



Florida Office of Insurance Regulation

**APPLICATION FOR CERTIFICATE OF AUTHORITY
COMMERCIAL SELF-INSURANCE FUND**

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 pcappcoord@floir.com.

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INSTRUCTIONS

SECTION I - APPLICATION FORM & FEES

Section I-1 Application Fees

Applicants must pay an application filing fee of \$1,500 USD and a company license tax of \$1,000 USD. These fees are due at the time the application package is filed.

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 9-12 completed and returned with its application.

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SECTION II - LEGAL

Section II-1 Service of Process Consent and Agreement

Provide an executed Uniform Consent to Service of Process, Form OIR-C1-1524.

Section II-2 Constitution, Bylaws and/or Trust Agreement

Submit an unexecuted copy of the proposed constitution, bylaws, or trust agreement. The constitution, bylaws, or trust agreement shall contain a provision prohibiting any distribution of surplus or profit except to members of the Fund, as approved by the Office, pursuant to Section 624.473, Florida Statutes.

Section II-3 Indemnity Agreement

Submit copies of properly executed indemnity agreements binding each Fund member to individual, several, and proportionate liability as set forth in Sections 624.472 and 624.474, Florida Statutes.

Section II-4 Sponsoring Organization

Submit the following documents from the sponsoring organization:

- (a) Articles of Incorporation certified within the last year by the public official with whom the originals are on file in the state or jurisdiction of domicile
- (b) Florida Certificate of Status from the Florida Secretary of State dated within the last year
- (c) Certificate of Status from domiciliary jurisdiction dated within the last year
- (d) Copy of the bylaws or equivalent document. This document should be certified by the corporate 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.
- (e) A brief history of the sponsoring organization including: the type of association or entity (trade association, professional association, industry association, or self-insurance trust fund), the address and phone number of the sponsoring organization, the date the sponsor was incorporated, and whether or not the sponsor has been in continuous operation since the date of organization.

Section II-5 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 Statutory Deposit

Pursuant to Section 624.466(9), Florida Statutes, a Commercial Self-Insurance Fund shall be required to make a statutory deposit with the Bureau of Collateral Management for the protection of the insurer's policyholders and creditors. This deposit shall have at all times a value of not less than \$100,000 USD. In lieu of a deposit, a Fund may file with the Office a surety bond in a like amount.

Contact the Bureau of Collateral Management, Insurance Deposits Section, (850) 413-3164 for the procedures involved in establishing a deposit. Include a verification from the Bureau of Collateral Management that the funds have been deposited or the surety bond.

Section III-2 Verification of Funds

At least 10 days prior to the proposed effective date of the issuance of any policy, the trustees shall submit proof that the members have paid into a common claims fund in a designated depository cash premiums in an amount not less than \$50,000 or 10% of the estimated annual premium of the members at the inception, whichever is greater.

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 following:

- a. Name of depositor and Federal ID Number
- b. Account numbers and amounts of funds in each account
- c. Form of funds on deposit
- d. Any restrictions on the withdrawal of the funds

Section III-3 Plan of Operation

It is important for the Office to have a clear understanding of the proposed operations of the Fund and the goals it seeks to achieve. To meet this requirement, the Fund shall furnish a three-year Plan of Operation. If Applicant 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:

- a. 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.

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- b. 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
- c. Description of each line of insurance products to be marketed and planned dates of initial marketing of each line.
- d. A three-year plan of marketing, including commission rates, use of brokering agents, third-party administrators, and other administrative expenses.
- e. 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 copies of policies and agreements. These should detail retentions and limits of liability for the proposed reinsurance, as well as catastrophe coverage, and the largest amount retained on one risk.
- f. Submit a statement regarding any planned changes in operations during the next three years. If no changes are planned, a statement to that effect.
- g. 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.
- h. Provide pro forma financial statements utilizing Form OIR-DO-896, UCAA Proforma Financial Statements, Property and Casualty Insurance Company 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 Commissioners ("NAIC") instructions to the annual statement.
- i. Furnish a list of all consultant and expert services in use or proposed during the three-year period.
- j. Provide planned premium volume for Florida premium by line of insurance for a three-year period from initial marketing date for each line of insurance.

The Plan of Operation should also include a statement prepared by an actuary who is a member of the American Academy of Actuaries or the Casualty Actuarial Society establishing that the Fund has prepared a Plan of Operation which is based on sound actuarial principles.

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Section III-4 Membership Applications

Submit a membership application for each member applying for coverage with the Fund. Each of the charter members must submit a completed application.

Section III-5 Financial Statements

Submit a current financial statement for each of the charter members of the Fund. Each of the charter members must submit a financial statement.

Section III-6 Previous Florida Business History of Parent Company

In this section, the 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-7 Fidelity Bond

Pursuant to Section 624.466(11), Florida Statutes, submit a bond (or insurance policy) in the amount of no less than 10% of the funds handled annually and issued in the name of the Fund covering its trustees, employees, administrator, or other individuals managing or handling the funds or assets of the Fund.

Section III-8 Contract Between Fund and Agent

Submit a complete copy of any proposed contracts between the Fund and any agents.

Section III-9 Administrator Agreements

Submit a complete copy of any proposed contracts or agreements between the Fund and any administrators.

Section III-10 Policies, Endorsements, and Rates

You are not required to have your policy forms and rates approved as a condition precedent to receiving a Certificate of Authority. These forms and rates may be submitted any time after filing for the Certificate of Authority and must be approved prior to transacting any business.

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SECTION IV - MANAGEMENT

Section IV-1 Trustees and Administrator Listing

Submit Form OIR-C1-2221, Management Information Form, listing the names of all trustees, officers, and directors of the administrator and their relationship (owner, partner, officer, director, or employee) to the Fund. If the administrator is a partnership, then information should be submitted for all partners.

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

A Uniform Certificate of Authority Application (UCAA) Biographical Affidavit, Form OIR-C1-1423, must be completed for each person listed in Section IV-1. 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 submitted 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

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 on file with the Office, a fingerprint card need not be submitted for that individual.

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

SECTION II – LEGAL

- 1. Service of Process, Form-C1-1524
- 2. Unexecuted Constitution, Bylaws, and/or Trust Agreement
- 3. Indemnity Agreement
- 4. Sponsoring Organization
 - a. Articles of Incorporation
 - b. Florida Certificate of Status
 - c. Certificate of Status from domiciliary state (if applicable)
 - d. Bylaws
 - e. History
- 5. Authorization Letter

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SECTION III – FINANCIAL

- 1. Verification of statutory deposit
- 2. Verification of Funds
 - a. Letter from financial institution
 - i. Amount of deposit
 - ii. Name of depositor and Federal ID Number
 - iii. Account numbers and amounts of funds in each account
 - iv. Form of funds on deposit
 - v. Any restrictions on the withdrawal of the funds
- 3. Plan of operation
 - a. Management experience
 - b. Lines of insurance, Form OIR-C1-1416
 - c. Description of products
 - d. 3-year plan of marketing
 - e. Planned use of reinsurance
 - f. Statement of planned changes
 - g. List of consultant and expert services
 - h. Pro forma financial statements
 - i. List of assumptions
 - ii. Planned premium volume for Florida
 - i. Statement from actuary regarding plan of operations.
- 4. Membership applications
- 5. Financial statements
- 6. Previous Florida business history of parent
- 7. Fidelity bond
- 8. Contract between fund and agent
- 9. Administrator agreements

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SECTION IV – MANAGEMENT

- 1. Management Information (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

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APPLICATION CERTIFICATION

The undersigned state that they have personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with the intention of _____ ("Applicant") to seek a Certificate of Authority as a Commercial Self-Insurance Fund; 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 represent that they have the authority to bind the Applicant, and that by their signatures on the instrument the Applicant has executed the instrument.

The undersigned understand 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, Board of Trustees

Date: _____

By: _____

Print Name: _____

Title: Secretary

Date: _____