CHECKLIST FOR CERTIFICATE OF AUTHORITY FOR NEW DOMESTIC INSURANCE COMPANY

COMPANY NAME: ______________________________________________________________

COA: _____________________________________________________________

____ FEE FOR CERTIFICATE OF AUTHORITY  Receipt Number: _______________________

Date Paid: __________________________

____ APPLICATION FOR CERTIFICATE OF AUTHORITY

____ CERTIFICATE OF AUTHORITY ISSUED BY THE GENERAL LICENSING BRANCH

____ ARTICLES OF INCORPORATION

____ BY-LAWS

____ FIVE-YEAR BUSINESS PLAN

____ PROFORMA/BALANCE SHEET

____ REINSURANCE AGREEMENT

____ INSURANCE COMPANY’S BOND OR DEPOSIT AGREEMENT IN LIEU OF BOND

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____ BIOGRAPHICAL AFFIDAVIT OF DOMESTIC STOCKHOLDERS

____ BALANCE SHEET/NET WORTH FOR EACH DOMESTIC STOCKHOLDER

____ POLICE CLEARANCE OF DOMESTIC STOCKHOLDERS

____ TAX CLEARANCES (Form I-9) FOR PROPOSED COMPANY & STOCKHOLDERS
ESTABLISHING A DOMESTIC INSURER

CHECKLIST

1. Voting Shares:
   All of its voting shares of stock shall have a par value as certified in its Article of Incorporation.

2. Application
   The application shall contain the following information:
   a. The proposed location of its principal office;
   b. Amount of Paid-in Capital;
   c. Corporate name which shall include the word “insurance”;
   d. The proposed Articles of Incorporation showing the classes of insurance business which it proposes to transact;
   e. Financial responsibility, business experience and ability of the proposed incorporators, directors and officers.

3. Incorporation
   Within ninety (90) days after approval, applicant shall file Articles of Incorporation with the General Licensing & Registration Branch.

4. Certificate of Articles of Incorporation
   After receiving approval of its Articles of Incorporation and By Laws, the applicant shall comply with other requirements to secure a Certificate of Authority to transact insurance business.

5. Promotional Expense
   No Certificate of Authority shall be issued if after examination it shows that the expense of organization and promotion exceeds ten percent (10%) of the total amount actually paid on its capital stock.

6. Capital
   Paid-in capital requirement must be paid in CASH. Minimum capital required to transact one class of insurance is $25,000.00, except life which is $100,000.00.
7. **Certificate of Authority**

Submit an Insurance Company’s Bond or Deposit Agreement in Lieu of Bond with a minimum amount of $50,000.00.

8. **Maximum Single Risk**

The maximum single risk, which may be assumed by an insurer after the deduction of any reinsurance taking effect simultaneously with the policy, shall be ten percent (10%) of the paid-in capital and surplus of such insurer.

If the insurance company has a paid-in capital and surplus of $25,000.00, the minimum single risk that this company can underwrite is $2,500.00 Prior to assumption of risk, the insurance company must reinsure coverage in excess of $2,500.00 or, deposit with the Insurance Commissioner a collateral agreement and collateral security in an amount not less than that proportion in excess of the foregoing limitation.
DETAILED STATEMENT OF PROPOSED BUSINESS PLAN

1. Five-year projection of type of risk and party(ies) to be insured

2. Five-year projection of net annual premium income, with data for each class of insurance written

3. Five-year projection of maximum retained risk (per loss and annual aggregate)

4. Five-year projection of income and loss

5. Copies of all policy forms to be issued by the company in a format for approval by the Commissioner

6. Actuarial feasibility study of planned operation

7. Statement of Rating Program

8. Statement of Reinsurance Program

9. Five-year projection of the amount of liquidity of assets relative to the proposed risks assumed

10. Five-year projected balance sheet