



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 or iApply may be directed to pcappcoord@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. Florida residents have the option of having their fingerprints digitally scanned rather than providing paper fingerprint cards. Please see Form OIR-C1-938, Fingerprint Payment and Submission Procedure 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.

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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.

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.

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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.

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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:

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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.

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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.

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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.

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SECTION IV - MANAGEMENT

Section IV-4 Fingerprint Cards

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

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**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"/>

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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
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**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"/> |

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**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
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TYPE: <u>10</u>	CLASS: <u>06</u>	Filing Fee	<u>\$1,500.00</u>
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Total			\$2,500.00
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**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