

Captive Application
For Certificate of Authority
State of Nevada
Department of Business & Industry
Division of Insurance



BARBARA D. RICHARDSON
Commissioner of Insurance

STEPHANIE B. MCGEE
Deputy Commissioner of Insurance

Welcome to
Nevada

1818 E. College Parkway, Suite 103
Carson City, Nevada 89706
Phone (775) 687- 0700 Fax (775) 687-0787
Website: www.doi.nv.gov

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"/>	Cover Letter and Section One of the Application	1
<input type="checkbox"/>	Biographical Affidavits for Owner(s), Directors (s), Incorporator(s), Members(s)	2
<input type="checkbox"/>	Business Plan detailing the Plan of Operation	3
<input type="checkbox"/>	Pro Forma Financial Projections , five-year expected and five-year adverse scenarios	4
<input type="checkbox"/>	Actuarial Feasibility Study , the study should meet documentation and disclosure standards with narrative and exhibits	
<input type="checkbox"/>	Statement of Benefit to the State of Nevada	5
<input type="checkbox"/>	Ownership Structure in the form of an Organizational Chart	6
<input type="checkbox"/>	Articles of Incorporation, Organization, LLP, LLC	7
<input type="checkbox"/>	Articles of Association or Rules of Governance	8
<input type="checkbox"/>	Subscribers' Agreement (For Reciprocal Insurers)\	9
<input type="checkbox"/>	Bylaws	10
<input type="checkbox"/>	Confidential Offering Memorandum (If Any)	11
<input type="checkbox"/>	Shareholders Agreement (If Any)	12
<input type="checkbox"/>	Attachments <ul style="list-style-type: none"> • Uniform Consent to Service of Process Form 12 • Underwriting Policy and Procedures • Financial Statements of Parent Company/ Owners • Service Provider Contracts • Reinsurance Contracts • Application fee of \$1,050.00 	13

The Complete Application must be scanned and set via email to 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
--------------------------------	---------------------------------	-------------------------------------	------------------------------

8. Provide a Statement Regarding the Purpose of the Captive:

9. For Stock and Mutual Insurers

(a) Incorporators¹:

(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 Officers¹:

(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 _____

¹ 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-Fact²:

Name _____
 Address _____

- (b) Original Subscribers:

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

B. Financial

1. Initial Capital and/or Surplus of Captive

	Cash	Letter of Credit ³
(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

² 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.
³ 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 Manager⁴:

Name _____

Telephone _____

Address _____

E-mail _____

Contact Person _____

2. Attorney⁴:

Name _____

Telephone _____

Address _____

E-mail _____

Contact Person _____

3. Claims Administrator⁴:

Name _____

Telephone _____

Address _____

E-mail _____

Contact Person _____

4. Certified Public Accountant⁴:

Name _____

Telephone _____

Address _____

E-mail _____

Contact Person _____

5. Actuary^{4,5}:

Name _____

Telephone _____

Address _____

E-mail _____

Contact Person _____

6. Insurance Broker:

Name _____

Telephone _____

Address _____

E-mail _____

Contact Person _____

7. Reinsurance Broker:

Name _____

Telephone _____

Address _____

E-mail _____

Contact Person _____

⁴ 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.

⁵ 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)⁶:

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

6. Reinsurer(s)⁶:

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)

⁶ 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 90th 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