



Florida Office of Insurance Regulation

**APPLICATION FOR CERTIFICATE OF AUTHORITY
LEGAL EXPENSE INSURANCE**

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 at the following link:

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

Any questions concerning this application packet may be directed to pcappcoord@floir.com.

APPLICATION FOR CERTIFICATE OF AUTHORITY LEGAL EXPENSE INSURANCE

INSTRUCTIONS

SECTION I - APPLICATION & FEES

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

Applicants must pay an application fee of \$250 USD and a license fee of \$300 USD, pursuant to Section 642.0301, 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 9-12 completed and returned with its application.

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SECTION II - LEGAL

Section II-1 Articles of Incorporation

Submit a copy of Applicant's Articles of Incorporation, complete with all amendments, certified within the last year by the Florida Secretary of State.

Section II-2 Certificate of Status from Florida

Submit a certificate of status from the Florida Secretary of State dated within the last year.

Section II-3 Company Bylaws

Submit a copy of Applicant's Bylaws. 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.

Section II-4 Service of Process Consent and Agreement

Submit the executed Service of Process Consent and Agreement, Form OIR-C1-144. No signatures other than those of the President or Chief Executive Officer and the Secretary will be accepted.

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.

Section II-6 Fictitious Name Filing

If the organization plans to utilize a fictitious name, submit evidence of compliance with Section 865.09, Florida Statutes.

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SECTION III – FINANCIAL

Section III-1 **Financial Statements**

Applicant must submit complete financial statements for the 3 most recent years, reflecting a net worth of at least \$10,000 USD or 10% of Applicant's total liabilities, whichever is greater, and contain a balance sheet, income statement, retained earnings statement, and statement of cash flows. These statements should be certified as true and correct by two officers and the most recent may not be more than 12 months old.

Applicant should also submit the same for its immediate parent, if applicable.

Section III-2 **Financial Requirements**

Applicant must agree to establish and maintain an unearned premium reserve as outlined by Section 625.051, Florida Statutes, and Rule 69O-201.005, Florida Administrative Code.

Section III-3 **Deposit**

Pursuant to Section 642.023, Florida Statutes, Applicant must, prior to the issuance of a license, provide evidence of one of the two options below:

- a. a securities deposit of \$50,000 USD

A securities deposit should be made in accordance with the provisions of Section 625.52, Florida Statutes. For information on how to make the required securities deposit, contact the Bureau of Collateral Management at (850) 413-3167, or:

Department of Financial Services Bureau of Collateral Management 200
East Gaines Street Tallahassee, FL 32399-0345

- b. a surety bond for \$50,000 USD

Pursuant to Section 642.023(2), Florida Statutes, and subject to the approval of the Office, a Legal Expense Insurance Corporation may file a surety bond issued by an authorized surety insurer in lieu of the deposit outlined above. See Form OIR-A3-478, Legal Expense Insurance Corporation Surety Bond. These amounts may be adjusted annually pursuant to Section 642.023(1), Florida Statutes.

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Section III-4 Plan of Operations

It is important for the Office to have a clear understanding of the proposed operations of the Legal Expense Insurance Corporation and the goals it seeks to achieve. To fulfill this requirement, the Plan of Operations must contain the following information:

- a. The geographical area in which Applicant intends to conduct business in the first 5 years;
- b. The types of insurance intended to be written in the first 5 years, including specification as to whether and to what extent indemnity, rather than service benefits, is to be provided; and
- c. The proposed marketing methods.

Additionally, Applicant must provide the following information:

- d. A complete organizational chart for Applicant fully disclosing the relationship between all entities in the organizational structure, including all parent, holding, and subsidiary entities, as well as any and all affiliated entities, and clearly stating all ownership percentages, if applicable;
- e. A statement of the amount and sources of funds available for organization expenses and the proposed arrangements for reimbursement and compensation of incorporators, shareholders, or other persons;
- f. A statement of compensation to be provided to officers and directors;
- g. A copy of each agreement relating to Applicant to which any director, officer, or any shareholder who owns or controls 10% or more of Applicant is a party; and
- h. A statement signed by two officers attesting that Applicant is knowledgeable of the provisions of Chapter 642, Florida Statutes, and is otherwise in compliance with the law.

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Section III-5 Financial Projections

Applicant should submit projected total premiums for the first three years of operation from the time of expected licensure. Submissions should include the underlying assumptions, the projected number of contracts sold, and the average premium under each type of contract.

Section III-6 States Where Applicant is Currently Doing Business

In this section, Applicant should provide a list of states in which it or affiliated companies conduct legal expense insurance business.

Section III-7 Alphabetical List of Proposed Sales Representatives

Applicant should provide a list of its proposed sales representatives. It is understood that most Applicants do not have a complete sales force in place; however, this information should be provided to the best of your ability.

Information on the licensing of sales representatives may be obtained from the Florida Department of Financial Services, Division of Agent & Agency Services, by calling 1-877-MY-FL-CFO (1-877-693-5236), or (850) 413-3089, if calling from out of state.

Section III-8 Forms and Rates

Applicant shall provide the form of all legal service contracts that Applicant proposes to offer, showing the rates to be charged for each form of the contract, as well as the forms to be used for any proposed contracts between Applicant and the participating attorneys, as well as any proposed contracts between Applicant and corporations which perform administration, marketing, or management services, and the forms relating to the provision of services to insureds.

Applicant shall provide evidence that it has filed the information required by Section 642.021(3), Florida Statutes, with the Florida Bar.

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SECTION IV – MANAGEMENT

Section IV-1 Management Information Forms

Submit Management Information Form OIR-C1-2221, fully describing Applicant's management, ownership, and all individuals or entities having direct or indirect control up to and including any 10% or greater interest holders of the ultimate parent. A Management Information Form should be submitted for each entity in the ownership chain.

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 as to Officers, Directors, and Shareholders

Provide a Uniform Certificate of Authority Application (UCAA) Biographical Affidavit Form OIR-C1-1423 (NAIC Form 11) for each individual listed in Section IV-1. Applicant may omit individuals for those companies in the organizational structure between the immediate parent 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 or more.

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 Uniform Certificate of Authority Application (UCAA) Biographical Affidavit Form OIR-C1-1423 (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 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 submitted a fingerprint card 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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CHECKLIST

Applicant Name: _____

Federal Employer 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. Application certification and checklist

SECTION II – LEGAL

- 1. Articles of Incorporation
 - a. Certified by public official
- 2. Certificate of Status from Florida
- 3. Company Bylaws
 - a. Certified by Secretary
- 4. Service of Process Consent and Agreement Form OIR-C1-144
- 5. Authorization Letter (if applicable)
- 6. Fictitious Name Filing (if applicable)

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CHECKLIST

SECTION III – FINANCIAL

- 1. Financial Statements
 - a. Balance Sheet
 - b. Income Statement
 - c. Retained earnings statement
 - d. Statement of Cash Flows
 - e. Certified by 2 Officers
 - f. Not more than 12 months old
 - g. Provided for Parent (as applicable)
- 2. Financial Requirements
 - a. Statement regarding unearned premium reserves
- 3. Securities Deposit (a **or** b)
 - a. Securities deposit of \$50,000 USD; **or**
 - b. Surety Bond for \$75,000 USD
 - i. OIR-A3-478, Legal Expense Insurance Corporation Surety Bond
- 4. Plan of Operations
 - a. Geographical area
 - b. Types of insurance
 - c. Organizational chart
 - d. Amount and source of funds
 - e. Statement of compensation
 - f. Copy of agreements
 - g. Officer attestation
- 5. List of states where Applicant and affiliates are currently doing business
- 6. Financial Projections for 3 years
- 7. List of Proposed Sales Representatives (Form OIR-C1-995)
- 8. Forms and Rates
 - a. Forms for all legal service contracts with rates
 - b. Forms for any proposed contracts between Applicant and attorneys
 - c. Forms for any proposed contracts between Applicant and other corporations
 - d. Evidence that the above has been filed with the Florida Bar

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CHECKLIST SECTION IV – MANAGEMENT

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

APPLICATION FOR CERTIFICATE OF AUTHORITY LEGAL EXPENSE INSURANCE

APPLICATION CERTIFICATION

The below certification must be executed by two officers of Applicant, one of whom must be the President or Chief Financial Officer, and the other the Secretary*.

The undersigned state that they are officers having personal knowledge of the application submitted to the Florida Office of Insurance Regulation in connection with the intention of _____ (“Applicant”) to seek licensure as a Legal Expense Insurance Corporation; 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: _____

Date: _____

By: _____

Print Name: _____

Title: _____

Date: _____

*Other officers will be accepted only if the applicant does not have these positions.