

Captive Application  
For Certificate of Authority

State of Nevada  
Department of Business & Industry  
Division of Insurance



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*Welcome to*  
**Nevada**

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# STATE OF NEVADA DIVISION OF INSURANCE



## Captive Application Index

All of the items mentioned within this index must be attached to this Application before the Application is submitted to the Division for review.

<u>Documents:</u>	<u>Section No.</u>
<input type="checkbox"/> <b>Cover Letter and Section One of the Application</b>	1
<input type="checkbox"/> <b>Biographical Affidavits</b> for Owner(s), Directors (s), Incorporator(s), Members(s)	2
<input type="checkbox"/> <b>Business Plan detailing the Plan of Operation</b>	3
<input type="checkbox"/> <b>Pro Forma Financial Projections</b> , five-year expected and five-year adverse scenarios	4
<input type="checkbox"/> <b>Actuarial Feasibility Study</b> , the study should meet documentation and disclosure standards with narrative and exhibits	
<input type="checkbox"/> <b>Statement of Benefit to the State of Nevada</b>	5
<input type="checkbox"/> <b>Ownership Structure in the form of an Organizational Chart</b>	6
<input type="checkbox"/> <b>Articles of Incorporation, Organization, LLP, LLC</b>	7
<input type="checkbox"/> <b>Articles of Association or Rules of Governance</b>	8
<input type="checkbox"/> <b>Subscribers' Agreement (For Reciprocal Insurers)\</b>	9
<input type="checkbox"/> <b>Bylaws</b>	10
<input type="checkbox"/> <b>Confidential Offering Memorandum (If Any)</b>	11
<input type="checkbox"/> <b>Shareholders Agreement (If Any)</b>	12
<input type="checkbox"/> <b>Attachments</b> <ul style="list-style-type: none"> <li>• Uniform Consent to Service of Process Form 12</li> <li>• Underwriting Policy and Procedures</li> <li>• Financial Statements of Parent Company/ Owners</li> <li>• Service Provider Contracts</li> <li>• Reinsurance Contracts</li> <li>• Application fee of \$1,050.00</li> </ul>	13

*The Complete Application must be scanned and set via email to [rgallegos@doi.nv.gov](mailto:rgallegos@doi.nv.gov). The Original Application, Biographical Affidavits and Application Fee of \$1,050.00 are mailed to:*

**Nevada Division of Insurance  
Captive Insurance Program  
1818 E. College Parkway, Suite 103  
Carson City, NV 89706**

# **CAPTIVE APPLICATION FOR CERTIFICATE OF AUTHORITY**



## **Cover Letter And Section One of Application**

### **SECTION 1**



**STATE OF NEVADA**  
**DIVISION OF INSURANCE**  
**Captive Application for Certificate of Authority**

**A. General Information**

1. Proposed Name of Captive: \_\_\_\_\_  
(Must be approved by Division)

2. Principal Place of Business:  
(Principal place of business in the State of Nevada)  
\_\_\_\_\_  
\_\_\_\_\_

3. Individual to be Contacted Regarding This Application:

Name _____	Telephone _____
Address _____	E-mail _____
_____	Cell Phone/Pager _____

4. Location of Books and Records:  
\_\_\_\_\_  
\_\_\_\_\_

5. Name and FEIN # of Parent(s) or Sponsor(s):  
\_\_\_\_\_  
\_\_\_\_\_

6. Type of Captive:

<input type="checkbox"/> Pure	<input type="checkbox"/> Association
<input type="checkbox"/> Agency	<input type="checkbox"/> Rental
<input type="checkbox"/> Sponsored	<input type="checkbox"/> Branch
<input type="checkbox"/> Risk Retention Group	

7. Organization Form:

<input type="checkbox"/> Stock	<input type="checkbox"/> Mutual	<input type="checkbox"/> Reciprocal	<input type="checkbox"/> LLC
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8. Provide a Statement Regarding the Purpose of the Captive:  
\_\_\_\_\_  
\_\_\_\_\_

9. For Stock and Mutual Insurers

(a) Incorporators<sup>1</sup>:

(Shall have not less than three, at least one of whom must be a resident of Nevada)

Incorporator Name \_\_\_\_\_  
Incorporator Address \_\_\_\_\_  
\_\_\_\_\_

Incorporator Name \_\_\_\_\_  
Incorporator Address \_\_\_\_\_  
\_\_\_\_\_

Incorporator Name \_\_\_\_\_  
Incorporator Address \_\_\_\_\_  
\_\_\_\_\_

(b) Directors and Officers<sup>1</sup>:

(At least one Director must be a resident of Nevada)

President \_\_\_\_\_  
Vice \_\_\_\_\_ President (1) \_\_\_\_\_  
Vice \_\_\_\_\_ President (2) \_\_\_\_\_  
Treasurer \_\_\_\_\_  
Secretary \_\_\_\_\_

Director Name \_\_\_\_\_  
Director Address \_\_\_\_\_  
\_\_\_\_\_

Director Name \_\_\_\_\_  
Director Address \_\_\_\_\_  
\_\_\_\_\_

Director Name \_\_\_\_\_  
Director Address \_\_\_\_\_  
\_\_\_\_\_

(c) Resident Agent for Service of Process:

Name \_\_\_\_\_  
Address \_\_\_\_\_

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<sup>1</sup> All individuals must submit a Biographical Affidavit and corresponding Disclosure & Authorization Form for the respective state(s) where the affiant has lived or worked within the last ten years (NAIC Form 11).

10. For Reciprocal Insurers:  
 (a) Attorney-In-Fact<sup>2</sup>:

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

- (b) Original Subscribers:

Entity	Authorized Representative & Title
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**B. Financial**

1. Initial Capital and/or Surplus of Captive

	Cash	Letter of Credit <sup>3</sup>
(a) Initial Capital	\$ _____	\$ _____
Initial Surplus	\$ _____	\$ _____
Total	\$ _____	\$ _____

- (b) Location of Shares of Stock:

\_\_\_\_\_

\_\_\_\_\_

2. Name of Bank Located in Nevada \_\_\_\_\_

Address \_\_\_\_\_

Contact: \_\_\_\_\_ Phone Number: ( ) \_\_\_\_\_

Member of the United States Federal Reserve System? \_\_\_\_\_ Yes \_\_\_\_\_ No  
 Chartered in Nevada? \_\_\_\_\_ Yes \_\_\_\_\_ No

<sup>2</sup> All individuals must submit a Biographical Affidavit and corresponding Disclosure & Authorization Form for the respective state(s) where the affiant has lived or worked within the last ten years (NAIC Form 11). Submit Biographical Affidavits for officers and directors if Attorney-In-Fact is a Corporation or a Limited Liability Company.  
<sup>3</sup> Submit completed Form NDOI-403.

**C. Service Providers:**

(Executed Contracts with Each Service Provider Must Be Attached in Section 13 of the Application)

1. Captive Manager<sup>4</sup>:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

Telephone \_\_\_\_\_  
E-mail \_\_\_\_\_  
Contact Person \_\_\_\_\_

2. Attorney<sup>4</sup>:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

Telephone \_\_\_\_\_  
E-mail \_\_\_\_\_  
Contact Person \_\_\_\_\_

3. Claims Administrator<sup>4</sup>:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

Telephone \_\_\_\_\_  
E-mail \_\_\_\_\_  
Contact Person \_\_\_\_\_

4. Certified Public Accountant<sup>4</sup>:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

Telephone \_\_\_\_\_  
E-mail \_\_\_\_\_  
Contact Person \_\_\_\_\_

5. Actuary<sup>4,5</sup>:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

Telephone \_\_\_\_\_  
E-mail \_\_\_\_\_  
Contact Person \_\_\_\_\_

6. Insurance Broker:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

Telephone \_\_\_\_\_  
E-mail \_\_\_\_\_  
Contact Person \_\_\_\_\_

7. Reinsurance Broker:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

Telephone \_\_\_\_\_  
E-mail \_\_\_\_\_  
Contact Person \_\_\_\_\_

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<sup>4</sup> Submit a Biographical Affidavit and corresponding Disclosure & Authorization Form (NAIC Form 11) for all individuals involved and include detailed information to substantiate the competence and expertise for the service to be provided on a separate sheet.

<sup>5</sup> The term "actuary" shall be defined as (a) an individual who is a member in good standing of the American Academy of Actuaries, a Fellow of the Casualty Actuarial Society and/or the Society of Actuaries, or (b) one who is deemed competent in actuarial science by the Commissioner of Insurance after review of his or her credentials and experience.



**D. Business**

1. List All Lines of Intended Business:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Coverage/Limits/Reinsurance:

\_\_\_\_\_  
\_\_\_\_\_

3. Maximum Net Retention by Line of Business:

\_\_\_\_\_  
\_\_\_\_\_

4. Aggregate Reinsurance:

\_\_\_\_\_  
\_\_\_\_\_

5. Primary Carrier(s)<sup>6</sup>:

Full Name _____	NAIC # _____
Domiciliary _____	Group # _____
Most Current A.M. Best Rating _____	Date of Rating _____

6. Reinsurer(s)<sup>6</sup>:

Full Name _____	NAIC # _____
Domiciliary _____	Group # _____
Most Current A.M. Best Rating _____	Date of Rating _____

**E. Certification**

I (WE) CERTIFY THAT TO THE BEST OF MY (OUR) KNOWLEDGE AND BELIEF ALL OF THE INFORMATION GIVEN IN THIS APPLICATION IS TRUE AND CORRECT, AND THAT ALL ESTIMATES GIVEN ARE BASED UPON FACTS WHICH HAVE BEEN CAREFULLY CONSIDERED AND ASSESSED.

Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**The Application for Certificate of Authority must be endorsed by the owner (s)**

<sup>6</sup> Submit draft or executed copies of Reinsurance Agreements and/or Fronting Agreements.

**E(3). PROPOSED CEDED REINSURANCE FORM**

**A. Primary / Direct Business Written**

Line of Business	Form of Reinsurance (Pro-rata, Excess, Aggr)	Claims Made or Occurrence	Policy Limits per Occ / Aggr	Amount Ceded per Occ / Aggr	Name of Reinsurer
<i>Example:</i> General Liab.	Pro-rata (Quota Share)	Occurrence	\$1M / \$3M	80% / \$2,400K	Swiss Reinsurance America Corp (NAIC #25364)

**B. Assumed Reinsurance**

Line of Business	Form of Reinsurance (Pro-rata, Excess, Aggr)	Underlying Type* & Carrier Name	Claims Made or Occurrence	Reins. Limit per Occ / Aggr	Layer Amount Ceded per Occ / Aggr	Name of Retrocessionnaire
<i>Example:</i> General Liab.	Excess	Primary— ABC Ins. Co (NAIC #12345)	Occurrence	\$500K xs \$250K / \$1,500K	\$250K / \$750K	General Reins Corp (NAIC #22039)

\*Primary, Reinsurance, Retrocession

Are policies assessable?      YES    NO  
   

Parental guaranty in place?       

Loan to parent requested?         

Losses discounted?                   

If so, proposed interest rate: \_\_\_\_\_

# **CAPTIVE APPLICATION FOR CERTIFICATE OF AUTHORITY**



## **Biographical Affidavits**

### **SECTION 2**

# **CAPTIVE APPLICATION FOR CERTIFICATE OF AUTHORITY**



## **Business Plan**

### **SECTION 3**



# Captive Application for Certificate of Authority

## Business Plan Index

- Overview
- Key Service Providers
- Executed service provider agreements (The fee schedule may be redacted from the copy of the application that will be submitted to the external reviewer)
- Program Summary
- Captive Structure Chart
- Program Objectives
- Operational Plan
- Underwriting Guidelines
- An actuarial feasibility study, including a rating study
  - The Actuarial Study Should Include:
    - The derivation of the expected loss values
    - The derivation of adverse loss values corresponding to at least a 90<sup>th</sup> percentile confidence level over the five-year projection period
    - An appropriate premium amount to include a reasonable margin for risk of variation from the expected loss amount
- For an Association Captive, a description of the history, purpose, size and other details of parent association

# **CAPTIVE APPLICATION FOR CERTIFICATE OF AUTHORITY**



## **Pro forma Financial Projections And Actuarial Feasibility Study**

### **SECTION 4**



# Captive Application for Certificate of Authority

## Pro forma Financial Statement Index

- Pursuant to NRS 694C.210, the pro forma financial statements must be prepared by a certified public accountant or an actuary.
- Include a full set of financial statements.
- The 5 year Projected expected loss values in reference to the actuarial estimate
- The 5 year projected adverse loss values in reference to the actuarial estimate
- The 5 year planned premium amounts
- Detail all assumptions
- Must be consistent with actuarial loss assumptions and the expense load detailed in other documents.

# **CAPTIVE APPLICATION FOR CERTIFICATE OF AUTHORITY**



## **Statement of Benefit to the State of Nevada**

### **SECTION 5**





# **CAPTIVE APPLICATION FOR CERTIFICATE OF AUTHORITY**



## **Ownership Structure And Ownership Organizational Chart**

### **SECTION 6**



# Captive Application for Certificate of Authority

## Ownership Structure

1. Beneficial Owner(s): Percentage of Ownership:
- (a) Name \_\_\_\_\_ %  
Address \_\_\_\_\_  
\_\_\_\_\_
- (b) Name \_\_\_\_\_ %  
Address \_\_\_\_\_  
\_\_\_\_\_
- (c) Name \_\_\_\_\_ %  
Address \_\_\_\_\_  
\_\_\_\_\_

NOTE: If the Owner is a Trust, please provide the name(s) of all Trustees  
(Use separate sheet if needed)

2. Explain Relationship Among Beneficial Owners:
- \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Attach Organizational Chart.

# **CAPTIVE APPLICATION FOR CERTIFICATE OF AUTHORITY**



## **Articles of Incorporation**

### **SECTION 7**

# **CAPTIVE APPLICATION FOR CERTIFICATE OF AUTHORITY**



## **Articles of Association or Rules of Governance**

### **SECTION 8**

# **CAPTIVE APPLICATION FOR CERTIFICATE OF AUTHORITY**



## **Subscribers' Agreements for Reciprocal Insurers**

### **SECTION 9**

# **CAPTIVE APPLICATION FOR CERTIFICATE OF AUTHORITY**



## **Bylaws**

### **SECTION 10**

# **CAPTIVE APPLICATION FOR CERTIFICATE OF AUTHORITY**



## **Confidential Offering Memorandum**

### **SECTION 11**



# **CAPTIVE APPLICATION FOR CERTIFICATE OF AUTHORITY**



## **Shareholders Agreements**

### **SECTION 12**

# **CAPTIVE APPLICATION FOR CERTIFICATE OF AUTHORITY**



## **Attachments**

### SECTION 13