

**STATE OF ALABAMA
CAPTIVE INSURANCE COMPANY
APPLICATION CHECKLIST**

SECTION 1 (A)- General Information

	YES	NO
Does the name conflict with another existing business registered in the State of Alabama? (ALA. Code Section 27-31B-5.) Confirm with Secretary of State.	<input type="checkbox"/>	<input type="checkbox"/>
Is the principal place of business of the applicant in Alabama as required by ALA. Code Section 27-31B-3?	<input type="checkbox"/>	<input type="checkbox"/>
Is at least one of the Board members a resident of Alabama? ALA. Code Section 27-31B-8.	<input type="checkbox"/>	<input type="checkbox"/>
Are there at least three incorporators or two organizers? Are two residents of Alabama? (Ala. Code Section 27-31B-8)	<input type="checkbox"/>	<input type="checkbox"/>
Is the Registered Agent an Alabama resident pursuant to Ala. Code Section 27-31B-3?	<input type="checkbox"/>	<input type="checkbox"/>
Has a contact person been listed in the application?	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 1 (B)- Financial Information

	YES	NO
Does the application include the \$200 application fee and \$300 issue of COA fee (Ala. Code Section 27-31B-4)?	<input type="checkbox"/>	<input type="checkbox"/>
Is the capital stock issued with or without par value? (Ala. Code Section 27-31B-8(g))	<input type="checkbox"/>	<input type="checkbox"/>
Does the company have an Alabama bank account?	<input type="checkbox"/>	<input type="checkbox"/>
If a pure captive insurer, do you have cash or an irrevocable evergreen letter of credit totaling \$250,000 unimpaired paid-in capital and surplus?	<input type="checkbox"/>	<input type="checkbox"/>
If an association captive insurer incorporated as a stock insurer, do you have in cash or an irrevocable evergreen letter of credit: \$750,000 unimpaired paid-in capital and surplus?	<input type="checkbox"/>	<input type="checkbox"/>
If an industrial insured captive insurer incorporated as a mutual insurer or reciprocal insurer, do you have in cash or an irrevocable evergreen letter of credit: \$500,000 unencumbered	<input type="checkbox"/>	<input type="checkbox"/>

paid-in capital and surplus?

If a sponsored captive insurer, do you have in cash or an irrevocable evergreen letter of credit \$1,000,000 unimpaired paid-in capital and surplus?

If a reciprocal captive insurer, do you have in cash or an irrevocable evergreen letter of credit: \$1,000,000 unimpaired/free surplus?

If you plan to utilize letters of credit, do the letter(s) of credit comply with the following provisions: i) Must be clean, irrevocable, evergreen and unconditional; ii) Must be issued or by a bank chartered by the State of Alabama or a bank that is a member of the United States Federal Reserve System or a bank chartered by another state if the state chartered bank is acceptable to the commissioner; and iii) Must be payable to the Alabama Commissioner of Insurance. The original letter of credit must be attached.

SECTION 1 (C)- Service Providers

	YES	NO
Has the Captive entered into a contract or employed a CPA firm, Actuarial firm, Insurance Broker or Alabama based Attorney?	<input type="checkbox"/>	<input type="checkbox"/>
Has the Attorney for the Captive submitted a biographical affidavit?	<input type="checkbox"/>	<input type="checkbox"/>
Has the Captive entered into a contract or employed a qualified Actuary?	<input type="checkbox"/>	<input type="checkbox"/>
Is the CPA licensed in Alabama?	<input type="checkbox"/>	<input type="checkbox"/>
Is the insurance broker licensed in Alabama?	<input type="checkbox"/>	<input type="checkbox"/>
Are the primary insurers/reinsurers licensed in Alabama?	<input type="checkbox"/>	<input type="checkbox"/>
Do the reinsurance policies require that the Commissioner and insured be given a 90 day notice prior to the cancellation or modification of the policy?	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 1 (D)- Business

	YES	NO
Lines of business the captive intends to write?	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 1 (E)- Attachments

	YES	NO
Has the company completed and submitted all necessary applicable forms?	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 1 (F)- Certification

	YES	NO
Is the application signed by at least one of the incorporators with original signatures?	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 2- Biographical Affidavits

	YES	NO
If the company is a sponsored captive, has the Underwriter submitted a Biographical affidavit?	<input type="checkbox"/>	<input type="checkbox"/>

	<input type="checkbox"/>	<input type="checkbox"/>
Have all the Officers, Directors, Incorporators, Board Members, and Service Providers submitted biographical affidavits, for the Department to satisfy Ala. Code Section 27-31B-3? Note: All biographical affidavits must be originals and notarized.	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 3- Business Plan

	YES	NO
Has the company included a business plan in the application?	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 4- Financials and Projections

	YES	NO
Has the company included financial statements (FS) prepared by a CPA?	<input type="checkbox"/>	<input type="checkbox"/>

	<input type="checkbox"/>	<input type="checkbox"/>
If this is a Pure Captive, has the parent company submitted its financial statements?	<input type="checkbox"/>	<input type="checkbox"/>

	<input type="checkbox"/>	<input type="checkbox"/>
Has the company included other financial information? (i.e. Actuarial Report, Five year financial projections)	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 5- Statement of Benefit

	YES	NO
Has the company included the statement of benefit to Alabama?	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 6- Organizational Structure

	YES	NO
Has the captive completed the Organizational Structure section?	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 7- Articles of Incorporation

	YES	NO
Has the company submitted a copy of the Articles of Incorporation to be approved by the Department along with appropriate payment to the Secretary of State?	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 8- Articles of Association or Rules of Governance

	YES	NO
If applicable, has the company submitted a copy of the Articles of Association or Rules of Governance to be approved by the Department?	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 9- Subscribers' Agreement (for Reciprocal Insurers)

	YES	NO
If applicable, has the company submitted a copy of the Subscribers' Agreement for reciprocal insurers)?	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 10- By-Laws

	YES	NO
Has the company submitted a copy of the proposed By-laws?	<input type="checkbox"/>	<input type="checkbox"/>

Do the By-laws require that a quorum of the board of directors consist of not less than one-third of the number of directors? (Ala. Code Section 27-31B-8(h))	<input type="checkbox"/>	<input type="checkbox"/>
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Is the Board of Directors of the Captive Insurer required to meet at least one time each year in Alabama?	<input type="checkbox"/>	<input type="checkbox"/>
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SECTION 11- Confidential Offering Memorandum

	YES	NO
If applicable, has the company completed and submitted forms?	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 12- Shareholder Agreement

	YES	NO
If applicable, has the captive submitted a copy of their shareholders agreement?	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 13- Attachments

	YES	NO
Has the company submitted attachments of all policies and service provider agreements?	<input type="checkbox"/>	<input type="checkbox"/>

Filing Instruction:

Please prepare and submit three (3) copies of the complete Application.

- (1) "Original to be held by the Department of Insurance.
- (2) "Copies" to be provided to the independent reviewers with vendor pricing redacted or omitted.