Captive Application For Certificate of Authority

State of Nevada Department of Business & Industry Division of Insurance

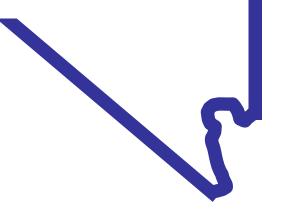


SCOTT J. KIPPER Commissioner of Insurance

> TODD RICH Deputy Commissioner of Insurance



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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.

Documents:	Section No.
Cover Letter and Section One of the Application	1
<b>Biographical Affidavits</b> for Owner(s), Directors (s), Incorporator(s), Members(s)	2
Business Plan detailing the Plan of Operation	3
<b>Pro Forma Financial Projections</b> , five-year expected and five-year adverse scenarios <b>Actuarial Feasibility Study</b> , the study should meet documentation and disclosure standards with narrative and exhibits	4
Statement of Benefit to the State of Nevada	5
Ownership Structure in the form of an Organizational Chart	6
Articles of Incorporation, Organization, LLP, LLC	7
Articles of Association or Rules of Governance	8
Subscribers' Agreement (For Reciprocal Insurers)\	9
Bylaws	10
Confidential Offering Memorandum (If Any)	11
Shareholders Agreement (If Any)	12
Attachments         • 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 <u>rgallegos@doi.nv.gov</u>. <i>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



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

**SECTION 1** 



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

General Information Proposed Name of Captive:								
(Must be ap Principal Place of Business: (Principal place of business in the State of Nevada)				pproved by Division)				
Indiv	vidual to be Co	ntacted I	Regarding Thi	is Applic	ation:			
Ν	ame				Telephone			
Α	ddress				E-mail			
					Cell Phone/Pa	ager		
LUCC	tion of Books		Jius.					
	e and FEIN # o	of Parent	(s) or Sponso	r(s):				
	e and FEIN # o of Captive:	of Parent	(s) or Sponso	r(s):				
				r(s):	Association Rental Branch			
Type	e of Captive: Pure Agency Sponsored	ion Grou			Rental			
Type	e of Captive: Pure Agency Sponsored Risk Retent	ion Grou			Rental		LLC	

9. For Stock and Mutual Insurers

(b)

(c)

(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 Name		
Incorporator Address		
Directors and Officers <sup>1</sup> :		
(At least one Director must be	e a resident of Nevada)	
President		
Vice	President	(1)
Vice	President	(2)
Treasurer		、 /
Director Name		
Director Address		
Director Name		
Director Address		
Director Name		
Director Address		
Resident Agent for Servi		
Address		

<sup>&</sup>lt;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)  $Attorney-In-Fact^2$ :

		Name Address				
(	(b)	Original Subscribers:				
-		Entity	A	uthorized Rep	resentative	& Title
-						
-						
]	Finan	icial				
]	Initial	Capital and/or Surplus of Cap			<b>T</b>	(c. 1 <sup>1</sup> / <sub>2</sub> )
(	(a)	Initial Capital Initial Surplus Total	¢		\$	er of Credit <sup>3</sup>
(	(b)	Location of Shares of Stock:				
]	Name	of Bank Located in Nevada				
-	Addre	255 <u></u>				
(	Conta	ct:	Phone	Number: (	)	
		per of the United States Federal ered in Nevada?	Reserve Syster	n?	_Yes _ Yes	No No

<sup>&</sup>lt;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>&</sup>lt;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	Telephone
	Address	E-mail
		Contact Danson
2.	Attorney <sup>4</sup> :	
	Name	Telephone
	Address	
		Contact Dargon
3.	Claims Administrator <sup>4</sup> :	
	Name	Telephone
	Address	
		Contact Person
1.	Certified Public Accountant <sup>4</sup> :	
	Name	Telephone
	Address	
	Actuary <sup>4,5</sup> :	
•	Name	Telephone
	Address	
		Contact Person
	Insurance Broker:	
•	Name	Telephone
	Address	E-mail
		Contact Person
7.	Reinsurance Broker:	
•	Name	Telephone
	Address	E-mail
		Contact Person

<sup>&</sup>lt;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>&</sup>lt;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.

Business				
ist All Lines of Intended Business:				
Coverage/Limits/Reinsurance:				
Maximum Net Retention by Line of Busin	ness:			
Aggregate Reinsurance:				
Primary Carrier(s) <sup>6</sup> :				
Full Name	NAIC #			
Domiciliary	Group #			
Most Current A.M. Best Rating	Date of Rating			
Reinsurer(s) <sup>6</sup> :				
Full Name	NAIC #			
Domiciliary	Group #			
Most Current A.M. Best Rating	Date of Rating			
	R) KNOWLEDGE AND BELIEF ALL OF THE TRUE AND CORRECT, AND THAT ALL ESTIMATE BEEN CAREFULLY CONSIDERED AND ASSESSED			
Name	Title			
Signature	Date			
Name				
	Date			

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

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

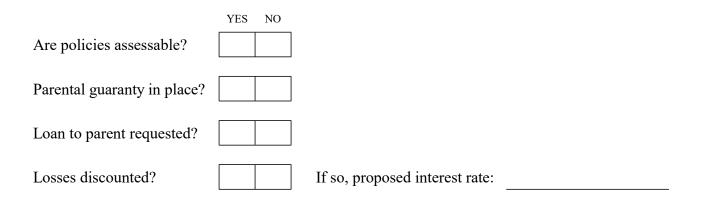
#### A. Primary / Direct Business Written

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 Retroces- sionnaire
<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)
	<u> </u>					<u> </u>

\*Primary, Reinsurance, Retrocession





### **Biographical Affidavits**

**SECTION 2** 



**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 <u>The Actuarial Study Should Include:</u>
  - 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 form the expected loss amount
- For an Association Captive, a description of the history, purpose, size and other details of parent association



### 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.



### Statement of Benefit to the State of Nevada

**SECTION 5** 

### **Captive Application for Certificate of Authority**

### Statement of Benefit to the State of Nevada

The licensing of \_\_\_\_\_\_ as a captive insurer will provide the

Following benefits to the state of Nevada:



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

**SECTION 6** 

# Captive Application for Certificate of Authority Ownership Structure

%
f all Trustees

3. Attach Organizational Chart.



### **Articles of Incorporation**

**SECTION 7** 



## Articles of Association or Rules of Governance

**SECTION 8** 



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

**SECTION 9** 



**Bylaws** 

**SECTION 10** 



### **Confidential Offering Memorandum**

#### **SECTION 11**



### **Shareholders Agreements**

**SECTION 12** 



### Attachments

**SECTION 13**