



Florida Office of Insurance Regulation

**APPLICATION FOR PERMIT
DOMESTIC STOCK OR MUTUAL INSURER**

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

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

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

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

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

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

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

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INSTRUCTIONS

SECTION I - APPLICATION FORM & FEES

Section I-1 Application and License Fees

Applicants must pay the application fees of \$1,525 USD and the annual assessment of \$2,000 USD pursuant to section 624.501, Florida Statutes. These fees are due at the time the application packet is filed and are nonrefundable.

Section I-2 Fingerprint Fees

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

Section I-3 Application Checklist and Certification

Applicant should complete pages 10-13 and return them with its application.

SECTION II – LEGAL

Section II-1 Draft Organizational Documents

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

1. Articles of Incorporation

Submit a copy of Applicant's proposed Articles of Incorporation that are in compliance with section 628.081, Florida Statutes.

2. Bylaws

Submit a copy of Applicant's proposed Bylaws that do not conflict with the draft Articles of Incorporation and are otherwise in compliance with applicable Florida Statutes.

Section II-2 Articles of Incorporation (Other Involved Corporations)

For any corporation involved in the financing or formation of Applicant, submit a copy of the Articles of Incorporation, or equivalent document, complete with all amendments, certified within the last year by the public official with whom the originals are on file in the state or jurisdiction of domicile.

Section II-3 Authorization Letter

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

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SECTION III - FINANCIAL

Section III-1 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, Applicant must furnish a three-year Plan of Operation. If Applicant will be 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 Operation. The Plan must include all major areas of the proposed operations, including, but not limited to, the following:

- 1) Provide a narrative statement discussing why Applicant has chosen Florida as its domiciliary jurisdiction. Include discussion of any history Applicant's affiliates have writing insurance in Florida. If any affiliates are currently writing in Florida, differentiate between the products and markets in which Applicant intends to write.
- 2) Provide a list of counties in which Applicant intends to offer products.
- 3) Provide 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.
- 4) Attach a proposed organizational depiction (in the format of a flow chart) showing the various executive management, directors, officers, and related material functions that require internal control oversight of Applicant, 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 member who has access to funds or bank accounts.
- 5) Provide an organizational chart showing the ownership structure of Applicant that includes affiliates, subsidiaries, all upstream ownership, and all individuals or entities who will have direct or indirect control up to and including any 10% or greater interest holders of the ultimate parent of Applicant.
- 6) Does any proposed officer or salaried employee, exclusive of a director, have in force a license as an insurance agent or broker in Florida? If yes, please identify their proposed position with Applicant.
- 7) Provide a narrative statement discussing any common facilities or functions that are shared with affiliates or delegated to third parties. Submit copies of any draft or executed agreements including any amendments to these arrangements.
- 8) Submit a copy of the Applicant's proposed investment policy.
- 9) Submit Form OIR-C1-1416, Uniform Certificate of Authority Application (UCAA) Lines of Insurance, reflecting the lines of insurance Applicant intends to write in Florida.

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- 10)** Provide a description of insurance products to be written in each line of insurance.
- 11)** Submit a narrative statement discussing Applicant's plans for underwriting, claims handling, policyholder administration, loss reserving, accounting, investments, and rating. Specifically address the following:
 - a)** How policies will be underwritten, including the issuance and endorsements;
 - b)** How policies will be cancelled;
 - c)** How premium and other funds will be handled;
 - d)** How personnel will be trained, supervised, and compensated;
 - e)** How the personnel handling claims payments and adjustments will be trained, supervised, and compensated, and if Applicant plans to utilize any outside entities for this process; and
 - f)** How and by whom claims reserves will be set and modified.
- 12)** Applicant should include a statement indicating if any of its stock, bonds, or any other physical or book entry securities will be in the physical possession of another entity. If so, provide a copy of the proposed custodial agreement.
- 13)** Provide copies of draft agreements Applicant will utilize for any services outsourced or with affiliates to carry out its proposed Plan of Operations.
- 14)** Provide a plan of marketing and sales, including commission rates, use of brokering agents, agencies, third-party administrators, managing general agents, and other administrative expenses, and planned dates of initial marketing. Provide copies of any relevant agreements and the advertising plan.
- 15)** Provide the proposed use of reinsurance, including the purpose of the reinsurance and the degree to which it is to be used in relation to the amount of insurance in force. Include retentions and limits of liability for the proposed reinsurance as well as catastrophe coverage and the largest amount retained on one risk.
- 16)** Furnish a list of all consultant and expert services proposed to be used during the first 3 years of operations.
- 17)** Indicate if Applicant plans to operate in other states, and if so the expected timeline for expansion.
- 18)** Provide a statement that Applicant will have a Disaster Coordination or Business Continuity Plan that is in compliance with Rules 69O-128.032 and 69O-128.033, Florida Administrative Code ("F.A.C."). Applicant must provide a copy of the Plan if requested by the Office.
- 19)** If the Applicant is applying for authority to write Variable Annuities, provide copies of any proposed third-party management or service contracts, commission schedules, five-year sales and expense projections, a statement from Applicant's actuary describing reserving procedures including the mortality and expense risks which Applicant will bear under the contract, a statement of the investment policy

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of the separate account, a 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, copies of the variable annuity contracts and applications, a description of any investment advisory services contemplated relating to separate accounts, and a draft 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 copies of any proposed variable life policies Applicant intends to issue, the name and experience of persons or firms proposed to supply consulting, investments, administrative, custodial, or distribution services to Applicant; 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 Applicant will annually file required information and statements concerning each investment advisor as required by its domiciliary state, a 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, a statement of the investment policy of any separate account, and the procedures for changing such policy, a statement from Applicant's actuary describing reserving procedures including the mortality and expense risks which Applicant will bear under the contract, standards of suitability or conduct regarding sales to policyholders, a statement specifying the standards of conduct with respect to the purchase or sale of investments of separate accounts (i.e. Board resolution), and a draft Board of Directors resolution authorizing the creation of the separate account.
- 21)** If Applicant will 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, provide a written explanation.
- 22)** Provide pro forma financial statements utilizing, as appropriate, Form OIR-D0-896, UCAA Proforma Financial Statements, Property and Casualty Insurance Company; Form OIR-D0-2119, UCAA Proforma Financial Statements, Title Insurance Company; Form OIR-D0-904, UCAA Proforma Financial Statements, Life & Health Insurer; or Form OIR-D0-2165, UCAA Proforma Financial Statements, Health, as relevant, for three years, excluding any spreadsheet that requires nationwide only data, in Excel format. 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 National Association of Insurance Commissioner ("NAIC") instructions to the annual statement.
 - a)** Provide a list of all assumptions used in construction of the pro forma financial statements 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 policies and contracts.
 - b)** Provide planned premium volume for nationwide premium and Florida premium by line of insurance for a three-year period from initial marketing date for each line of insurance.

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Section III-2 Draft Holding Company Registration Statement

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

Section III-3 Proposed Address/Contact Information

All of the following information, as far as it is known, is to be provided:

- Home Office Address
- Administrative Office Address
- Mailing Address
- Phone Number(s)
- Billing Contact (Address, Phone, E-Mail, Fax)
- Premium Tax Statement Contact (Address, Phone, E-Mail, Fax)
- Producer Licensing Contact (Address, Phone, E-Mail, Fax)
- Rate/Form Filing Contact (Address, Phone, E-Mail, Fax)
- Consumer Affairs Contact (Address, Phone, E-Mail, Fax)
- Agent Appointment Contact (Address, Phone, E-Mail, Fax)
- Contact for Information Concerning the Application (Address, Phone, E-Mail, Fax)

Section III-4 Statement of Method Used in Financing Insurer

Section 628.051, Florida Statutes, requires, among other things, full disclosure of the terms of all understandings and agreements existing or proposed relative to the insurer, or the formation or financing of the insurer. Applicants should provide a statement of the method to be used in the financing of the proposed insurer, which includes the following information:

- 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, certificate of deposit, case, etc.; and

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- d) Verification that the funds are not encumbered, hypothecated, or pledged.
- 2) Residence addresses, business background, and qualifications of all individual names in 1(a) above.
- 3) Copies of all syndicate, association, firm, partnership, organization, or other similar agreements involved in the formation or financing of the proposed insurer.
- 4) Copies of any securities or of any proposed documents evidencing any right or interest proposed to be offered.
- 5) If Applicant will be a member of a holding company system, it must submit a debt-to-equity ratio statement that includes the following information:
 - a) Consolidated outside debt to consolidated equity ratio on a GAAP basis for the holding company. Please provide the amount of debt and debt to consolidated equity ratio due within 5 years, 10 years, and 20 years;
 - b) The most recent consolidated holding company financial statement;
 - c) Provide projections with assumptions for a three-year period for the holding company on a consolidated basis;
 - d) Clearly substantiate the sources of repayment of any debt, including, but not limited to, whether the sources of repayment are independent from the future income of Applicant. Provide a calculation of the debt service required of each insurer in the holding company system as a percentage of Applicant's capital and surplus;
 - e) List any assets of the holding company that are pledged to fund the debt service or debt repayment of an affiliate or parent. Include the assets or stock of any insurer or subsidiaries; and
 - f) List any guarantees, personal or otherwise, that are from the shareholders for repayment of the debt.
- 6) If an upstream member of Applicant's holding company system has made a filing with the Securities and Exchange Commission in connection with a public offering, or filed an 8K, 12K, or 10Q within the last 12 months, indicate that such filing is available for review.

For mutual insurers only, provide a copy of a fidelity bond or insurance policy, per section 628.171, Florida Statutes. For additional financial requirements affecting mutual insurers, please see Part I of Chapter 628, Florida Statutes.

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SECTION IV – MANAGEMENT

Section IV-1 Management Information Forms

Submit Management Information Form OIR-C1-2221, fully describing Applicant's incorporators, proposed management, ownership, and all individuals or entities who will have direct or indirect control, up to and including any 10% or greater interest holders of the ultimate parent. A Management Information Form should be submitted for each entity in the ownership chain.

Forms should contain the first, middle, and last name of listed individuals. Please state if a middle name does not exist.

Section IV-2 Biographical Information Package

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

The Biographical Information Package consists of the following forms:

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

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

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

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

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

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Section IV-3 Background Investigation Report

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

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

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

Section IV-4 Fingerprinting and Social Security Number Submission

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

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

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CHECKLIST

Applicant Name: _____

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

(Phone Number) (Website)

Contact Person at Company: _____

(Email) (Phone Number)

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

SECTION I - APPLICATION FORM & FEES

- 1. Application and license fees paid
- 2. All fingerprint fees paid electronically
 - a. Copies of online payment confirmation
- 3. Checklist & Certification

SECTION II – LEGAL

- 1. Draft Organizational Documents
 - a. Draft Articles of Incorporation
 - b. Draft Bylaws
- 2. Articles of Incorporation for other involved corporations
- 3. Authorization Letter

SECTION III – FINANCIAL

- 1. Plan of Operation
 - a. Narrative statement
 - b. List of counties
 - c. Management experience
 - d. Proposed internal organization chart
 - e. Ownership organizational chart
 - f. Employees licensed as agents or brokers

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- g. Common facilities or functions, including any agreements
- h. Proposed investment policy
- i. Form OIR-C1-1416, Uniform Certificate of Authority Application (UCAA) Lines of Insurance
- j. Description of products for each line of insurance
- k. Narrative statement discussing plans for underwriting, claims handling, policy holder administration, loss reserving, accounting, investments, and rating, including:
 - i. How policies will be written
 - ii. How policies will be cancelled
 - iii. How premiums and other funds will be handled
 - iv. How personnel will be handled
 - v. How personnel handling claims will be handled and if outside parties will be used
 - vi. How and by whom claims reserves will be set and modified.
- l. Statement whether stock, bonds, or any other physical or book entry securities will be held by another, and copies of agreements
- m. Draft agreements for any services used to carry out the Plan of Operation
- n. Plan of marketing and sales with relevant agreements and advertising plan
- o. Proposed use of reinsurance
- p. List of all consultant and expert services proposed for first 3 years
- q. Expansion plans
- r. Statement regarding Disaster Coordination or Business Continuity Plan
- s. Information regarding variable annuity plans, if applicable
- t. Information regarding variable life insurance plans, if applicable
- u. Written explanation if Applicant will provide commission payments
- v. Pro forma financial statement on the applicable of: Form OIR-D0-896, UCAA Proforma Financial Statements, Property and Casualty Insurance Company; Form OIR-D0-2119, UCAA Proforma Financial Statements, Title Insurance Company; Form OIR-D0-904, UCAA Proforma Financial Statements, Life & Health Insurer; or Form OIR-D0-2165, UCAA Proforma Financial Statements, Health
 - i. Assumptions
 - ii. Planned premium
- 2. Draft Holding Company Registration Statement
- 3. All required address and contact information
- 4. Statement of method used in the formation or financing of Applicant
 - a. Amount of surplus as to policyholders
 - i. By source

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- ii. Amount from each source
- iii. Form of funding
- iv. Fund verification
- b. Addresses, backgrounds, and qualifications
- c. Copies of all involved agreements
- d. Copies of securities or proposed documents on proposed interest
- e. Holding company system debt-to-equity statements including:
 - i. Consolidated outside debt to equity on GAAP basis for 5, 10, and 20 years
 - ii. Most recent consolidated holding company financial statement
 - iii. Projections with assumptions for 3 years for the holding company
 - iv. Substantiate sources of repayment of any debt
 - v. Assets of the holding company pledged to fund the debt service or debt repayment of an affiliate or parent
 - vi. Any guarantees from shareholders for repayment of the debt
- f. Indication regarding SEC filing of upstream entities
- 5. If a mutual, copy of a fidelity bond or insurance policy per section 628.171, Florida Statutes

SECTION IV – MANAGEMENT

- 1. Management Information Form (Form OIR-C1-2221) submitted for all required entities
- 2. Biographical Information Package submitted for all required individuals
- 3. All information completed on the applicable forms (no blanks)
 - a. “Yes” answers explained
 - b. Signed
 - c. Form OIR-C1-1423, Uniform Certificate of Authority Application (UCAA) Biographical Affidavit, is notarized
- 4. Background investigative reports for all required individuals. The reports must be based on the Biographical Information Packages submitted to the Office with this Application. Proof of the order and confirmation of payment must also be submitted to the Office.
- 5. A Fingerprints and Social Security Number form (Form OIR-C1-938) for each required individual
 - a. All information completed (no blanks)
 - b. Fingerprints submitted for each individual required to file a Biographical Information Package

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APPLICATION CERTIFICATION

The undersigned states that they are an incorporator of Applicant and have personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with the intention of _____ (“Applicant”) to seek a Permit to form a Domestic Insurer; that they have read all of the responses, information, exhibits, and documents submitted with, and in support of, this application; and that the submissions are true, correct, and complete to the best of their knowledge. The undersigned further represents that they have the authority to bind the Applicant and, that by their signature here below, the Applicant has executed the instrument.

The undersigned understands that knowingly making a false statement in writing with the intent to mislead a public servant in the performance of their official duties is guilty of a misdemeanor of the second degree, pursuant to section 837.06, Florida Statutes, punishable as provided in section 775.082 or section 775.083, Florida Statutes.

By: _____

Print Name: _____

Title: Incorporator

Date: _____