

SURPLUS LINES APPLICATION

TO: INSURANCE COMPANIES APPLYING TO BE APPROVED NON-ADMITTED
INSURERS

RE: APPLICATION

Enclosed is the information with which an insurance company may make application to be included on the White List in Connecticut.

Qualifications, requirements and procedures are contained in sections 38a-740-1 through 38a-740-11 Connecticut General Statutes.

All filings of the required materials shall be accompanied by a non-refundable fee of \$1,000 by check or money order payable to the "Treasurer, State of Connecticut".

Copies of articles of incorporation, charter and bylaws are corporate documents which, upon authorization of the company in Connecticut, become a permanent public record in the department and, as such, are subjected to frequent use and handling. Therefore, it is essential that these documents be sufficiently durable and of clear type and print on legal or standard size paper. Unless there are extenuating circumstances, corporate documents submitted, not meeting this requirement, will be unacceptable.

After all filings have been made, the documents will be examined and all information and reports reviewed. The Commissioner may call for such additional information as in his discretion he deems proper for considering the application of the company for inclusion on the White List.

The area code and telephone number of the company should be included. Any reference to specific sections of statutes of any jurisdiction in the data submitted with or a part of an application must be accompanied by a copy of the statute referred to.

The state business page of each annual statement filed must be completed for any business done in Connecticut. If there was no Connecticut business, indicate NONE on the state business page of each statement.

Applicants must keep filings current. Any amendments to constituent documents on file must be timely dated.

Any applicant whose application is rejected is entitled to a hearing.

(surpapp) 1/2010

FILING REQUIREMENTS

In order to be considered for the White List, each insurer must do the following:

1. If an alien insurer, give the name and address of its United States Manager or Representative.
2. File a certificate of compliance from the public official having supervision of insurance in the company's domiciliary jurisdiction showing that it is authorized to transact the kind or kinds of insurance proposed to be transacted in Connecticut.
3. File a detailed narrative of the Company's plan of operations for this state and nationally.
4. File a statement of ownership of the applicant. Include all shareholders of record who control 5% or more of the outstanding shares of the applicant directly or indirectly.
5. File audit reports for the two complete fiscal years immediately preceding the date of the application certified by the company's outside public accounting firm (if the applicant has appointed independent outside accountants). If not contained in the report, a reconciliation, prepared by the independent accountant, shall be furnished which details adjustments from original basis of presentation to statutory form. Include any comments or management letters prepared by the outside accountant, as well as recommendations relative to adequacy of internal controls or a signed statement by the independent accountant that no recommendations have been rendered to management.

In the case of an insurance exchange created under the laws of any state and where the exchange requires its syndicates to file audited financial statements on an annual basis, the exchange must provide this Department of its state of domicile that such statements have been filed by each syndicate and are available for the Commissioner's inspection upon request. The certification must include a schedule of capital and surplus for each syndicate so filing.

6. File a legible copy of the corporate charter or articles of incorporation with all amendments thereto certified by the public officer with whom the originals are on file in the domiciliary jurisdiction.
7. File a copy of the bylaws, as amended, certified to by the applicant's secretary or other officers having custody thereof.
8. File a copy of any agreements by which the right to conduct or influence any or the affairs of the company is transferred to officers, also any employment or deferred compensation agreements in which any officer, director or shareholder who controls 5% or more of the outstanding shares of the company, directly or indirectly, participates.

9. File annual statements for the two years preceding the current year for the type(s) of insurance proposed to be transacted in this state. They shall be in such form and with such detail as is prescribed by the commissioner.
10. File a copy of any annual statements of any parent or subsidiary insurer(s) not currently licensed here for the year prior to submission date.
11. File evidence of all deposits in the United States.
12. File a certified copy of the deed of trust filed with the jurisdiction of entry to the United States, if an alien company.
13. File a statement of trusteed surplus in the United States, if a branch of an alien insurer.
14. File biographical data respecting all directors and the following officers of the applicant: president, vice president, secretary, treasurer, chief actuary, general counsel, comptroller and any person, however described, who enjoys in fact the executive authority of any such officers, including a statement that no officer, director or five percent shareholder has been convicted of a felony; or if such persons have been so convicted, a description of the nature of the crime and the address of the court and docket number of the case when judgement was entered.
15. Biographical Affidavit Verification reports (a.k.a. background investigations) must be provided by a nationally recognized agency with experience performing those investigations. The agency must have the ability to perform international searches when necessary. Agency officers and directors cannot have any material affiliation with the company making application to a department of insurance other than stock ownership amounting to less than 1% of total stock outstanding, unless prior approval is given by the department of insurance to which application is being made.

The agency, when contacted by an insurer requesting an independent verification report, shall receive a completed copy of the individual's NAIC Biographical Affidavit and Authority for Release of Information form. These forms shall be sworn to by the affiant, notarized and dated not more than one year prior to the date of submission to the department of insurance.

The verification report shall be submitted directly to the department of insurance from the background investigation agency.

16. File copies of annual, quarterly or other reports, and proxy statements made by the applicant and its parent to stockholders and policyholders during the preceding twelve month period.
17. File any prospectus of the company or its parent within the three years preceding.

18. File a copy of the most recent form 10-K if the applicant or any of its affiliates are regulated by the Securities and Exchange Commission.
19. File a copy of the holding company registration statement as amended and filed with the insurance supervisory official in the jurisdiction where the company is registered for the current year.
20. File a certified copy of the report of examination conducted by the company's domiciliary jurisdiction with an "as of date" no more than two years preceding the filing of its application.
21. If a license has been refused or approval as an eligible surplus lines insurer has been refused or withdrawn by any jurisdiction, furnish an explanation and a copy of any refusal or withdrawal. Also include any disciplinary action by any jurisdiction in the most recent two year period.
22. Completed Power of Attorney Form.
23. Identity of licensed claims adjuster(s) as outlined under Section 38a-792 CGS and Section 38a-740-(g) Connecticut Insurance Department Regulations.
24. Statement confirming compliance with the Guaranty Association comment requirement found in Section 38a-745 CGS and statement confirming Compliance with prohibition from writing any business that has a residual market mechanism (home, auto and W/C).

Copies of Connecticut Insurance Laws may be obtained at the following locations:

Office of the Secretary of the State

Publications Division

30 Trinity Street
Hartford, CT 06106
(860) 566-2739

NILS Publishing Company

P.O. Box 250
Chatsworth, CA 91311
(800) 423-5910
(818) 998-8830 (outside the U.S.)

McCombs & Company, Inc.

P.O. Box 47
Jenkintown, PA 19046

Or by accessing the Connecticut Insurance Department website: www.ct.gov/cid

All applications should be sent to the attention of:

Maura F. Welch, CPA, CFE
Insurance Certified Supervising Examiner
Financial Analysis & Compliance
P.O. Box 816
Hartford, CT 06142-0816
(860) 297-3827

153 Market St., 7th Floor
Hartford, CT 06103 (overnight delivery)

QUESTIONNAIRE

Each question must be answered. Additional explanations or details may be provided in writing attached to this questionnaire.

1. Is the applicant an affiliate of an insurer licensed in this state? _____ Describe the affiliation.
2. Has the applicant transferred or encumbered a substantial portion of its assets or business, or merged or consolidated with any other company since the date of its latest annual statement furnished with this application?
3. Is the applicant presently negotiating for or inviting negotiations for any transaction described in Question #2?
4. Has the applicant undergone a change of management or control since the date of its latest annual statement filed as a part of this application? _____ Does the applicant contemplate a change in management or any transaction which would result in a change of management within the reasonably foreseeable future? _____ If the answer to either question is affirmative, provide a detailed explanation.
5. Date of most recent holding company filing with state of domicile.
6. Does any officer or director of the applicant have any agreement with the applicant or its affiliates involving the rendering of any service? _____ If so, provide copies of the agreements.
7. Has the applicant had any results, that are considered exceptional, from the National Association of Insurance Commissioners IRIS tests for the two years proceeding? Attach an explanation for such result.
8. Does any officer of the applicant spend less than 100% of his working time on the applicant's affairs? _____ If yes, list the individual officers and the actual percentage of time spent.
9. Does the applicant purchase investment securities through any investment banking or brokerage house or firm from whom any of the applicant's officers, directors, trustees, investment committee or controlling stockholders receive a commission on such purchase?

10. Has the applicant, within the last 18 months, 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 the applicant's officers, directors, trustee or investment committee, or to any such person?
 - B. Sold or transferred any of its assets or property, real or personal, to any such entity or person?
 - C. Purchased securities, assets or property of any kind from an entity owned or controlled by one or more of the applicant's officers, directors, trustees, or any persons who have authority in the management of the applicant's funds (including a controlling stockholder)? _____ If the answer to any of the last three questions (A,B,C) is affirmative, did any officer, director, trustee or any person who had authority in the management of the applicant's funds (including a controlling stockholder) receive any money or valuable thing for negotiating, procuring, recommending or aiding in such transaction?
11. Does the applicant have any reinsurance contracts which in effect provide that the applicant will reimburse or indemnify the reinsurer for losses payable thereunder?
12. If an alien insurer, please provide the name and address of its United States Manager or representative.
13. Please provide the name of the individual in its employ who is directly and actively in charge of and responsible for and in charge of handling any and all insurance claims and to whom all correspondence regarding such claims may be directed.
14. If a license has been refused or approval as an eligible surplus lines insurer has been refused or withdrawn by any jurisdiction, furnish an explanation and a copy of any refusal or withdrawal. Also include a description of any disciplinary action by any jurisdiction in the most recent two year period.

Name of Company Officer

Signature of Company Officer

Title of Company Officer

Date