



**OFFICE OF INSURANCE REGULATION**

***Company Admissions***

**ACQUISITION OF CONTROLLING INTEREST OF A DOMESTIC INSURER**

Whenever an individual or corporation acquires, directly or indirectly, 5% or more of the outstanding voting capital stock of a Florida domestic insurer, the provisions of Florida Statutes, Chapter 628.461 apply (copy attached).

This package is designed to assist the company or individual acquiring this controlling interest in complying with Section 628.461 and facilitate expeditious processing of that application by the Office of Insurance Regulation.

This package includes four (4) categories of information:

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

Please submit your package in a tabbed binder. (Example: the tab labeled II-1 would contain the Acquisition Statement).

**THE COMPLETED CHECKLIST MUST BE RETURNED WITH THE APPLICATION PACKAGE!**

Mail the completed application package to:

Office of Insurance Regulation  
Company Admissions  
200 East Gaines Street  
Tallahassee, Florida 32399-0332

**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.**

# ACQUISITION OF CONTROLLING STOCK OF A DOMESTIC INSURER

## INSTRUCTIONS

### SECTION I - APPLICATION FORMS AND FEES

#### **Section I-1** Acquisition Fees

Acquiring entities must pay the applicable acquisition application fee of \$1,500. 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:

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 Processing Fees

Applicants are required to prepay electronically 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 with the application filing.

Place a copy of your on-line payment confirmation along with the fingerprint cards in the management section (IV-5).

NOTE: 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.

NOTE: **Individuals who are non-U.S. citizens with no social security number should continue to submit payment of fingerprint fees per instructions in form OIR-C1-903.**

# ACQUISITION OF CONTROLLING STOCK OF A DOMESTIC INSURER

## SECTION II - LEGAL

A copy of Florida Statute Section 628.461 is enclosed with this package for your reference. You should read it before you proceed with this section.

### **Section II-1** Acquisition Statement

Submit a statement detailing the acquisition of five percent or more of the outstanding stock of the controlling company of the insurer. An example is enclosed for your reference.

### **Section II-2** Notification Statement

Submit a statement that the acquiring entity has complied with section 628.461 (1) (a).

### **Section II-3** Statutory Statements

A detailed statement of the information requested in Section 628.461 (3)(b) through 628.461 (3)(e). Each of these paragraphs should be responded to on a point by point basis.

### **Section II-4** Waiver from the Insurer

Prior to final approval of the acquisition the Office of Insurance Regulation requires an executed waiver of hearing from the Domestic insurer and its holding company (if applicable) be submitted. A sample is enclosed.

### **Section II-5** Organization Charts

Furnish organizational charts disclosing the acquiring company's relationship with any other entities, and showing the ultimate parent company. Two charts should be submitted, one showing the organization prior to the acquisition and one showing the organization after the proposed acquisition.

### **Section II-6** Tender or Exchange offer Documents

Furnish a copy of any tender or exchange offer and offering documents associated with the acquisition/merger.

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### **Section II-7** Other Agreements

Furnish copies of any agreements referred to in the filing whereby the acquiring company accepts obligations, debts and encumbrances which would affect the domestic company.

### **Section II-8** Consent and Agreement In Re Service of Process and Resolution Form

Included in this package are the Consent and Agreement In Re Service of Process and Resolution Form. These documents should not be executed at this time. They should be held unexecuted until you are advised by the Office of Insurance Regulation to submit them.

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## SECTION III - FINANCIAL

### **Section III-1** Holding Company Registration Statement

Furnish a copy of the most recent Holding Company Registration Statement if a member of a Holding Company.

### **Section III-2** Annual Statement

Furnish a copy of the most recent annual report of the acquiring entity.

### **Section III-3** Quarterly Statements

Furnish a copy of the most recent quarterly statement(s) of the acquiring entity.

### **Section III-4** Plan of Operation

It is important for the Office of Insurance Regulation to have a clear understanding of the operations of the insurer and the goals it seeks to achieve. If the acquisition will result in any substantive changes to the operations of the insurer then it will be necessary to submit a plan of operation as outlined below. If the subject of the acquisition is not in compliance with Florida Statutes, then a plan to bring the company into compliance should be submitted to the Office of Insurance Regulation in this section. If the acquisition will not result in any substantive changes, then a statement to that effect should be submitted in this section. To meet this requirement the applicant shall furnish a three-year Plan of Operations for the lines that the company is licensed for on the Certificate of Authority. The plan must include all major areas of the proposed operations and include 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.
- (C) A Description of insurance products to be offered.
- (D) A three year plan of marketing, including commission rates and the use of agents.
- (E) A summary of current and planned reinsurance including catastrophe and coverage and the amount retained on one risk.
- (F) A statement regarding any planned changes in operations during the next three years. If no changes are planned, a statement to that effect.
- (G) A list of all assumptions used in projections and pro formas and disclose how these assumptions were derived.
- (H) A pro forma statutory balance sheet and statutory income and expense statements covering the accounts in the format on the attached forms. Separate forms are included in this package for Property and Casualty and Life companies, please use the appropriate form.
- (I) A list of all consultant and expert services in use or proposed during the three year period.

## **ACQUISITION OF CONTROLLING INTEREST OF A DOMESTIC INSURER**

### **Section III-5** Previous Florida Business History of Acquiring Company

In this section the acquiring company 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-6** Notification to NAIC

A form is provided for the acquiring entity to notify the NAIC with the updated information. The form should be filled out and mailed directly to the NAIC, and a copy included with the filing to the Office of Insurance Regulation.

### **Section III-7** Confirmation of Funds

Funds to complete the transaction of this acquisition must be confirmed and provided in writing by a third party (bank, approved escrow agent, etc.) prior to the Office of Insurance Regulation's approval of the acquisition. Provide the confirmation letter in this section for confirmation of funds.

**ANY COPIES OF DOCUMENTS SUBMITTED IN THIS SECTION MUST BE CERTIFIED BY THE PRESIDENT AND SECRETARY AS TRUE AND ACCURATE COPIES.**

# ACQUISITION OF CONTROLLING STOCK OF A DOMESTIC INSURER

## SECTION IV - MANAGEMENT

**ALL INFORMATION REQUESTED IN THIS SECTION CONCERNS THE ACQUIRING ENTITY. ANY NAMES REQUESTED IN THIS SECTION SHOULD INCLUDE COMPLETE FIRST, MIDDLE AND LAST NAMES.**

**Section IV-1** A listing of all company officers, directors, acquiring individuals of 5% or more of the stock of the acquiring entity (Official Form Enclosed).

The full name of the individuals (First, Middle, Last) named above should be listed on this form.

**Section IV-2** Biographical Affidavits as to Officers, Directors and Shareholders (Official Form Enclosed).

Provide a National Association of Insurance Commissioners (NAIC) biographical affidavit (OIR-C1-1423) for each officer, director, and shareholder listed in Section IV-1 except for those companies in the organizational structure between the immediate parent and the ultimate parent. All questions must be answered. All "Yes" answers must be explained.

Each biographical affidavit must be submitted to the Office containing an original signature and original notary seal. If, however, the biographical affidavits are currently on file and are not more than two years old, no submission is necessary.

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 page 6 of the NAIC form, please include the affiant's name and social security number 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 119.071(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 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** Investigative Background Report

An Investigative Background Report must be provided for each person listed in Section IV-1 above except for those companies in the organizational structure between the immediate parent and the ultimate parent. Please refer to form OIR-C1-905 for instructions.

#### **Section IV-4** 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 and returned to this Office for processing. Please refer to form OIR-C1-938 for instructions.

Due to the length of time required by law enforcement agencies to process fingerprint cards, it is suggested that the cards be ordered immediately so they may be submitted before or with the application.

Please place the completed fingerprint cards in this section.

Note: 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 for instructions.

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**CHECK LIST  
SECTION I- APPLICATION FORMS AND 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 fee paid electronically .....	<input type="checkbox"/>
a. Copy of on-line payment confirmation .....	<input type="checkbox"/>
or, if applicable	
b. Copy of form OIR-C1-903 (invoice) included .....	<input type="checkbox"/>
c. Copy of check included .....	<input type="checkbox"/>
d. Originals mailed to Bureau of Financial Services .....	<input type="checkbox"/>

**DEPARTMENT OF FINANCIAL SERVICES  
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**SECTION II- LEGAL**

Company Name: \_\_\_\_\_

<u>Item #</u>	<u>Completion Check List</u>
1. Acquisition Statement (copy) .....	<input type="checkbox"/>
2. Notification Statement to Office .....	<input type="checkbox"/>
3. Statutory Statements (Sections 628.461 (3)(b)-(e)) .....	<input type="checkbox"/>
4. Waiver of Hearing from the insurer .....	<input type="checkbox"/>
5. Organization Charts	
1. Chart showing all entities prior to merger .....	<input type="checkbox"/>
2. Chart showing all entities after the merger .....	<input type="checkbox"/>
6. Copy of the proposed tender or exchange offer .....	<input type="checkbox"/>
7. Copies of other agreements relating to the Acquisition or merger .....	<input type="checkbox"/>
8. Consent and Agreement in re Service of Process and Resolution Form .....	<input type="checkbox"/>

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**SECTION III- FINANCIAL**

Company Name: \_\_\_\_\_

<u>Item #</u>	<u>Completion Check List</u>
1. Holding Company Registration Statement .....	<input type="checkbox"/>
(a) Registration Provided (CERTIFIED BY HOME STATE).....	<input type="checkbox"/>
or	
(b) Statement that company is not a member of a holding company system.....	<input type="checkbox"/>
(1) Signed by two Executive Officers.....	<input type="checkbox"/>
(2) Sealed by Company (Corporate Seal) .....	<input type="checkbox"/>
(c) 10K Annual Statement.....	<input type="checkbox"/>
2. 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"/>
3. Quarterly Statements .....	<input type="checkbox"/>
(a) All quarterly statements year to date .....	<input type="checkbox"/>

**DEPARTMENT OF FINANCIAL SERVICES  
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**SECTION III- FINANCIAL  
CONTINUED**

Company Name: \_\_\_\_\_

<u>Item #</u>	<u>Completion Check List</u>
(b) Statements in NAIC format.....	<input type="checkbox"/>
1. Signed by two executive officers.....	<input type="checkbox"/>
2. Sealed by corporation .....	<input type="checkbox"/>
4. Plan of Operations .....	<input type="checkbox"/>
5. Previous Florida Business history statement.....	<input type="checkbox"/>
6. Copy of NAIC notification statement enclosed .....	<input type="checkbox"/>
7. Confirmation of Funds Letter enclosed.....	<input type="checkbox"/>

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**SECTION IV- MANAGEMENT**

Company Name: \_\_\_\_\_

<u>Item #</u>	<u>Completion Check List</u>
1. Listing of all company officers and directors and shareholders of 5% or more of voting shares.....	<input type="checkbox"/>
(a) Full names listed.....	<input type="checkbox"/>
(b) Titles listed.....	<input type="checkbox"/>
2. Biographical affidavits as to officers and directors (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 and director .....	<input type="checkbox"/>
(d) Notarized (Original).....	<input type="checkbox"/>
(e) Submitted original of each affidavit.....	<input type="checkbox"/>

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**SECTION IV- MANAGEMENT  
CONTINUED**

Company Name: \_\_\_\_\_

<u>Item #</u>		<u>Completion Check List</u>
3.	Background Investigation Report.....	<input type="checkbox"/>
	(a) Investigative entity contacted .....	<input type="checkbox"/>
	(b) Full names given of all proposed incorporators, officers and directors .....	<input type="checkbox"/>
	(c) Arrangements made for reports to be sent directly to this Office .....	<input type="checkbox"/>
4.	Fingerprint cards 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"/>

# INVOICE

## REQUEST FOR PAYMENT OF APPLICATION FEES ACQUISITION OF CONTROLLING INTEREST OF A DOMESTIC INSURER

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 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. Send a **copy of the check** and a **copy of the invoice** along with the completed application package to the Office of Insurance Regulation, Company Admissions, 200 East Gaines Street, Larson Building, Tallahassee, Florida 32399-0332.

TYPE: 10 CLASS: 06 Filing Fee: \$1,500.00