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**DEPARTMENT OF FINANCIAL REGULATION  
CAPTIVE APPLICATION FOR ADMISSION**

1. Name of Proposed Captive \_\_\_\_\_

2. Parent or Sponsor \_\_\_\_\_

3. Individual to be contacted regarding this application \_\_\_\_\_

\_\_\_\_\_

Street Address/City/State/Zip \_\_\_\_\_

Phone Number \_\_\_\_\_ E-Mail \_\_\_\_\_

4. Type of Proposed Captive

5. Organization Form

6. Principal Place of Business of Proposed Captive \_\_\_\_\_

\_\_\_\_\_

7. Resident Registered Agent \_\_\_\_\_

Street Address/City/State/Zip \_\_\_\_\_

8. Location of Books and Records \_\_\_\_\_

\_\_\_\_\_

9. Basis of Accounting

If "Other Accounting", please explain: \_\_\_\_\_

10. Capital and/or Surplus of Company

(a) Initial Capital      \$ \_\_\_\_\_

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

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

(b) Location of Shares of Stock \_\_\_\_\_

\_\_\_\_\_

*(Continued on next page)*

11. Provide the following information for each beneficial owner (**attach additional pages as needed**):

Name \_\_\_\_\_

Address \_\_\_\_\_

Percentage of ownership \_\_\_\_\_

Relationship among beneficial owners \_\_\_\_\_

12. Enclose Annual Report or 10K's of Beneficial Owners.

13. If Letter of Credit is to be used to satisfy capital and surplus requirement, **Department Form E-702 must be used. (This is not applicable to SPFIs.)**

Name and Address of Bank \_\_\_\_\_

Amount of Letter of Credit \$ \_\_\_\_\_

14. Management Firm \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_ E-Mail \_\_\_\_\_

15. Lawyer \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_ E-Mail \_\_\_\_\_

16. Claims Handler \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_ E-Mail \_\_\_\_\_

17. Certified Public Accountant \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_ E-Mail \_\_\_\_\_

18. Actuary \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_ E-Mail \_\_\_\_\_

*(Continued on next page)*

19. (Re)insurance Broker \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_ E-Mail \_\_\_\_\_

20. If Applicant is an Industrial Insured Captive, provide the following information for each full-time employee acting as Insurance Manager or Buyer for each industrial insured member. (**Attach additional pages as needed.**)

Name \_\_\_\_\_

Address \_\_\_\_\_

Aggregate annual premium \$ \_\_\_\_\_

Number of full-time employees \_\_\_\_\_

21. If Applicant is a risk retention group, provide the following information:

(a) draft governance standards and related policies as required by 8 V.S.A., Chapter 142 Section 5052(g);

(b) determination of Independent Directors as required by 8 V.S.A., Chapter 142 Section 5052(g)(2);

(c) analysis of compliance with Regulation C-81-2 Section 9: Reinsurance (if applicable);

(d) Will the risk retention group be filing Holding Company forms as required by Regulation C-2012-2? Yes No

If no, please explain: \_\_\_\_\_

22. Include the following with this application:

(a) Coverage/Limits/Reinsurance (form attached);

(b) certified copy of Captive's certificate of incorporation, articles of association and bylaws or, if being formed as a reciprocal, a certified copy of the power of attorney-in-fact and subscribers' agreement;

(c) non-refundable license fee of \$500.00; \$5,000.00 for SPFIs;

(d) non-refundable actuarial fee of \$5,000.00; \$10,000 for SPFIs;

(e) feasibility study by an actuary;

(f) Statement of Benefit to Vermont;

(Continued on next page)

- (g) list of directors and officers: Include a biographical affidavit for each officer and director using either Vermont's prescribed biographical affidavit or the NAIC's biographical affidavit;
- (h) if applicant is an Association Captive, give history, purpose, size and other details of parent association;
- (i) list of other service providers and their responsibilities together with how fees for services rendered are to be charged;
- (j) detailed Plan of Operation with supporting data including:
  - \* (1) risks to be insured - direct, assumed and ceded - by line of business;
  - (2) fronting company if operating as a reinsurer;
  - \* (3) expected net annual premium income;
  - \* (4) maximum retained risk (per loss and annual aggregate);
  - (5) rating program (**not applicable to SPFIs**);
  - (6) reinsurance program;
  - (7) proposed initial capital (should support expected and adverse case projections);
  - (8) organization and responsibility for loss prevention and safety including the main procedures followed and steps taken to deal with events prior to possible claims (**not applicable to SPFIs**);
  - (9) loss experience for past five years together with projections for the ensuing five years;
  - \* (10) financial projections on an expected and worst case scenario;
  - (11) identify prospective risks to the captive and any mitigating strategies; and
  - (12) description of any unaffiliated risk(s) covered by captive's proposed program (see 8 VSA, Chapter 141, Sections 6001 (6) and 6002 (1) (**not applicable to SPFIs**)).
- (k) organization chart, including the specific identity of any insurance affiliates.

**\*Items 1,3,4, and 10 above should be projected for a five-year period. In the case of an SPFI, the expected case proformas should be projected for the term of the reinsurance agreement.**

*(Continued on next page)*

**NOTE: Prepare one extra copy of all documents required by this application, which you will send to the assigned Captive Review Firm upon direction of this Department.**

I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF ALL THE INFORMATION GIVEN IN THIS APPLICATION IS TRUE AND CORRECT AND THAT ALL ESTIMATES GIVEN ARE TRUE ESTIMATES BASED UPON FACTS WHICH HAVE BEEN CAREFULLY CONSIDERED AND ASSESSED.

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

Signature \_\_\_\_\_

(Director or Officer of Captive and Representative of Parent Company)

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22a. COVERAGE/LIMITS/REINSURANCE

1. Type of Coverage \_\_\_\_\_  
Direct or Assumed \* \_\_\_\_\_ Claims Made or Occurrence \_\_\_\_\_  
Policy Limits or Amount Assumed \_\_\_\_\_  
Excess of Amount \_\_\_\_\_ Limits/Amounts Ceded \* \_\_\_\_\_
  
2. Type of Coverage \_\_\_\_\_  
Direct or Assumed \* \_\_\_\_\_ Claims Made or Occurrence \_\_\_\_\_  
Policy Limits or Amount Assumed \_\_\_\_\_  
Excess of Amount \_\_\_\_\_ Limits/Amounts Ceded \* \_\_\_\_\_
  
3. Type of Coverage \_\_\_\_\_  
Direct or Assumed \* \_\_\_\_\_ Claims Made or Occurrence \_\_\_\_\_  
Policy Limits or Amount Assumed \_\_\_\_\_  
Excess of Amount \_\_\_\_\_ Limits/Amounts Ceded \* \_\_\_\_\_
  
4. Type of Coverage \_\_\_\_\_  
Direct or Assumed \* \_\_\_\_\_ Claims Made or Occurrence \_\_\_\_\_  
Policy Limits or Amount Assumed \_\_\_\_\_  
Excess of Amount \_\_\_\_\_ Limits/Amounts Ceded \* \_\_\_\_\_
  
5. Type of Coverage \_\_\_\_\_  
Direct or Assumed \* \_\_\_\_\_ Claims Made or Occurrence \_\_\_\_\_  
Policy Limits or Amount Assumed \_\_\_\_\_  
Excess of Amount \_\_\_\_\_ Limits/Amounts Ceded \* \_\_\_\_\_

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6. Type of Coverage \_\_\_\_\_

Direct or Assumed \* \_\_\_\_\_ Claims Made or Occurrence \_\_\_\_\_

Policy Limits or Amount Assumed \_\_\_\_\_

Excess of Amount \_\_\_\_\_ Limits/Amounts Ceded \* \_\_\_\_\_

\* For each line of coverage, list the assuming and/or ceding companies. (**Attach additional pages as needed.**)

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

YES NO

Unaffiliated business?

If yes, how does it comply with 8 VSA, Chapter 141, Sections 6001(6) and 6002(1)? \_\_\_\_\_

\_\_\_\_\_

Parental Guaranty in place?

Loan to Parent requested?

Losses Discounted?

If YES, proposed rate: \_\_\_\_\_ %