

## **INTERNATIONAL INSURER/REINSURER APPLICATION FOR AUTHORIZATION**

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### **GENERAL INSTRUCTIONS**

Before filing the application, please call the Office of the Commissioner of Insurance, International Insurance Center, to set up a meeting with the Commissioner and the Director of the International Insurance Center to discuss the requirements for authorization and any other matters pertinent to the application process.

This application form should be completed in its entirety and, when submitted, should include all documents requested together with the application fees corresponding to the type of authority requested pursuant to Section 61.230 of the Puerto Rico Insurance Code. A response to each item is necessary in order for your application to be considered complete. If any question is inapplicable to the business operation presented, please clearly indicate this by marking "N/A" in the space provided. Submit all the documents required in the application in two (2) binders and place all original documents in one of those binders, appropriately indexed and tabbed. Failure to comply with these requests and/or the furnishing of incomplete responses will result in delays in the processing of the application.

If requesting authorization to create a Protected Cell International Insurer Company, please complete supplemental application FORM CIS-003 for each cell.

Pursuant to Section 61.050(4) of the Code, the Commissioner may engage legal, financial and investigative services to evaluate the application for authorization, the cost of which shall be borne by the Applicant. The applicant will be advised of the cost of such services prior to retention of the service provider. The service provider's duties are advisory only and final approval or disapproval of an application will be made by the Commissioner of Insurance.

If letters of credit are to be used to meet capital and surplus requirements, FORM CIS-004 - Irrevocable Letter of Credit must be adhered to by the institution issuing the letter of credit. Copies should be made and enclosed as required by the application. Each affidavit must be filled out in its entirety and no substitute for this form will be accepted.

The Office of the Commissioner of Insurance of Puerto Rico will either grant the license confirmed by the issuance of a Certificate of Authority or deny the license, stating the reason(s) for the denial.

If the applicant is not organized under the laws of a state of the United States of America, every document submitted as part of this application shall be authenticated by a United States Consul or certified with the Apostille of the Hague Convention of October 5, 1961.

If the applicant is to be a Branch operation of an Insurer, please include a certification duly signed by the Chief Executive Officer of the Insurer, by which the Insurer accepts the jurisdiction of the courts of Puerto Rico in civil actions in compliance with the requirements of Sections 3.270 and 61.050(2)(h)(iv) of the Code. Please use FORM CIS-007 for this purpose.

Payment of the fees and charges corresponding to the application and authorization of an International Insurer must be in the form of a certified check, payable to the Secretary of the Treasury of Puerto Rico.

This application must include Form CIS 010-12.2022 Certificate of Consent to not Request Reciprocal Treatment in NAIC Accredited States or Territories.

Completed forms should be submitted to the following mailing address: Office of the Commissioner of Insurance, PO Box 195415, San Juan, PR 00919-5415, or physically delivered to the following address: World Plaza Building – 9th Floor, 268 Muñoz Rivera Ave., San Juan, PR 00919.

PLEASE TYPE ALL INFORMATION

SECTION A: GENERAL INFORMATION

1. Name of the proposed International Insurer:

\_\_\_\_\_  
\_\_\_\_\_

2. Name(s) of Controlling Person(s) ("control" as defined in Section 61.020(10) of the Puerto Rico Insurance Code) of Proposed International Insurer<sup>1</sup>:

\_\_\_\_\_  
\_\_\_\_\_

a. Net Worth of Controlling Person(s): \$ \_\_\_\_\_

b. Name(s) and Address of Controlling Person(s) (attach any additional information if necessary):

(1) Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

(2) Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

c. Name(s) and Controlling Person(s):                      Voting Percent Ownership:

i. \_\_\_\_\_

ii. \_\_\_\_\_

iii. \_\_\_\_\_

iv. \_\_\_\_\_

<sup>1</sup> The Office reserves the right to request information of owners' interest under 50%

- d. Explain the relationship between the Controlling Persons, including a description of any contracts, arrangements or understandings with respect to any voting securities of the proposed International Insurer and any Controlling Person (attach any additional information if necessary):

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3. Provide Annual Report for the last five (5) fiscal years of Controlling Person(s) (if applicable).
4. Provide 10K or signed Personal Financial Statements for the last five (5) fiscal years of Controlling Person(s) duly certified and dated by their CPA.
5. Name, address, and phone number of individuals to be contacted regarding this application:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

6. Indicate type of authorization being requested (please check):

\_\_\_\_ Class 1                      \_\_\_\_ Class 2                      \_\_\_\_ Class 3  
\_\_\_\_ Class 4                      \_\_\_\_ Class 5                      \_\_\_\_ Class 6

7. Organization form of proposed International Insurer (please check one):

a. \_\_\_\_ Stock                      b. \_\_\_\_ Mutual                      c. \_\_\_\_ Reciprocal

8. Is proposed International Insurer a (please check one):

Direct Write \_\_\_\_                      Reinsurer \_\_\_\_                      Both \_\_\_\_

9. Principal office/place of business of proposed International Insurer:

Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

10. Location of Books and Records of the proposed International Insurer:

Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

11. Name and address of proposed International Insurer's Principal Representative (**must be a resident of Puerto Rico**). **Biographical Affidavit must be provided for such person. Use FORM CIS-005 for this purpose. Attach evidence of acceptance and appointment of this person:**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

12. Name and address of proposed International Insurer's auditor/accountant (must be selected from the Commissioner's list of approved auditors/accountants for International Insurer business). **Attach evidence of acceptance and appointment of this person or entity:**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

13. Name and address of proposed International Insurer's actuary:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

14. Names of Directors of the proposed International Insurer and its ultimate Controlling Person. **Biographical Affidavits must be provided for each Director. Use FORM CIS-005 for this purpose.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

15. Names of Executive Officers of the proposed International Insurer and its ultimate Controlling Person. Please use a separate sheet, if necessary, to list all such executive officers. **Biographical Affidavits must be furnished for all such officers. Use FORM CIS-005 for this purpose.**

_____	_____
_____	_____
_____	_____

16. Has the ultimate Controlling Person ever directly or indirectly sponsored an application for authorization of a Captive Insurer in another domicile(s)?

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

If yes, please provide details: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

17. Has the parent or sponsor ever been involved in a Captive, Rent-a-Captive or other form of self-insurance?

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

If yes, please provide details: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

18. Please provide any information of any business other than insurance business which the proposed International Insurer proposes to carry on:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

19. Proposed start-up date: \_\_\_\_\_

## SECTION B: ORGANIZATION INFORMATION

1. Provide Form CIS 010-12.2022 duly sworn by the President.
2. Provide a certified copy of the resolution of the Board of Directors or other governing body, authorizing the International Insurer to transact insurance business pursuant to Chapter 61 of the Puerto Rico Insurance Code and designating the officer or officers of the insurer who will have the authority to report, to the Commissioner, from time to time, regarding matters to which it will act on behalf of the insurer.
3. Provide a draft of the Articles of Incorporation of the International Insurer to be analyzed in accordance with Chapter 28 of the Insurance Code of Puerto Rico.
4. Provide a draft of the Bylaws to be analyzed in accordance with Chapter 29 of the Insurance Code of Puerto Rico.
5. Provide copies of all Agreements between the International Insurer and those which will provide the International Insurer with management or other similar services for prior approval.
6. Provide an organizational chart of the applicant, including its ultimate holding company, its parent company and its subsidiaries and affiliates. Indicate the name of the stockholders of said ultimate holding company and ownership interests of the International Insurer and all its affiliates.

## SECTION C: FINANCIAL INFORMATION

1. Capitalization (if Stock Company, provide a copy of the Stockholder Register).

a. Amount of Paid-In Capital: \$ \_\_\_\_\_

b. Type(s) of Stocks to be authorized:                      Number of Shares:

(1) \_\_\_\_\_

(2) \_\_\_\_\_

c. Par Value of Each Share by Type:                      Selling Price:

(1) \$ \_\_\_\_\_ \$ \_\_\_\_\_

(2) \$ \_\_\_\_\_ \$ \_\_\_\_\_

2. Funding (if Mutual or Reciprocal Company):

Amount of Contributed Surplus to Policyholders: \$ \_\_\_\_\_

3. Capital and/or Surplus:

Initial Capital: \$ \_\_\_\_\_

Initial Surplus: \$ \_\_\_\_\_

Total: \$ \_\_\_\_\_

If Letter(s) of Credit is (are) used for Capitalizing/Funding International Insurer, please provide a clean, irrevocable, unconditional and evergreen Letter of Credit which:

a. Shall be issued and confirmed by a qualified United States financial institution, as specified in Section 6.020(9) of the Code and shall comply with the requirements set forth by the Commissioner in Rule 80 of the Regulations of the Insurance Code.

b. Shall follow FORM CIS-004 - Irrevocable Letter of Credit Form included in the application package.

i. Amount(s): \$ \_\_\_\_\_



ii. Names of Bank(s): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Provide an initial financial statement showing assets, liabilities, sources and type of financial support, signed under oath by the International Insurer's president and secretary.
5. Provide a statement outlining accrued organizational expenses on the application date.

## SECTION D: SUPPORTING INFORMATION AND ATTACHMENTS

Please provide a Business Plan with the application including the following:

1. Feasibility Study prepared by a qualified, independent actuary.
2. Explanation of Reinsurance Program.
3. Supporting data including:
  - a. Type of risks to be insured (direct, assumed, and ceded) by line of coverage.
  - b. Expected gross annual premium of program broken down by line of coverage.
  - c. Expected net annual premium income broken down by line of coverage.
  - d. If applicant is seeking authorization for Captive operations, name(s) of current carrier(s) for applicable coverage(s). Include copies of in-force Declaration Page(s) for both primary (property and casualty) and excess (umbrella) coverage(s).
  - e. If applicant is seeking authorization for Captive operations, loss experience for past five years of applicant's proposed coverage(s). Provide hard copy Claims and Loss Exhibits from insurance carriers. Describe all claims in excess of \$100,000, and what corrective action has been taken to help prevent a reoccurrence.
  - f. Five-year financial projections (Pro-Forma) on an expected and worst case scenario basis.
  - g. Proposed maximum retained risk (per loss and annual aggregate).
  - h. Who is responsible for loss prevention and safety activities? Enclose copy of the Risk Management Program, including Safety and Quality Control Manuals.
  - i. Copy of the Anti-Money Laundering Program, including all related manuals.
  - j. Investment Policy.
  - k. Plans for distribution of dividends and other funds (other than ordinary operating expenses).
  - l. If applicant is seeking authorization for Captive operations, complete copies of proposed coverage(s) form(s).

- m. If applicant is seeking authorization for a Class 2 International Insurer, please give history, purpose and size of association membership.
- 4. Risk Securitization Program, if the authorization requested is Class 6.

**SECTION E: FEES**

<b><u>FEE</u></b>	<b><u>AMOUNT</u></b>
1. Basic Application Fee	\$350.00
2. Class 1 Authority	\$750.00
3. Class 2 Authority	\$1,000.00
4. Class 3 Authority	\$2,500.00
5. Class 4 Authority	\$25,000.00
6. Class 5 Authority	\$750.00
7. Class 6 Authority	\$25,000.00

You must also pay an annual charge at the date of original authorization and at the date of each renewal on or before June 30<sup>th</sup> of each year, pursuant to the provisions of Section 15 of Rule 80 of the Regulations of the Insurance Code. The initial charge is calculated based on value of the premiums written and/or assumed as follows:

<b><u>PREMIUMS WRITTEN/ASSUMED</u></b>	<b><u>AMOUNT</u></b>
1. No more than \$25,000,000	\$5,000.00
2. More than \$25,000,000 but less than \$50,000,000	\$10,000.00
3. More than \$50,000,000 but less than \$75,000,000	\$20,000.00
4. More than \$75,000,000 but less than \$100,000,000	\$35,000.00
5. More than \$100,000,000 but less than \$150,000,000	\$50,000.00
6. More than \$150,000,000 but less than \$250,000,000	\$65,000.00
7. More than \$250,000,000	\$75,000.00

## SECTION F: CERTIFICATION

I certify that the information given in this application is true and correct and that all estimates given are true estimates based upon the facts that have been carefully considered and assessed. Furthermore, I affirm that pursuant to Section 61.050(9), the proposed International Insurer shall notify the Commissioner in an expedited manner and in writing, of any change in the information submitted as part of this application within ten (10) days of said change.

If applicant is a Protected Cell International Insurer, I further acknowledge that all financial records of the Protected Cell Company, including records pertaining to protected cells, shall be available for inspection or examination by the Commissioner or the Commissioner's designee.

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
(DIRECTOR)

Affidavit No. \_\_\_\_\_

Personally appeared before me the above named \_\_\_\_\_ personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
NOTARY PUBLIC