



**Florida Office of Insurance Regulation**

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**APPLICATION FOR PERMIT  
DOMESTIC RECIPROCAL INSURER**

This packet is designed to assist individuals in preparing the application in accordance with Florida Statutes and Rules and to facilitate expeditious processing of the application by the Florida Office of Insurance Regulation (Office).

Please submit all documents required by this packet in searchable PDF format unless otherwise indicated or required by Florida Statutes.

If this packet requires submission of forms or rates, upon receipt of an email notification of acceptance of the application, the Applicant is directed to return to the Industry Portal <https://www.floir.com/iportal> and select Insurance Regulation Filing System (IRFS) to begin the submission of forms and/or rates.

In order for a submission to be considered a complete application, all required information must be included in the filing, including the completed application checklist.

The completed application packet must be submitted to the Office by following the link:

**<https://www.floir.com/iportal>**

Any questions concerning this application packet may be directed to [lhappcoord@floir.com](mailto:lhappcoord@floir.com) for Life & Health applicants or [pcappcoord@floir.com](mailto:pcappcoord@floir.com) for Property & Casualty applicants.

# APPLICATION FOR PERMIT DOMESTIC RECIPROCAL INSURER

## INSTRUCTIONS

### SECTION I - APPLICATION FORM & FEES

#### **Section I-1 Application and License Fees**

Applicants must pay a license fee of \$1,000 USD and an application fee of \$1,500 USD, pursuant to Section 624.501, Florida Statutes. These fees are due at the time the application packet is filed and are nonrefundable.

#### **Section I-2 Fingerprint Fees**

Applicants are required to pay a fee for the processing of the fingerprint cards required in Section IV-4. Please see Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions.

#### **Section I-3 Application Checklist and Certification**

Applicant should have pages 10-13 completed and returned with its application.

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## SECTION II – LEGAL

### **Section II-1 Attorney-in-Fact Declaration**

Pursuant to Section 629.081, Florida Statutes, 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 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; and
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-2 Foreign Certificate of Status (Attorney-in-Fact)**

If the Attorney-in-Fact is not a Florida domestic company, submit a certificate of status from the domiciliary jurisdiction dated within the last year. A certificate of status is a document issued by the public official having supervision of the records of business entities in the Attorney-in-Fact's home state or jurisdiction of domicile, usually the Secretary of State or equivalent office, that shows that the Attorney-in-Fact is duly organized in the state or jurisdiction of domicile and that all taxes and fees have been paid.

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## **Section II-3 Florida Certificate of Status (Attorney-in-Fact)**

Submit a certificate of status for the Attorney-in-Fact from the Florida Secretary of State dated within the last year.

## **Section II-4 Articles of Incorporation (Attorney-in-Fact)**

Submit a copy of the Attorney-in-Fact's Articles of Incorporation, or equivalent document, complete with all amendments, certified within the last year by the public official with whom the originals are on file in the state or jurisdiction of domicile.

## **Section II-5 Bylaws (Attorney-in-Fact)**

Submit a copy of the Attorney-in-Fact's Bylaws, or equivalent document. This document should be certified by Applicant's Secretary as a true and correct copy of the current document and dated within the last year. Only the Secretary's signature will be accepted unless the Attorney-in-Fact does not have this position.

## **Section II-6 Authorization Letter**

Provide a letter of authorization for any person, other than Applicant's personnel, who is authorized to represent the Applicant before the Office in this matter. This letter should be dated within the last year.

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## SECTION III - FINANCIAL

### **Section III-1 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, Applicant must furnish a three-year Plan of Operation. If Applicant's Attorney-in-Fact 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 Operation. The Plan must include all major areas of the proposed operations including but not limited to the following:

1. A brief history of Applicant and its Attorney-in-Fact.
2. 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.
3. Submit Form OIR-C1-1416, Uniform Certificate of Authority Application (UCAA) Lines of Insurance, reflecting the lines of insurance Applicant intends to write in Florida.
4. Description of insurance products to be marketed in each line of insurance and planned dates of initial marketing of each line.
5. A three-year plan of marketing, including commission rates, use of brokering agents, third-party administrators, and other administrative expenses.
6. 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 coverage and the largest amount retained on one risk.
7. Submit a statement regarding any planned changes in operations during the next three years. If no changes are planned, a statement to that effect.
8. Provide a list of all assumptions used in construction of the pro forma financial statements 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 policies and contracts.
9. Provide pro forma financial statements utilizing Form OIR-D0-896, UCAA Proforma Financial Statements, Property and Casualty Insurance Company; Form OIR-D0-2119, UCAA Proforma Financial Statements, Title Insurance Company; or Form OIR-D0-2165, UCAA Proforma Financial Statements, Health, as relevant, 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 National Association of Insurance Commissioner ("NAIC") instructions to the annual statement.

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10. Furnish a list of all consultant and expert services proposed to be used during the three-year period.
11. Provide planned premium volume for nationwide premium and Florida premium by line of insurance for a three-year period from initial marketing date for each line of insurance.

## **Section III-2 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.

## **Section III-3 Previous Florida Business History of Attorney-in-Fact and Parent Company**

In this section, the Attorney-in-Fact and any 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-4 Holding Company Registration Statement**

If the Attorney-in-Fact is part of a foreign insurance holding company system, provide a copy of the most recent insurance Holding Company Registration Statement filed with the insurer's domiciliary state.

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## SECTION IV - MANAGEMENT

### **Section IV-1 Management Information Forms**

Using OIR-C1-2221, Management Information Form, 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. A separate form should be used for each entity.

If any 10% or greater shareholder/owner is an entity, please complete a Management Information Form (Form OIR-C1-2221) for each shareholder/owner entity and include its officers, directors or managing members. A separate form should be used for each entity.

Forms should contain the First, Middle, and Last name of listed individuals. Please state if a middle name does not exist.

### **Section IV-2 Biographical Affidavits**

Provide a Uniform Certificate of Authority Application (UCAA) Biographical Affidavit, Form OIR-C1-1423, for each individual listed in Section IV-1. Applicant may omit individuals for those companies in the organizational structure between the immediate parent of the Attorney-in-Fact and the ultimate parent. Please note that if an individual has a Biographical Affidavit with an associated background report on file with the Office, and the Biographical Affidavit was signed and notarized within 2 years of the date of the Application being filed, a Biographical Affidavit and associated background report need not be submitted for that individual.

All questions must be answered. All "Yes" answers must be explained.

Each Biographical Affidavit must be signed and notarized.

The affiant's Social Security number must be submitted to the Office. Section 119.071(5), Florida Statutes, gives authority for an agency to collect Social Security numbers if imperative for the performance of that agency's duties and responsibilities as prescribed by law. Limited collection of Social Security numbers is imperative for the Office to ensure that the owners, management, officers, and directors of any entity regulated by the Office are competent and trustworthy, possess financial standing and business experience, and have not been found guilty of, or not pleaded guilty or nolo contendere to, any felony or crime punishable by imprisonment of one year.

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. I of the State Constitution and must be segregated on a separate page. Therefore, please include the affiant's name and Social Security number on the separate page marked CONFIDENTIAL and provided in this packet and attach that page to the NAIC Biographical Affidavit (NAIC Form 11) that is also included in this packet.

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## **Section IV-3 Background Investigative Report**

A background investigative report must be provided for each person for whom a Biographical Affidavit is required, as described above. Background reports must be conducted by an NAIC-approved background investigation vendor directly to the Office. Attach proof of payment confirming that all background reports have been ordered when submitting the application. Please refer to Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports, included in this packet.

The NAIC approved background investigation vendor list can be found at:

[https://www.naic.org/documents/industry\\_ucaa\\_third\\_party.pdf](https://www.naic.org/documents/industry_ucaa_third_party.pdf)

## **Section IV-4 Fingerprint Cards**

Fingerprint cards must be provided to the Office for each person for whom a Biographical Affidavit is required. Please refer to Form OIR-C1-938, Fingerprint Payment and Submission Procedure, for instructions. If an individual has fingerprinting results dated within 5 years of the date of the Application filing, a fingerprint card need not be submitted for that individual.



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The below items will be required once Applicant has been granted a Permit, but before a Certificate of Authority will be issued. They are **not** required as part of this Application and are included here only to assist Applicant in the preparation process.

## **Uniform Consent to Service of Process**

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 under seal.

## **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 Bureau of Collateral Management in lieu of the bond, as provided for in Section 629.131, Florida Statutes.

## **Statutory Deposit**

Pursuant to Section 624.411, Florida Statutes, every domestic insurer shall be required to make 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 \$250,000 to transact casualty insurance, \$100,000 to transact all other kinds of insurance, per kind of insurance, and 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. Verification from the Bureau of Collateral Management that the funds have been deposited will be required.

## **Verification of Funds**

A domestic 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 name of depositor and Federal ID Number; account numbers and amounts of funds in each account; form of funds on deposit; if funds are in the form of a certificate of deposit, include certificate numbers and maturity dates; and any restrictions on the withdrawal of the funds.

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## CHECKLIST

Applicant Name: \_\_\_\_\_

Federal Identification Number ("FEIN"): \_\_\_\_\_

Home Office Address: \_\_\_\_\_  
(Street Address) (City) (State) (Zip Code)

Phone Number: \_\_\_\_\_

**Please complete and check off all items prior to submission. Applicant should provide an explanation for any items that have not been checked off and submitted.**

### SECTION I - APPLICATION FORM & FEES

- 1. Application and license fees paid
- 2. All fingerprint fees paid electronically
  - a. Copies of online payment confirmation
- 3. Checklist & Certification

### SECTION II – LEGAL

- 1. Attorney-in-Fact declaration
  - a. Name of insurer
  - b. Location
  - c. Lines of insurance
  - d. Subscriber names and addresses
  - e. Appointment and Power of Attorney for Attorney-in-Fact
  - f. Names and addresses for management of Attorney-in-Fact
  - g. Powers of subscriber's advisory committee, and names and terms of members
  - h. Statement regarding monies paid to the reciprocal
  - i. Subscribers' agreement
  - j. Statement of original subscribers
  - k. Statement regarding financial condition, schedule of assets, and surplus
  - l. Copy of each policy, endorsement, and application form
- 2. Foreign certificate of Status (Attorney-in-Fact)
- 3. Florida certificate of status (Attorney-in-Fact - if applicable)
- 4. Articles of Incorporation (Attorney-in-Fact)
- 5. Bylaws (Attorney-in-Fact)
  - a. Certified by Secretary
- 6. Authorization Letter



# APPLICATION FOR PERMIT DOMESTIC RECIPROCAL INSURER

Applicant Name: \_\_\_\_\_

## SECTION IV – MANAGEMENT

- 1. Management Information Form (Form OIR-C1-2221) submitted for all required entities
- 2. Biographical affidavits (Form OIR-C1-1423) submitted for all required individuals
  - All information completed (no blanks)
  - a. "Yes" answers explained
  - b. Signed
  - c. Notarized
- 3. Background investigative reports for all required individuals, Form OIR-C1-905, Instructions for Furnishing Background Investigative Reports. The reports must be based on the Biographical Affidavits submitted to the Office with this Application.
  - a. Proof of order and confirmation of payment submitted to the Office
- 4. Fingerprint cards for all required individuals (Form OIR-C1-938)
  - a. All information completed (no blanks)
  - b. Signed

# APPLICATION FOR PERMIT DOMESTIC RECIPROCAL INSURER

## APPLICATION CERTIFICATION

The undersigned state that they are the Chairman of the Subscribers' Advisory Committee and have personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with the intention of \_\_\_\_\_ ("Applicant") to seek a Permit to form a Domestic Reciprocal Insurer; that they have read all of the responses, information, exhibits, and documents submitted with, and in support of, this application; and that the submissions are true, correct, and complete to the best of their knowledge. The undersigned further represents that they have the authority to bind the Applicant, and that by their signature here below the Applicant has executed the instrument.

The undersigned understands that whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duties is guilty of a misdemeanor of the second degree, pursuant to Section 837.06, Florida Statutes, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: Chairman, Subscribers' Advisory Committee

Date: \_\_\_\_\_