	Percentage of life and health form and rate filing reviews completed within 45 days.	Average* number of days to complete life and health form and rate filing reviews with a benchmark** score of 3.	✓
3	Percentage of property and casualty form filing reviews completed within 45 days.	Average* number of days to complete property and casualty form and rate filing reviews with a benchmark** score of 3.	✓
4	Percentage of property and casualty rate filing reviews completed within 90 days.	Weighted average of the percentages from the combination of current measures 1-5, 9, and 10.	✓
5	Percentage of market conduct exams with violations in which the Office requires companies to remediate.	Average* number of days to complete market conduct exams and investigations with a benchmark** score of 3.	✓
6	Percentage of financial exams of domestic insurers completed within 18 months of the "as of" exam date.	No Change	
7	Percentage of life and health priority financial examinations of domestic insurers completed within 18 months of the "as of" exam date.	No Change	
8	Percentage of property and casualty priority financial examinations of domestic insurers completed within 18 months of the "as of" exam date.	No Change	
9	Percentage of priority financial analyses completed within 60 days.	Average* number of days to complete priority financial analyses with a benchmark** score of 3.	✓
10	Percentage of non-priority financial analyses completed within 90 days.	Average* number of days to complete non-priority financial analyses with a benchmark** score of 3.	✓

* Average refers to an eight-quarter moving weighted average to reduce the effects of seasonality and create a stable dataset.

** Benchmark was set using the statistics from the end of FY 2016-2017

Proposed Performance Measures		Weight	Scale	Result	Score
1	Average* number of days to process applications with a benchmark** score of 3.	8%	5 = 34.71 4 = 35.07 3 = 35.42 2 = 35.77 1 = 36.13 5 = 21.65	35.42	3
2	Average* number of days to complete life and health form and rate filing reviews with a benchmark** score of 3.	8%	4 = 21.87 3 = 22.09 2 = 22.31 1 = 22.53 5 = 22.44	22.09	3
3	Average* number of days to complete property and casualty form and rate filing reviews with a benchmark** score of 3.	8%	4 = 22.67 3 = 22.90 2 = 23.13 1 = 23.36 5 = 98 - 100%	22.90	3
4	Weighted average of the percentages for completed applications/filings within: 90 days for COA's and new types of insurance; 45 days for L&H; 90 days for P&C rates and 45 days for forms; 60/90 days for priority/non-priority financial analyses; and total market conduct violations requiring remediation.	8%	4 = 95 - 97% 3 = 92 - 94% 2 = 90 - 92% 1 = 87-89% 5 = 86.41	100%	5
5	Average* number of days to complete market conduct exams and investigations with a benchmark** score of 3.	8%	4 = 87.29 3 = 88.17 2 = 89.05 1 = 89.93 5 = 100%	88.17	3
6	Percentage of financial exams of domestic insurers completed within 18 months of the "as of" exam date.	8%	4 = 98-99% 3 = 97-98% 2 = 95-96% 1 = 93 - 94% 5 = 100%	100%	5
7	Percentage of life and health priority financial examinations of domestic insurers completed within 18 months of the "as of" exam date.	8%	4 = 98-99% 3 = 97-98% 2 = 95-96% 1 = 93 - 94% 5 = 100%	100%	5
8	Percentage of property and casualty priority financial examinations of domestic insurers completed within 18 months of the "as of" exam date.	8%	4 = 98-99% 3 = 97-98% 2 = 95-96% 1 = 93 - 94% 5 = 8.47	100%	5
9	Average* number of days to complete priority financial analyses with a benchmark** score of 3.	8%	4 = 8.55 3 = 8.64 2 = 8.73 1 = 8.81 5 = 41.40	8.64	3
10	Average* number of days to complete non-priority financial analyses with a benchmark** score of 3.	8%	4 = 41.82 3 = 42.24 2 = 42.66 1 = 43.08	42.24	3
				Average	3.8

* Average refers to an eight-quarter moving weighted average to reduce the effects of seasonality and create a stable dataset.

** Benchmark was set using the statistics from the end of FY 2016-2017



Current Budget: Fiscal Year 2017-2018

- Team of 289 Full-Time Employees
- Total Budget of \$30,707,991
- Exclusively funded by the Insurance Regulatory Trust Fund - no General Revenue is utilized for the Office's budget
- The Office is administratively housed within the Department of Financial Services for some administrative and technology support services



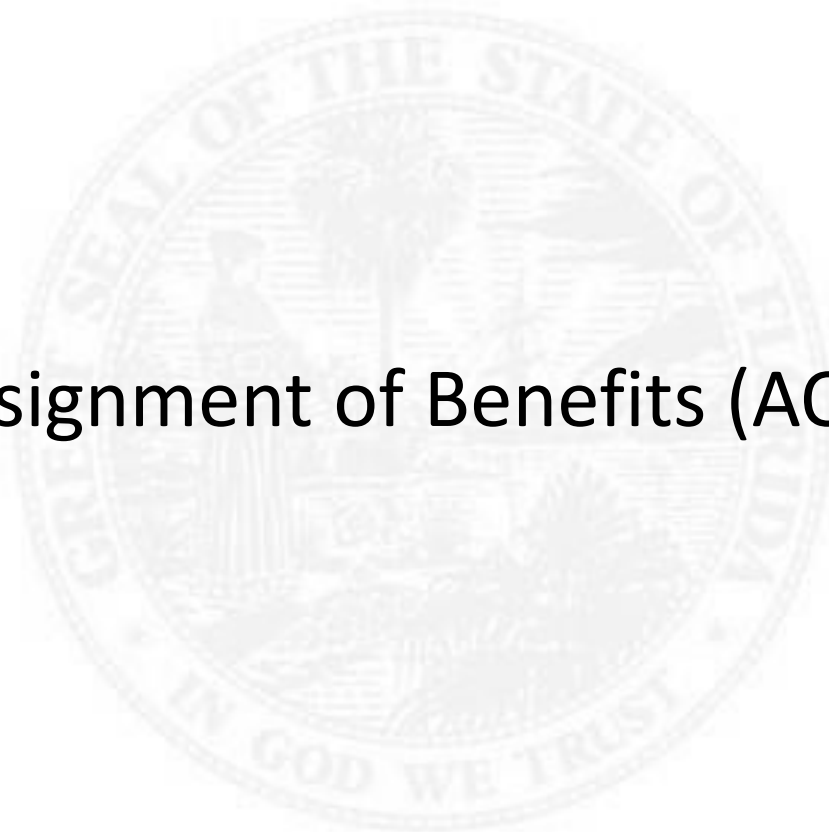
Office Budget – Fiscal Years (FY) 2017-2018 and 2018-2019

Legislative Appropriation Category	FY 2017-2018	FY 2018-2019
Salaries and Benefits	\$ 20,261,606	\$ 20,261,606
Financial Examinations (Pass-Through)	\$ 4,926,763	\$ 4,926,763
* Property & Casualty Examinations (\$3,501,763)		
* Life & Health Examinations (\$1,425,000)		
Expenses (includes \$1.1 million for office building rent to DMS)	\$ 2,481,072	\$ 2,481,072
Contracted Services	\$ 1,430,726	\$ 1,430,726
Florida Public Hurricane Model - Maintenance & Support to FIU	\$ 969,689	\$ 969,689
Other Personal Services	\$ 290,169	\$ 290,169
Risk Management Insurance	\$ 128,297	\$ 128,297
Operating Capital Outlay	\$ 98,000	\$ 98,000
Transfer to DMS (HR Contract)	\$ 94,266	\$ 94,266
Lease/Purchase/Equipment	\$ 27,403	\$ 27,403
Total	\$ 30,707,991	\$ 30,707,991



Legislative Agenda

Assignment of Benefits (AOB)





Questions?

