



DEPARTMENT OF FINANCIAL SERVICES
Office of Insurance Regulation

**APPLICATION FOR CERTIFICATE OF AUTHORITY
COMMERCIAL SELF-INSURANCE FUND**

The Certificate of Authority for a Commercial Self-Insurance Fund authorizes such insurer organized under the laws of the State of Florida, to transact the business of insurance other than life or title insurance.

This package is designed to assist the individuals in preparing the application with all the information required by statute and facilitate expeditious processing of that application by the Office of Insurance Regulation. This package includes four (4) categories of information:

Section I	Application Form & Fees
Section II	Legal
Section III	Financial
Section IV	Management

Each of these sections is processed by different bureaus of the Office, therefore it is necessary that the entire package be submitted in duplicate. It is extremely important that the application be completed in its entirety in the format specified.

Please submit your package tabularized in a binder that has been two-hole punched at the top, with tabs at the bottom. (Example: tab labeled IV-2 would contain Biographical Affidavits).

You are not required to have your policy rates approved as a condition precedent to receiving a license. These forms and rates may be submitted anytime after filing for the Certificate of Authority and must be approved prior to transacting any business. Submissions should be sent/linked to <https://portal.fdfs.com/ifile/default.asp>

You are cautioned not to write business using unapproved forms and rates.

Mail the completed application package to:

Florida Office of Insurance Regulation
Applications Coordinator
200 East Gaines Street, Larson Building
Tallahassee, Florida 32399-0332

THE COMPLETED CHECKLIST MUST BE RETURNED WITH THE APPLICATION PACKAGE!

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
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**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 application filing. 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-5. The fingerprint cards along with the fees are due at the time the application is filed. A set of Instructions for completing the fingerprint cards is included with this package.

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 in the management section (IV-5) of your application.

Section I-3 Company Application for Certificate of Authority (Official Form)

On this form, list the lines of business by code (see enclosed classifications and code number form) you intend to write in the State of Florida. The lines of business 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 in the plan of operations. It must be signed (original signatures) by both the President or Chief Executive Officer and the Secretary of the company.

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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. A PORTION OF THE FLORIDA STATUTES CHAPTER 624 DEALING WITH COMMERCIAL SELF-INSURANCE FUNDS IS INCLUDED IN THIS PACKAGE.

Section II-1 Consent and Agreement in re Service of Process (Official Form)

The Consent and Agreement in re Service of Process form (form attached) is to be accompanied by the Resolution of the Board of Trustees authorizing execution thereof (Section II-2). **NO** other signature will be accepted other than that of the Chairman of the Board of Trustees which must be under seal.

Section II-2 Resolution Form - (Consent and Agreement in re Service of Process Official Form)

This resolution (form attached) gives specific authority to the Chairman of the Board of Trustees to execute the agreement. The enclosed Office of Insurance Regulation Resolution Form must be used. Individualized or amended forms are unacceptable. **NO** other signatures will be accepted other than those of the Chairman of the Board of Trustees and Secretary which must be under seal.

Section II-3 Proposed Constitution, Bylaws and/or Trust Agreement

Submit unexecuted copies 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 Department pursuant to s. 624.473.

Section II-4 Indemnity Agreement

Submit copies of properly executed indemnity agreements binding each fund member to individual, several, and proportionate liability as set forth in s. 624.472 and 624.474.

Section II-5 Sponsoring Organization

Submit the following documents from the sponsoring organization:

- (a) Certified Articles of Incorporation as received from the Secretary of State **(The Originals)**.
- (b) A Certificate of Status from the Secretary of State. (The Original).
- (c) A **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.

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SECTION III - FINANCIAL

Section III-1 Statutory Deposit

Pursuant to Section 624.466 (9), 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 (official surety bond form attached).

Contact the Bureau of Collateral Management, Insurance Deposits Section, (850) 413-3167 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 new insurer and the goals it seeks to achieve. To meet this requirement the applicant shall furnish a three-year Plan of Operations. If the applicant company 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. A copy of this statute is included with this package. The plan must include all major areas of the

proposed operations including but not limited to the following:

- (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 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.
- (G) Furnish pro forma statutory balance sheet and statutory income and expense statements covering the accounts in the Exhibit A format on the attached forms (5-22). 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 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.

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 operation 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 business in this state.

Section III-7 Fidelity Bond

Pursuant to section 624.466(11) 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 Proposed Fund and Agent

Submit a complete copy of any contracts between the proposed fund and any agent(s).

Section III-9 Administrators Agreement

Submit a complete copy of any proposed contract(s) or agreements between the proposed fund and the administrator.

Section III-10 Policies and Endorsements

You are not required to have your policy rates approved as a condition precedent to receiving a license. These forms and rates may be submitted anytime after filing for the Certificate of Authority and **MUST** be approved prior to transacting any business. Submissions should be sent/linked to <https://portal.fdfs.com/iframe/default.asp>

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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 a list (official form) listing the names of all trustees and officers or 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 proposed Fund and officer or director of the proposed Administrator (Official Form Enclosed).

A biographical affidavit (**Official Florida Form Only!**) 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. **Please file an original of each Biographical Affidavit for each person in the order of listing in Section IV-1.**

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 page 1 of 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 stamp 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 insure 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.

Section IV-3 Authority for Release of Information (Official Form Enclosed)

An Authority for Release of Information form must be completed for each person listed in Section IV-1 using the attached form. Each Authority for Release form must contain an original signature of the respective trustee, officer or director and an original notary seal. **Please file an original of each Authority for Release of Information Form for each person in the order of listing in Section IV-1.**

Section IV-4 Investigative Background Report

An Investigative Background Report must be provided for each person listed in Section IV-1 above. Background reports must be submitted by the selected background investigator vendor directly to the Office prior to or contemporaneously with the submission of the application filing. Please refer to OIR-C1-905 for instructions.

Section IV-5 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. A set of instructions for completing the fingerprint cards is included with this package.

PLEASE NOTE: Information which has been entered on the cards may not be altered in any way, i.e., erased, covered with correction fluid, marked out, etc. In addition, cards may not be folded, stapled, torn or marred in any way.

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CHECK LIST

SECTION I - APPLICATION FORM AND RELATED FEES

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 (If Applicable)	<input type="checkbox"/>
(a) Copy of invoice included.....	<input type="checkbox"/>
(b) Copy of check	<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"/>

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SECTION II - LEGAL DOCUMENTS

Company Name: _____

<u>Item #</u>	<u>Completion Check List</u>
1. Consent and Agreement in re Service of Process	<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"/>
(d) Original.....	<input type="checkbox"/>
2. Resolution Form.....	<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"/>
(d) Original.....	<input type="checkbox"/>
3. Proposed Constitution/Bylaws	<input type="checkbox"/>
(a) Unexecuted.....	<input type="checkbox"/>
(b) Original.....	<input type="checkbox"/>
(c) Three copies	<input type="checkbox"/>

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SECTION II – LEGAL DOCUMENTS, PAGE TWO**

- 4. Indemnity Agreement.....
- (a) Executed
- (b) Originals.....
- 5. Sponsoring Organization Documents
- (a) Articles of Incorporation (certified originals)
- (b) Certificate of Status (original)
- (c) Copy of Bylaws or Constitution.....
- (d) Miscellaneous statements

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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) Any restrictions on withdrawals.....	<input type="checkbox"/>
3. Plan of Operations (two copies).....	<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"/>

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SECTION III – FINANCIAL, PAGE TWO**

- 7. Copy of Fidelity Bond required in section 624.466(11)
- 8. Copy of contract between Fund and Agent(s)
- 9. Administrators Agreement
- 10. Policies and Endorsements submitted as directed.....

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SECTION IV- MANAGEMENT

Company Name: _____

<u>Item #</u>	<u>Completion Check List</u>	
1.	Listing of all Trustees of Fund and Officers and Directors of Administrator (Official Form)	<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 and Directors of Administrator (Official Form)	<input type="checkbox"/>
	As to each biographical:	
(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.	Authority for Release of Information as each Trustee of the Fund and officer and director of the Administrator (Official Form)	<input type="checkbox"/>
(a)	Contains original signature of each respective officer, director or trustee.....	<input type="checkbox"/>

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SECTION IV – MANAGEMENT, PAGE TWO**

- (b) Notarized (original).....
- (c) Submitted original of each release form.....
- 4. Background investigation reports for persons listed in Section IV-1
- 5. Fingerprint cards enclosed for each person listed in section IV-1 (If applicable).....
 - (a) Contains original signature of each respective officer, director or trustee.....
 - (b) Office of Insurance Regulation card only
 - (c) No erasures or alterations on cards
 - (d) All blanks filled in