STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
INSURANCE DIVISION

APPLICATION FOR A RHODE ISLAND CERTIFICATE OF AUTHORITY FOREIGN LIFE & HEALTH OR PROPERTY& CASUALTY COMPANY

Rhode Island has adopted the National Association of Insurance Commissioners' Uniform Certificate of Authority Application (NAIC UCAA) for foreign Life and Health (L&H), Title and Property and Casualty (P&C) insurance companies.

Foreign company applications are accepted, reviewed, and processed pursuant to R.I. Insurance Regulation 30. Applications are reviewed in chronological order, based on their date of receipt. In addition to a non-refundable $1,200 fee due at time of application, we will request payment of a non-refundable $1,800 review fee when we are ready to begin the review of an applicant company.

Beginning on June 1, 2008, the Division will no longer accept applications in hard copy. Please submit the application along with all pertinent attachments and related documents in .PDF format on CD or DVD arranged and separated in accordance with the application table of contents numbered 1 thru 14. Please note that items 1, 6, 11 and 12 require multiple filings. Those items must be broken out and labeled separately, not submitted as one whole file. The only hard copy items should be the company's required cover letter and check for the $1,200 New Application Fee. Electronic and non-electronic UCAA Expansion filings not properly arranged will be returned to the company for correction.

Foreign L&H, Title or P&C insurance companies contemplating applying for a R.I. Certificate of Authority should familiarize themselves with the following items:

RI Regulation 30 (available online at http://www.dbr.ri.gov/documents/rules/insurance/Insurance_Regulation_30.pdf)

Regulation 30 sets forth the standards for any Foreign L&H, Title or P&C insurance company seeking to be licensed to transact business in RI. Regulation 30 also indicates the conditions for consideration for licensure, filing requirements, and some of the procedures that we will follow in our review of a company's application.

NAIC UCAA Expansion Application (available online at http://www.naic.org/industry_ucaa_expansion.htm)

Pursuant to Regulation 30, as amended effective December 19, 2001, applications for a RI Certificate of Authority must follow the standards established by the NAIC UCAA. A Foreign L&H Title or P&C insurance company must use the Expansion Application.

Rhode Island State Specific Information

The following RI specific items have been excerpted from both Regulation 30 and the NAIC UCAA Expansion Application. These RI specific items are in addition to the general items that apply to an application to any state.

- **Filing Fee**

  Rhode Island General Law (R.I.G.L.) Chapter 27-2.1 mandates a non-refundable application fee of $1,200 for new foreign company applications. That check should be made payable to the R.I. General Treasurer and should be submitted with the application.

- **Application for a RI Certificate of Authority - Life and Health, Title or Property and Casualty**

  Once your company's application has been accepted and is ready to be reviewed, you will be notified of that fact and will be asked to submit an additional, nonrefundable review fee of $1,800. That check should be made payable to the R.I. General Treasurer.

  Note: Pursuant to R.I.G.L. §27-2-17(a), these fees are subject to retaliation if the company's state of domicile would charge a R.I. insurance company a higher fee.

- **Minimum Capital and Surplus Requirements**

  R.I.G.L. §27-2-5 stipulates that a foreign stock L&H or P&C company have at least $1,000,000 of paid-in capital stock and $2,000,000 of surplus; and that a foreign mutual L&H or P&C company must have at least $3,000,000 of total surplus.

- **Statutory Deposit Requirements**

  R.I.G.L. §27-2-6 stipulates that a foreign L&H or P&C company maintain a deposit with a minimum market value of $100,000 in its state of domicile for the benefit of all policyholders. A certified copy of the company's domestic deposit must be submitted with the company's application.

  R.I.G.L. §27-2-6.1 authorizes the insurance commissioner, at his or her discretion, to require an additional special deposit for the benefit of all R.I. policyholders as a condition to licensing.

  Pursuant to R.I.G.L. §27-2-17(a), such deposits are subject to retaliation if the company's state of domicile would require a like RI company to have a larger deposit. In the event that a retaliatory deposit or a special deposit is required, we would advise you of the amount required and provide routing details at that time.

- **Name Approval**

  Rhode Island does not reserve names. Generally, we will rely on the domestic state insurance department/division's acceptance of a company's name. However, we will not approve an application from a company whose name is the same as or similar to a company already licensed in this state, nor will we approve an application from a company whose name, in our estimation, would tend to create confusion in the minds of policyholders.

- **Business Plan**

  The detailed Business Plan must include direct written premium and loss projections for a P&C company, or direct paid premium projections for L&H and Title companies, for RI business for each of the next three years. That Business Plan must be certified by the company's Corporate Secretary.

- **Reports of Examination**

  The company must submit a copy of the most recent Financial Examination and Market Conduct Examination Reports, currently certified by its domestic insurance department/division as the most recent Examination Report of either type. We prefer that the published date of the Financial Examination Report be no more than three years prior to the date of the application, but if the domestic department/division has not completed a Financial Examination within the last three years, consideration will be given to an older Financial Examination Report.

- **Statutory Memberships**

  R.I.G.L. §27-34-6 requires that all P&C insurers shall be and remain members of the RI Insurers' Insolvency Fund. *Contact: Tel. #: 800-852-2003*

R.I.G.L. §27-34.3-6(a) requires that all L&H insurers shall be and remain members of the RI Life and Health Insurance Guaranty Association. *Contact: William Dixon; Tel. #: 401-273-2921*

R.I.G.L. §31-33-8 and RI Insurance Regulation 98 require that all automobile insurers must participate in the RI Automobile Insurance Plan. A company applying for a RI Certificate of Authority that will include those lines of business must submit a statement on company letterhead, signed by the appropriate company official and certifying that the company will become a member of the RI Automobile Insurance Plan upon approval and issuance of its RI Certificate of Authority. *Contact: Anthony Madalone, Mgr.; Tel. #: 401-528-1320*

R.I.G.L. §27-33-2 and RI Insurance Regulation 15 require that all insurers licensed to write those classes of insurance listed in §27-8-1 and §27-8-3 on a direct basis, must participate in the basic property insurance program established in RI, the RI Joint Reinsurance Association (the "R.I. FAIR Plan"). A company applying for a RI Certificate of Authority that will include those lines of business must submit a statement on company letterhead, signed by the appropriate company official and certifying that the company will become a member of the RI Joint Reinsurance Association upon approval and issuance of its R.I. Certificate of Authority. *Contact: John K. Golembeski, President; Tel. #: 800-851-8978*

R.I.G.L. §42-14.1-1 and RI Insurance Regulation 21 require that all insurers licensed to write "personal injury liability insurance" on a direct basis must be members of the Medical Malpractice Joint Underwriting Association of R.I. (MMJUA-RI). *Contact: James M. Vaccarino; Tel. #: 401-752-8600*

- **Public Records**

The following required items will be public documents when received:

- the most recent Annual and Quarterly Statements;
- the most recent Actuarial Opinion and Management Discussion and Analysis;
- the most recent CPA Audited Financial Report;
- the most recent Financial Examination and Market Conduct Examination Report;
- the completed Application Form itself;
- current Articles of Incorporation and By-Laws;
- the appointment for service of process.

The following required item will NOT be a public document, but must still be filed:

- the most recent Holding Company Filing ("Form B")
  PLEASE NOTE**, **if the applicant company's state of domicile insurance holding company disclosure requirements and standards are substantially similar to the requirements of R.I.G.L. §27-35-1 et seq., the applicant shall submit only an affidavit attesting to that "substantial similarity" and shall not submit a full Form B filing. If such an affidavit cannot be provided, the Form B filing should be submitted with a cover letter explaining the absence of "substantial similarity".

- **NAIC Biographical Affidavits or Business Character Reports**

The NAIC Biographical Affidavit, is accepted. R.I. does **not** require the filing of the third-party verifications or fingerprint cards.

- **Online RI General Laws and Insurance Regulations**

General Laws at: http://www.rilin.state.ri.us/Statutes/Statutes.html
Insurance Regulations at: http://www.dbr.ri.gov/documents/rules/insurance/Insurance_Regulation_30.pdf

- **Power of Attorney**

No foreign insurance company may transact business in RI until it has appointed the Insurance Commissioner as attorney to receive service of process. Please use UCAA Uniform Consent to Service of Process From 12.

- **Variable Life and/or Variable Annuity**

  If the proposed lines of business for a L&H company include variable life and/or variable annuity authority, the applicant company must also submit a written opinion as to whether the applicant company's state of domicile regulation provides a degree of protection to policyholders and the public which is substantially equal to that provided by R.I.G.L. Chapter 27-32 and documentation showing that the company has established a separate account(s).

- **Form B**

  Pursuant to R.I.G.L. §27-35-3(a), if the applicant company's state of domicile insurance holding company disclosure requirements and standards are substantially similar to the requirements of R.I.G.L. §27-35, submit only an affidavit attesting to that "substantial similarity"; do not submit a full Form B filing. If such an affidavit cannot be provided, the Form B filing should be submitted with a cover letter explaining the absence of "substantial similarity". (See UCAA Expansion Application Form No. 1E, Question 7)

- **Retaliatory Statement**

  A Retaliatory Statement, completed by the company's domestic Insurance Department/Division, will only be required when the domiciliary state does not have the proper information available to us through the UCAA Retaliatory Information Page. The company should obtain a blank RI Retaliatory Statement, available online at: http://www.dbr.ri.gov/documents/divisions/insurance/foreign/RetaliatoryStatement.PDF. (See Expansion Application Form No. 1E, Question 12c.)

- **Updates**

  If, during the course of the application and review process, any of the items above are updated, the company is expected to keep its application current with copies of the new or updated item.

All of the above items, including the $1,200 application fee, should be sent as a single package to the attention of Jack Kearney to:

RI Insurance Division
1511 Pontiac Avenue, Bldg. 69-2
Cranston, RI 02920

Prior to approval of the company's application, if you have any questions with regard to the application process, feel free to contact:

Jack Kearney, Insurance Examiner-In-Charge
Telephone: (401) 462-9626
E-mail: JKCVT@dbr.ri.gov
Fax: (401) 462-9602

Jack Broccoli, Chief Insurance Examiner
Telephone: (401) 462-9606
E-mail: JKCBR@dbr.ri.gov
Fax: (401) 462-9602

Subsequent to approval of the application, and issuance of an RI Certificate of Authority, communications for foreign companies should be directed to Jack Kearney.

Other types of foreign companies (HMOs, Fraternal Societies, Captives, RRGs, Surplus Line companies, Reciprocal Exchanges, and Authorized or Accredited Reinsurers) as well as any domestic insurance companies should contact Jack Broccoli for specific instructions when applying.