STATE OF ALABAMA  
CAPTIVE INSURANCE COMPANY  
APPLICATION CHECKLIST  

SECTION 1 (A)- General Information

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.  

Is the principal place of business of the applicant in Alabama  
as required by ALA. Code Section 27-31B-3?  

Is at least one of the Board members a resident of Alabama?  
ALA. Code Section 27-31B-8.  

Are there at least three incorporators or two organizers? Are  
two residents of Alabama? (Ala. Code Section 27-31B-8)  

Is the Registered Agent an Alabama resident pursuant to Ala.  
Code Section 27-31B-3?  

Has a contact person been listed in the application?  

SECTION 1 (B)- Financial Information

Does the application include the $240 application fee and  
$360 issue of COA fee (Ala. Code Section 27-31B-4)?  

Is the capital stock issued with or without par value? (Ala.  
Code Section 27-31B-8(g))  

Does the company have an Alabama bank account?  

If a pure captive insurer, do you have unimpaired capital and  
surplus in a form permissible under Section 27-31B-6 totaling  
$100,000 or such other amount determined by the  
commissioner?  

If an association captive insurer incorporated as a stock  
insurer, do you have unimpaired capital and surplus in a form  
permissible under Section 27-31B-6 totaling $500,000 or  
such other amount determined by the commissioner?  

If an industrial insured captive insurer incorporated as a
mutual insurer or reciprocal insurer, do you have unimpaired capital and surplus in a form permissible under Section 27-31B-6 totaling $500,000 or such other amount determined by the commissioner?

If a protected cell captive insurer, do you have unimpaired capital and surplus in a form permissible under Section 27-31B-6 totaling $100,000 or such other amount determined by the commissioner?

If an agency captive insurer, do you have unimpaired capital and surplus in a form permissible under Section 27-31B-6 totaling $500,000 or such other amount determined by the commissioner?

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

Has the Captive entered into a contract or employed a CPA firm, Actuarial firm, Insurance Broker or Alabama based Attorney?

Has the Attorney for the Captive submitted a biographical affidavit?

Has the Captive entered into a contract or employed a qualified Actuary?

Is the CPA licensed in Alabama?

Is the insurance broker licensed in Alabama?

Are the primary insurers/reinsurers licensed in Alabama?

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?

SECTION 1 (D)- Business

Lines of business the captive intends to write?

YES ☐ NO ☐

SECTION 1 (E)- Attachments

Has the company completed and submitted all necessary applicable forms?

YES ☐ NO ☐

SECTION 1 (F)- Certification

Is the application signed by at least one of the incorporators with original signatures?

YES ☐ NO ☐

SECTION 2- Biographical Affidavits

If the company is a sponsored captive, has the Underwriter submitted a Biographical affidavit?

YES ☐ NO ☐

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.

YES ☐ NO ☐

SECTION 3- Business Plan

Has the company included a business plan in the application?

YES ☐ NO ☐

SECTION 4- Financials and Projections

Has the company included financial statements (FS) prepared by a CPA?

YES ☐ NO ☐

If this is a Pure Captive, has the parent company submitted its
financial statements?

Has the company included other financial information? (i.e. Actuarial Report, Five year financial projections) ☐ ☐

SECTION 5- Statement of Benefit

Has the company included the statement of benefit to Alabama? ☐ ☐

SECTION 6- Organizational Structure

Has the captive completed the Organizational Structure section? ☐ ☐

SECTION 7- Articles of Incorporation

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? ☐ ☐

SECTION 8- Articles of Association or Rules of Governance

If applicable, has the company submitted a copy of the Articles of Association or Rules of Governance to be approved by the Department? ☐ ☐

SECTION 9- Subscribers’ Agreement (for Reciprocal Insurers)

If applicable, has the company submitted a copy of the Subscribers’ Agreement for reciprocal insurers)? ☐ ☐

SECTION 10- By-Laws

Has the company submitted a copy of the proposed By-laws? ☐ ☐

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) ) ☐ ☐
Is the Board of Directors of the Captive Insurer required to meet at least one time each year in Alabama?

SECTION 11- Confidential Offering Memorandum

If applicable, has the company completed and submitted forms?

SECTION 12- Shareholder Agreement

If applicable, has the captive submitted a copy of their shareholders agreement?

SECTION 13- Attachments

Has the company submitted attachments of all policies and service provider agreements?

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.