

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

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

## Uniform Certificate of Authority Application QUESTIONNAIRE

Directions: Each "Yes" or "No" question is to be answered by marking an "X" in the appropriate space. All questions should be answered. If an applicant denotes a question as "Not Applicable" (N/A) an explanation must be provided. Other answers and additional explanations or details may be provided in writing attached to the affidavit. Please complete this form and file it with the company's application for a Certificate of Authority.

1. I hold the position(s) of \_\_\_\_\_ with the applicant.
2. A. Has the applicant transferred or encumbered any portion of its assets or business, or has its outstanding capital stock been directly or indirectly pledged?  
Yes \_\_\_\_ No \_\_\_\_  
  
B. Has the applicant merged or consolidated with any other company within the last five Years?  
Yes \_\_\_\_ No \_\_\_\_

If the answer to either question is yes, provide the details in writing and attach to the Questionnaire.

3. Is applicant presently negotiating for or inviting negotiations for any transaction described above?  
Yes \_\_\_\_ No \_\_\_\_

If yes, provide the details in writing and attach to the Questionnaire.

4. Has the applicant ever changed its name?  
Yes \_\_\_\_ No \_\_\_\_

If Yes, attach copies of the instruments effecting such transaction certified by the Secretary over corporate seal as a true copy of the originals, including any official state regulatory approvals and filing data.

5. A. Has the applicant undergone a change of management or control since the date of its latest annual statement filed in support of this application?  
Yes \_\_\_\_ No \_\_\_\_  
  
B. Does the applicant contemplate a change in management or any transaction that would normally result in a change of management within the reasonably foreseeable future?  
Yes \_\_\_\_ No \_\_\_\_

If the answer to either question is yes, provide the details in writing and attach to the Questionnaire.

6. Is applicant owned or controlled by a holding corporation?  
Yes \_\_\_\_ No \_\_\_\_

- A. If yes, attach and make a part hereof an affidavit by an executive officer of the applicant who knows the facts listing the principal owners (10% or more of the outstanding shares) of such holding corporation by name and residence address, business occupation and business affiliations.
- B. If no, the applicant must provide an organizational depiction including charts showing the various executive management and directors offices of the applicant, with the name and official title of those responsible for those offices and the portions of the organization they oversee. Any other management offices that exercise control over insurance operations in any state in which you are applying for admission must also be included. Additional charts should be provided to depict any operation that is delegated to a third party. In addition, applicants should include a map or narrative explaining where offices are geographically located and the approximate number of employees at each location.

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

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

7. Is applicant owned, operated or controlled, directly or indirectly, by any other state, or province, district, territory or nation or any governmental subdivision or agency?  
Yes \_\_\_\_ No \_\_\_\_

If yes, provide the details in writing and attach to the Questionnaire

8. A. Has the applicant's certificate of authority to do business in any state been suspended or revoked within the last ten years?  
Yes \_\_\_\_ No \_\_\_\_
- B. Has its application for admission to any state been denied within the last ten years?  
Yes \_\_\_\_ No \_\_\_\_

If the answer to either question is yes, provide the details in writing and attach to the Questionnaire.

9. Has any person who is presently an officer or director of applicant been convicted on, or pleaded guilty or nolo contendere to, an indictment or information in any jurisdiction charging a felony for theft, larceny or mail fraud or, of violating any corporate securities statute or any insurance statute?  
Yes \_\_\_\_ No \_\_\_\_

If yes, provide the details in writing and attach to the Questionnaire.

10. Is applicant presently engaged in a dispute with any state of federal regulatory agency?  
Yes \_\_\_\_ No \_\_\_\_

If yes, provide the details in writing and attach to the Questionnaire.

11. Is applicant a plaintiff or defendant in any legal action other than one arising out of policy claims?  
Yes \_\_\_\_ No \_\_\_\_

If yes, provide a summary of each case and an estimate of company's probable liability, if any, and attach to the Questionnaire.

12. Does the applicant purchase investment securities through any investment banking or brokerage house or firm from whom any of applicant's officers, directors, trustees, investment committee members or controlling stockholders receive a commission on such purchases?  
Yes \_\_\_\_ No \_\_\_\_

If yes, provide the details in writing and attach to the Questionnaire.

13. Is applicant a
- A. Bank,  
Yes \_\_\_\_ No \_\_\_\_
- B. Bank holding company, subsidiary or affiliate  
Yes \_\_\_\_ No \_\_\_\_
- C. Financial holding company  
Yes \_\_\_\_ No \_\_\_\_
- D. Other financial institution  
Yes \_\_\_\_ No \_\_\_\_

If yes, identify the bank(s), bank holding company(ies) or financial institution and the affiliation of the applicant. Provide the details in writing and attach to the Questionnaire.

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

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

14. Has the applicant, within 18 months last preceeding the date of this affidavit, done any of the following:?
- A. Made a loan to an entity owned or controlled directly or through a holding corporation by one or more of applicant's officers, directors, trustees or investment committee members, or to any such person?  
Yes \_\_\_ No \_\_\_
  - B. Sold or transferred any of its assets or property, real or personal, to any such entity or person?  
Yes \_\_\_ No \_\_\_
  - C. Had its outstanding capital stock directly or indirectly pledged for the debt of an affiliate?  
Yes \_\_\_ No \_\_\_
  - D. Purchased securities, assets or property of any kind from an entity owned or controlled by one or more of applicant's officers, directors, trustees, or any persons who have authority in the management of applicant's funds (including a controlling stockholder)?  
Yes \_\_\_ No \_\_\_

If the answer to any of the last four questions is affirmative, did any officer, director, trustee or any person who had authority in the management of applicant's funds (including a controlling stockholder) receive any money or valuable thing for negotiating, procuring, recommending or aiding in such transaction?

Yes \_\_\_ No \_\_\_

If yes, provide the details in writing and attach to the Questionnaire.

15. Provide a detailed description of the applicant's sales techniques. The description should include:
- A. Information regarding recruitment and training of sales representatives.
  - B. Identification as to whether the applicant will be a direct writer or will use agents, brokers or a combination thereof.
  - C. Explanation of the compensation and control to be provided by the applicant to its agents, brokers or sales personnel.
  - D. Sample copies of any agreements entered into between the applicant and its agents or brokers.
  - E. If the applicant will use a specific agency or managing general agent, identification of the agency or managing general agent and a copy of the agreement for this arrangement.
  - F. Sample contract forms of all types used and remuneration schedule, including those for general agents, if any.
16. For each state in which the applicant is filing explain:
- A. The product lines currently sold or planned by the applicant,
  - B. Specialty line or lines currently sold and planned,
  - C. Captive business,
  - D. The applicant's marketing plan, including a description of the financial, corporate or other connections productive of insurance,
  - E. The applicant's current and expected competition (both regionally and nationally) and
  - F. How each state in which admission has been requested fits into the marketing plan.

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

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

A general description of the classes to be transacted is not an adequate response. For example, if the applicant plans to market credit life and disability products tailored for use by credit unions, simply stating that it will transact credit life and disability is inadequate.

17. If a parent, subsidiary and/or affiliated insurer is admitted for the classes of insurance requested in the pending application, please differentiate the products and/or markets of the applicant from those of the admitted insurer(s).
18. Provide a detailed description of the advertising that will be used by the applicant to market its products in each state. Include a detailed explanation as to how the applicant will develop, purchase, control and supervise its advertising.
19. Explain in detail how (a) the applicant's policies will be underwritten, including the issuance of policies and endorsements (b) policies will be cancelled and (c) premiums and other funds will be handled, including:
  - A. Identify the entity that will perform each of these functions.
  - B. Describe how the personnel will be trained, supervised, and compensated.
  - C. If personnel performing these functions will be shared with another entity or, if another entity will be performing these functions, please provide an explanation of this arrangement and a copy of the agreement for this service.
20. Explain in detail how the applicant will adjust and pay claims.
  - A. Identify the entity what will perform the applicant's claims adjusting and claims payment functions.
  - B. Describe how you will train, supervise and compensate the personnel handling claims adjusting and claims payment will be trained, supervised and compensated.
  - C. If personnel for claims adjusting or claims payment will be shared with another entity or another entity will be performing the applicant's claims adjusting and claims payment, please explain this arrangement, including any affiliation with the applicant, and provide a copy of the agreement for this service.
  - D. Provide detailed information as to how and by whom claim reserves will be set and modified.
  - E. Does applicant pay any representative given discretion as to the settlement or adjustment of claims under life or disability policies, whether in direct negotiation with the claimant or in supervision of the person negotiating, a compensation which is in any way contingent upon the amount of settlement of such claims?  
Yes \_\_\_ No \_\_\_
21. Is applicant a member of a group of companies that shares any of the following:
  - A. Common facilities with another company or companies  
Yes \_\_\_ No \_\_\_
  - B. Services (e.g. accounting personnel for financial statement preparation)  
Yes \_\_\_ No \_\_\_
  - C. Or, is a party to a tax allocation agreement in common with another company  
Yes \_\_\_ No \_\_\_

If the answer to any of the above is Yes, explain the division of costs between participants. If costs are pro-rated, what is the basis for division? Attach a copy of relevant contracts and include a summary of any attached contract.

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

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

22. Does applicant have any reinsurance contracts which contracts that in effect provide that applicant will reimburse or indemnify the Reinsurer for losses payable there under?  
Yes \_\_\_ No \_\_\_

If yes, provide the details in writing and attach to the Questionnaire.

23. A. Does the applicant use a third party (affiliated or unaffiliated) to manage the applicant's investments?  
Yes \_\_\_ No \_\_\_

If so, provide detailed information as to the compensation that will be paid for management of the applicant's investments.

B. Provide copies of the applicant's investment management agreements and any investment guidelines.

24. Does any salaried employee or officer, exclusive of a director, presently have in force a license as an insurance broker issued by the \_\_\_\_\_ Department of Insurance?  
(Name of Application State)  
Yes \_\_\_ No \_\_\_

If yes, please identify his/her license and position held with applicant.

25. Does applicant have outstanding unexercised stock options?  
Yes \_\_\_ No \_\_\_

A. If so, to whom and in what number of shares?

B. If options are outstanding for a number of shares greater than 10% of the number of shares presently issued and outstanding, a copy of the option form and of the plan pursuant to which they were granted are attached.

26. Are any of the applicant's policies being sold in connection with a mutual fund or investment in securities?  
Yes \_\_\_ No \_\_\_ Not Applicable \_\_\_

If Yes, supply details including all sales literature which refers to the insurance and mutual fund or other investment literature that refers to the insurance and mutual fund or other investment plan connection.

27. If applicant is applying for authority to write Variable Annuities, provide the following:

- a) Copy(ies) of any third party management or service contracts
- b) Commission schedules
- c) Five-year sales and expense projections
- d) A statement from the insurer's actuary describing reserving procedures including the mortality and expense risks which the insurer will bear under the contract
- e) Statement of the investment policy of the separate account
- f) Copy of the variable annuity prospectus as filed with the SEC unless the separate account is not required to file a registration under the federal securities law
- g) Copies of the variable annuity laws and regulations of the state of domicile
- h) Copy(ies) of the variable annuity contract(s) and application(s)
- i) A description of any investment advisory services contemplated relating to Separate Accounts
- j) Board of Directors resolution authorizing the creation of the separate account

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

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

28. If applicant is applying for authority to write Variable Life Insurance, provide the following:
- a) Copy(ies) of variable life policy(ies) the company intends to issue
  - b) Name and experience of person(s) or firm(s) proposed to supply consulting, investments, administrative, custodial or distribution services to the company
  - c) Disclose whether each investment advisor i) is registered under the Investment Advisers Act of 1940, or ii) is an investment manager under the Employee Retirement Income Security Act of 1974, or iii) whether the insurer will annually file required information and statements concerning each investment advisor as required by its domiciliary state
  - d) Copy of the variable life prospectus as filed with the SEC unless the separate account is not required to file a registration under the federal securities law
  - e) Statement of the investment policy of any separate account, and the procedures for changing such policy
  - f) Copies of the variable life insurance laws and regulations of the state of domicile
  - g) A statement from the insurer's actuary describing reserving procedures including the mortality and expense risks which the insurer will bear under the contract
  - h) Standards of suitability or conduct regarding sales to policyholders
  - i) Statement specifying the standards of conduct with respect to the purchase or sale of investments of separate accounts (i.e. Board resolution)
  - j) Board of Directors resolution authorizing the creation of the separate account

29. If applicant is applying for authority to write Life Insurance, has applicant at any time in any jurisdiction while operating under its present management, or at any time within the last five years irrespective of changes in management, taught or permitted its agents to sell insurance by using any of the following devices, or representations resembling any of the following:

- A. "Centers of influence" and "advisory board,"  
Yes \_\_\_ No \_\_\_
- B. A charter or founder's policy,  
Yes \_\_\_ No \_\_\_
- C. A profit sharing plan,  
Yes \_\_\_ No \_\_\_
- D. Only a limited number of a certain policies will be sold in any given geographical area;  
Yes \_\_\_ No \_\_\_
- E. "Profits" will accrue or be derived from mortality savings, lapses and surrenders, investment earnings, savings in administration;  
Yes \_\_\_ No \_\_\_
- F. A printed list of several large American or Canadian insurers showing the dollar amounts of "savings", "profits" or "earnings" they have made in such categories.  
Yes \_\_\_ No \_\_\_

If the answer to any of the above is yes, supply a complete set of all sales material including the sales manual, all company instructional material, brochures, illustrations, diagrams, literature, "canned" sales talks, copies of the policies which are no longer in use, list of states where such methods were used and the date (by year) when they were used, the approximate amount of insurance originally written in each state on each policy form thusly sold, the amount currently in force, and the lapse ratio on each form year by year and cumulatively in gross to the present date.

30. Does the company pay, directly or indirectly, any commission to any officer, director, actuary, medical director or any other physician charged with the duty of examining risks or applications?  
Yes \_\_\_ No \_\_\_ Not Applicable \_\_\_

If yes, provide the details in writing and attach to the Questionnaire.

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

NAIC No. \_\_\_\_\_

FEIN: \_\_\_\_\_

The following questions are to be completed only if the company is redomesticating to another state.

31. Does the company have any permitted practices allowed by its current state of domicile?  
Yes \_\_\_\_\_ No \_\_\_\_\_ Not Applicable \_\_\_\_\_

If yes, provide the details in writing and attach a copy of the state of domicile's approval to the Questionnaire.

32. Does the company's current state of domicile prescribe any practices of the company that are not in accordance with?  
a. Laws, regulations or bulletins of proposed state of domicile;  
Yes \_\_\_\_\_ No \_\_\_\_\_ Not Applicable \_\_\_\_\_

If yes, provide the details in writing and attach to the Questionnaire.

- b. Reserving requirements of proposed state of domicile; or  
Yes \_\_\_\_\_ No \_\_\_\_\_ Not Applicable \_\_\_\_\_

If yes, provide the details in writing and attach to the Questionnaire.

- c. NAIC guidelines  
Yes \_\_\_\_\_ No \_\_\_\_\_ Not Applicable \_\_\_\_\_

If yes, provide the details in writing and attach to the Questionnaire.

33. Will the company's investments comply with the investment laws, regulations or bulletins of the proposed state of domicile?  
Yes \_\_\_\_\_ No \_\_\_\_\_ Not Applicable \_\_\_\_\_

If no, provide the details in writing and attach to the Questionnaire.

34. Does the company have any outstanding surplus notes?  
Yes \_\_\_\_\_ No \_\_\_\_\_ Not Applicable \_\_\_\_\_

If yes, provide the details in writing and attach to the Questionnaire and attach copy(ies) of the surplus notes reflecting the state of domicile's approval.