



LOUISIANA DEPARTMENT OF INSURANCE
JAMES J. DONELON
COMMISSIONER

**INSTRUCTIONS FOR
APPLICATION TO ACT AS A CAPTIVE INSURER
IN THE STATE OF LOUISIANA**

GENERAL INSTRUCTIONS

This packet is designed to assist in preparing an application that complies with all statutory and administrative requirements. The forms and procedures of the application process are designed to facilitate our review of the application. Therefore, it is extremely important that all applicants comply fully with the instructions and requirements set forth in this packet.

All communication should be directed to:

Louisiana Department of Insurance
Company Licensing
P.O. Box 94214
Baton Rouge, LA 70804-9214
OR
1702 N. 3rd St.
Baton Rouge, LA 70802
Phone: (225) 219-0565
Fax: (225) 219-9322
E-Mail Address: companvapps@ldi.la.gov

While our Department will be happy to assist you and answer any questions you may have, we ask that you thoroughly review all instructions and forms before contacting us.

- 1) The Louisiana Department of Insurance (LDI) accepts electronic submission of the application via email. An application submitted in this manner must be submitted to companvapps@ldi.la.gov to assure receipt and prompt processing by the LDI. After submission of the application electronically, the payment of the fees must be submitted hard copy to address above. All payments must be made payable to the Louisiana Department of Insurance.
- 2) If the application is submitted hard copy, all submittals in association with this application must reach the LDI via the United States Postal Service or a carrier with interstate business. Hand delivery is not acceptable and any information arriving in this manner will be returned without review. In addition, all correspondence must be sent to the attention of Company Licensing to assure prompt receipt and handling.
- 3) Submit only a fully completed application. Submittal of a partially completed application will cause processing delays and may result in disapproval.
- 4) **Do not alter** the forms contained in this packet. If you feel the requirements do not apply to your company, notify us. We will supply the proper form, if appropriate, and/or answer any questions you have about the forms.
- 5) All original items submitted become the property of the LDI and **will not be returned**.
- 6) All certified documents required in the application must be dated within six (6) months of submittal of the application. If an application is submitted hard copy rather than electronically, all certifications must be original.

APPLICATION TO ACT AS A CAPTIVE INSURER IN THE STATE OF LOUISIANA

- 7) All entries in the application forms must be typed or printed. Illegible entries or responses will be considered incomplete and may result in the disapproval of the application.
- 8) When designating a contact person for the application process, please remember that our staff will communicate only with this individual. The application process is considered confidential and will not be discussed with any person other than the named contact person. The applicant must notify the LDI in writing of any change in contact person.
- 9) The applicant must notify the LDI of any changes in the company or the information submitted in association with this application which occur while the application is under review. This includes changes in officers and directors; changes in address or domicile; and changes to the financial statements submitted in support of this application. Failure to notify the LDI of such changes may result in disapproval of the application.

INSTRUCTIONS REGARDING ARTICLES OF INCORPORATION

At the time of submission of this application the applicant should already be incorporated and fully funded. The proposed articles of incorporation must be prepared in accordance with LSA-R.S. 22:61-63 and submitted to the Louisiana Department of Insurance for review and approval.

After approval, an executed copy of the proposed articles shall be recorded with the Recorder of Mortgages in the parish of domicile, and two copies certified by and bearing the certificate of the proper Recorder of Mortgages shall be returned to the Commissioner of Insurance for recordation. The corporate existence of the entity begins upon the date and time when the articles were filed with the recorder of mortgages in the parish of domicile.

We recommend that the attorney preparing the Articles of Incorporation contact the Company Licensing Division while preparing the articles for an informal review prior to submission for approval.

The Articles of Incorporation for an insurer are not filed with the Louisiana Secretary of State.

SPECIAL INSTRUCTIONS REGARDING THIRD PARTY VERIFICATION REPORTS

In association with this application, the LDI requires that all applicants make arrangements for third party verification reports for all persons for whom biographical affidavits are required. This must include all officers, all directors, all individuals who own ten percent or more of the applicant and all other persons responsible for the conduct of affairs of the applicant.

The reports must be prepared by one of the firms approved by the National Association of Insurance Commissioners. A list of those approved firms is available at http://naic.org/documents/industry_ucaa_third_party.pdf. The applicant should advise the firm that the reports are being prepared for the LDI and make the necessary arrangements for payment.

SPECIAL INSTRUCTIONS REGARDING FINGERPRINTING

In association with this application, all officers, directors, trustees and all individuals who control, directly or indirectly ten percent or more of the applicant, are required to be fingerprinted and the results transmitted to the LDI.

For residents of Louisiana, fingerprinting services are provided by the license testing vendor PSI. No appointment is necessary and a list of testing locations and hours of operation is available on PSI's website (PSIexams.com). Fingerprinting fees are paid at the site at the time of submission.

For any individual who is not a resident of Louisiana, the following steps are required:

1. Duplicate fingerprint cards for each individual must be submitted. You may submit requests for blank fingerprint cards to companyapps@ldi.la.gov. Please include the number of cards required and the address to which the cards should be mailed.
2. [Applicable fingerprint fees](#) made payable to the Louisiana State Police.
3. A completed Authorization to Disclose Criminal History Records Information for each applicant. [This form is available on the LDI website.](#)
4. A completed Rap Sheet Disclosure Form for each applicant. [This form is available on the LDI website.](#)

All of these documents should be sent to:

Louisiana State Police
Bureau of Criminal Identification and Information
P.O. Box 66614 (Mail Slip A-6)
Baton Rouge, LA 70896

Generally the Department will receive fingerprint results within three to four days from submission of the fingerprints. If the Louisiana State Police or Federal Bureau of Investigation are unable to run the reports due to unreadable or unclear fingerprint submissions, it may take up to sixty (60) days for a check to be completed using alternate means.

Any individual that is currently serving as an officer or director of another domestic regulated entity or has previously submitted fingerprints in association with a resident producer or adjuster license application may request a waiver of the fingerprinting requirements. Requests for such a waiver should be sent to companyapps@ldi.la.gov. The request must provide a full explanation of the application to be filed, the names of all individuals for whom the waiver is requested and clearly explain the grounds for the request.

INITIAL FINANCIAL EXAMINATION AND CONFIRMATION OF ASSETS

Prior to the issuance of a Certificate of Authority to a Louisiana domiciled insurer, the LDI will conduct an initial financial examination and confirmation of the assets of the applicant.

The applicant must be properly capitalized and its funds invested in compliance with the applicable statutes and in the name of the applicant upon submission of the application. If the funds are not properly invested and verifiable, the application will be disapproved.

The applicant must provide written notice to all depositories authorizing the release of information t

INSTRUCTIONS FOR ATTESTATION PAGE

Louisiana law requires that the application for Certificate of Authority for a captive insurer must be certified by the board of directors of the applicant. This means that the board of directors of the applicant must be named and in place at the time of this application.

The signatures of the members of the board of directors must be witnessed by two individuals who are not otherwise signing the application and all signatures must be notarized. Separate witnesses and notarization are required if the individual board members execute the certification at different times or locations.

The application form provides spaces for the signatures of five directors as this is the minimum number of directors required by law. You may reproduce the attestation page of the application as needed.

COMMON QUESTIONS

The following are some of the most commonly asked questions regarding the application package and process.

Q: What is the time-frame for the review of an application?

A: The LDI makes every effort to review all applications as soon after submittal as possible. The review process can be expected to take from sixty (60) to ninety (90) days from receipt of a complete application. Please take this time frame into account when considering deadlines and operation schedules for the applicant.

Q: Can the forms in the application packet be recreated on a word processor for completion by the applicant?

A: No. The forms in this packet are designed for ease of recognition by our staff and, in many cases, in strict compliance with statutory wording requirements. Therefore, any changes in the format or wording of the forms will cause delays in the review and may lead to the disapproval of the application.

Q: The Exhibits portion of the application form requires certain biographical information on owners of 10% or more of the applicant. What if all owners are corporations? Do the officers and directors of those corporations supply the biographical information?

A: Initially, no. However, the LDI reserves the right to request biographical information for all persons who would exercise control over the insurer up to and including the ultimate controlling party. The LDI will determine if additional information is required upon review of the application and notify the applicant.

Q: Can we meet with the LDI for a preliminary review of our application prior to submission?

A: Yes. Our staff will be happy to meet with representatives of the applicant to review the application before it is actually submitted. It should be noted, however, this courtesy review is to help assure completeness only, and the LDI will not issue a preliminary approval or disapproval of the application prior to submission. Any application sent to this Office via U.S. Mail will be considered submitted for review and will not be eligible for a pre-review. You may make an appointment for preliminary review by contacting the Company Licensing Section of the LDI. Preliminary reviews will be performed only with an appointment.

Q: What factors should go into considering who should be named as the contact person?

A: Among the things to be considered when naming the contact person for the application process are:

Knowledge - The person acting as the contact should have a thorough knowledge of the application packet and company functions.

Accessibility - You should consider whether or not the contact person is easily reachable. A person who is often absent from the office or who is otherwise difficult to reach is a poor choice due to the nature of the application process.

Location - All requests for additional information include a deadline to supply this information. Therefore, you should consider the location of the contact person and whether or not he or she can reasonably be expected to obtain needed documents or information within a time frame which is usually set at 30 days.



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**APPLICATION TO ACT AS A CAPTIVE INSURER
IN THE STATE OF LOUISIANA**

General Information (Type or Print)

APPLICANT NAME: _____

FEDERAL EMPLOYER IDENTIFICATION NUMBER: _____

APPLICATION CONTACT NAME: _____

CONTACT TITLE: _____

CONTACT PHONE: _____

CONTACT FACSIMILE: _____

CONTACT EMAIL ADDRESS: _____

CONTACT MAILING ADDRESS: _____

Fees

Application Review Fees	\$ 2,500.00
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Total Amount This Check	\$ 2,500.00
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TYPE OF CAPTIVE INSURER (Check one)

PURE CAPTIVE

ASSOCIATION CAPTIVE

LINES OF BUSINESS TO BE WRITTEN (Check all that apply)

Vehicle

Liability

Burglary and Forgery

Glass

Fire and Extended Coverage

Steam Boiler and Sprinkler Leakage

Marine and Transportation (Inland Marine)

Ocean Marine

Miscellaneous

Workers Compensation (Reinsurance Only)

LIST OF MANAGEMENT AND OWNERS

Below give the full legal name (no initials), position with the applicant and the percentage of ownership (if applicable) of all natural persons responsible for the conduct of affairs of the applicant. This list should include all officers, all directors, all trustees, all executive committee members, and every natural person owning, directly or indirectly, 10 % or more of the applicant and any other natural person who exercises control or influence over the affairs of the applicant.

FULL LEGAL NAME (No Initials)	POSITION WITH APPLICANT	OWNERSHIP PERCENTAGE

EXHIBITS

EXHIBIT A – A copy of the by-laws of the applicant certified by the secretary of the corporation. The certification must be original and dated within ninety days of submission.

EXHIBIT B – A plan of operation which clearly indicates the method of operation of the applicant including all of the following items. If not strictly following the order as listed below, the plan should include an index which references the page where each of the listed items can be found.

- 1) The types and limits of insurance that the applicant will be providing. Use detailed product descriptions.
- 2) The amount and liquidity of its assets relative to the risks to be assumed by the applicant.
- 3) A description of the applicant's reinsurance program. Include the identities of reinsurers and copies of any draft or finalized agreements.
- 4) A description of the applicant's underwriting policy and procedures. You must include an explanation of who will perform this function.
- 5) A description of the applicant's claims handling procedures. You must include an explanation of who will perform this function.
- 6) A description of the applicant's investment policy. Please include an explanation of who will be making the investment decisions on behalf of the applicant.
- 7) A discussion of the overall soundness of the plan of operation of the applicant.
- 8) A description of the program(s) to be used by the application for providing for loss prevention by its parent or member organizations.
- 9) A description of the applicant's rate making policies and procedures. Include an explanation of who will be performing this function.
- 10) A description of all functions that will be performed by persons other than employees of the applicant along with the identity of each entity performing those services (i.e. third party administrators, managing general agents or other management entities).
- 11) Any other relevant information to illustrate that the applicant will be able to meet its policy obligation.

EXHIBIT C – A detailed pro-forma financial statements for a period of three years from the date of beginning business. The statement shall include a projected balance sheet, income statement and cash flow statement. The statement shall be prepared in the format provided by the Louisiana Department of Insurance.

EXHIBIT D – A copy of a feasibility study or other analysis of the proposed business plan of the applicant performed by a qualified actuary.

EXHIBIT E – If the applicant is an association captive, you must provide a safekeeping or trust receipt from a bank doing business within Louisiana or from a savings and loan association chartered to do business in Louisiana indicating that the applicant has deposited one hundred thousand dollars (\$100,000.00) in money or acceptable bonds (Acceptable bonds are defined as bonds issued by the United States Government or the State of Louisiana or any political subdivision of the State of Louisiana) with that institution and pledged said deposit to the Commissioner of Insurance. The banks have the necessary pledge forms. Do not contact this Office to request the form.

EXHIBIT F – A statement giving the nature and source of the funds used to capitalize the applicant. Please include copies of all loan or other agreements used to obtain the funds used in the capitalization and initial funding of the applicant.

EXHIBIT G – Copies of the forms of contracts to be used for all entities who will be managing the operations of the applicant but who are not direct employees of the applicant.

EXHIBIT H – A detailed description of the corporate organizational structure of the applicant, its parent company and all affiliates. This description should include a chart showing the full name, domicile and ownership percentages for any persons (whether natural or artificial) owning 10% or more of the applicant and all affiliated entities up to and including the ultimate controlling person. For a sample chart please go to our web site at https://www.ldi.la.gov/docs/default-source/documents/licensing/companies/sample-ownership-chart.pdf?sfvrsn=c9b77c52_0.

EXHIBITS – Continued

- EXHIBIT I** – Completed biographical affidavits for all persons responsible for the conduct of affairs of the applicant. This should include all officers, all directors, all partners (in the case of a partnership), all trustees, all executive committee members and all person(s) owning, directly or indirectly, 10 percent or more of the applicant and any other person who exercises control or influence over the affairs of the applicant. Only the most recent version of the affidavit adopted by the National Association of Insurance Commissioners is acceptable. This form can be obtained from the NAIC web site (http://naic.org/documents/industry_ucaa_form11.pdf).
- EXHIBIT J** - Fingerprint cards for all officers and all directors of the company and all individuals owning 10 percent or more of the company. The FBI/NCIC standard cards should be used and may be obtained from most local law enforcement offices. See the application instructions for information regarding the waiver of this requirement.
- EXHIBIT K** - Investigative reports for all persons for whom biographical affidavits were supplied. See the application instructions for more information regarding the procedure for obtaining these reports and for an explanation of the requirements for the waiver of this requirement.
- EXHIBIT L** – A copy of the acceptance of trust completed by each director in compliance with La. R.S. 22:93 (3). A sample form is available at https://www.ldi.la.gov/docs/default-source/documents/licensing/companies/directors-acceptance-of-trust.pdf?sfvrsn=e5b77c52_6. The corporation is free to develop and use its own form.
- EXHIBIT M** – A copy of the oath of office completed by each officer of the corporation. A sample form is available at https://www.ldi.la.gov/docs/default-source/documents/licensing/companies/oath-of-officer.pdf?sfvrsn=c6b77c52_0. The corporation is free to develop and use its own form.
- EXHIBIT N** – A Conflict of Interest Statement completed and signed by every officer and director. The form is available at <http://www.ldi.la.gov/docs/default-source/documents/licensing/companies/conflict-of-interest-statement-for-reg-66>. A copy of the Conflict of Interest policy of the applicant must be supplied with the statement.

ADDITIONAL INFORMATION

Certified Public Accountant: Provide the name, address, telephone number and email address of the qualified and experienced certified public accountant or firm engaged by the applicant to prepare the annual audited financial statement to the Commissioner. Indicate whether the person is employed or contracted.		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	
<input type="checkbox"/> Employee	<input type="checkbox"/> Contracted	

ACTUARY: Provide the name, address, telephone number and email address of the qualified and experienced actuary or firm engaged by the applicant to perform reviews and evaluations of the operations of the applicant. Indicate whether the person is employed or contracted		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	
<input type="checkbox"/> Employee	<input type="checkbox"/> Contracted	

CAPTIVE MANAGER: Provide the name, address and telephone number and email address of the person engaged by the applicant to manage the affairs of the applicant. Indicate whether the person is employed or contracted		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	
<input type="checkbox"/> Employee	<input type="checkbox"/> Contracted	

ADDRESS AND CONTACT INFORMATION

MAILING ADDRESS: Below give the mailing address of the applicant.		
Address:		
City:	State:	Zip:

ADMINISTRATIVE OFFICE ADDRESS: Below give the physical address of the main administrative office of the applicant.		
Address:		
City:	State:	Zip:

BOOKS AND RECORDS LOCATION: Below give the physical address where the books and records of the applicant are available for inspection by the Louisiana Commissioner of Insurance.		
Address:		
City:	State:	Zip:

PRIMARY CONTACT: Below give the name, address, phone number and email address for the primary contact person with whom the LDI should communicate after completion of the licensing process.		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	

COMPLAINT CONTACT: Below give the name, address, phone number and email address for the contact person to whom consumer complaints should be directed.		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	

ADDRESS AND CONTACT INFORMATION - Continued

PRODUCER LICENSING CONTACT: Below give the name, address, phone number and email address for the contact person to whom inquiries and information regarding the licensing and appointment of producers should be directed.		
Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	

Below give the appropriate phone number to be used by Louisiana consumers for the indicated function. If the applicant has designated numbers for specific functions, include that information below.	
FUNCTION	PHONE NUMBER
Primary Phone Number of Applicant	
General Consumer Inquiries	
Other (explain) _____	
Other (explain) _____	
Other (explain) _____	

WEB ADDRESS: If the applicant maintains a web site, give the URL or World Wide Web address of the site.

DEPOSITORY INFORMATION

Below provide the name, contact information and account information for all depositories with which the applicant has a relationship.

Bank/Broker Name:		
Contact Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	
Account Number:		
Bank/Broker Name:		
Contact Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	
Account Number:		
Bank/Broker Name:		
Contact Name:		
Address:		
City:	State:	Zip:
Phone Number:	Email Address:	
Account Number:		

ATTESTATION

STATE OF _____

COUNTY OR PARISH OF _____

BEFORE ME, the undersigned authority, personally appeared all of the below indicated individuals as directors of

an insure incorporated under the laws of Louisiana, who, after being duly sworn, did depose and say they have personal knowledge of the information submitted with this application and that all information contained in this application and all attachments thereto is, to the best of his/her knowledge, true, complete and correct. Furthermore, all of the terms, agreements, and conditions involving this applicant and its officers, directors and owners of 10% or more of the application, whether written or verbal, have been disclosed to the Louisiana Department of Insurance and any changes in existing agreements and any new agreements shall be disclosed to the Department in the form of a notarized statement within 48 hours of the change.

SIGNATURES ON NEXT PAGE

Signature of Board Member

Printed Name of Board Member

Signature of Board Member

Printed Name of Board Member

Signature of Board Member

Printed Name of Board Member

Signature of Board Member

Printed Name of Board Member

Signature of Board Member

Printed Name of Board Member

Signature of Notary

Printed Name of Notary Public

My Commission Expires _____

Signature of Witness

Printed Name of Witness

Signature of Witness

Printed Name of Witness

NOTARIAL SEAL