



**THE SURPLUS LINE ASSOCIATION  
OF CALIFORNIA**

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January 29, 2004

**Bulletin #1026**

**RE: 2004 California Eligibility and Filing Requirements for Surplus Line Insurers**

Attached is the revised eligibility and filing guide for nonadmitted insurers operating or wishing to operate in California. This guide has been updated and issued by the California Department of Insurance ("CDI") today with the following changes:

- Effective **October 22, 2003** (as advised in SLA Bulletin #1017) all document and fee filings must be submitted to:

**Accounting Services Bureau  
State of California Department of Insurance  
300 Capitol Mall  
Sacramento, CA 95814**

- Effective **January 1, 2004** the new filing fees (as advised in SLA Bulletin #1019, dated November 18, 2003) are as follows:

<u>Type of Filing:</u>	<u>Filing Fee</u>
Initial application	\$5,198.00
Renewal application	2,599.00
Financial update	289.00
Non-financial update	41.00

Should you have any comments on the guide or questions concerning the requirements, please call me, or Patrice Kwang at (415) 434-4900, or the CDI Licensing Background Bureau at (916) 492-3650.

Linda Cheng  
Manager, Financial Department

LC/pk  
Attachment

**DEPARTMENT OF INSURANCE**

45 FREMONT STREET  
SAN FRANCISCO, CA 94105



## **CALIFORNIA ELIGIBILITY AND FILING REQUIREMENTS FOR SURPLUS LINE INSURERS**

Following the enactment of California Insurance Code (“CIC”) §1765.1 (Senate Bill 959), effective January 1, 1995, the Insurance Commissioner must approve a nonadmitted insurer before it is eligible for surplus line placement in California. The approval process requires the nonadmitted insurer to establish its financial stability, reputation, and integrity by providing satisfactory evidence (including the submission of certain required documents) to the California Department of Insurance (“DOI”) through a surplus line broker. Once the DOI determines that a nonadmitted insurer has met California’s eligibility standards, the insurer is added to the List of Eligible Surplus Line Insurers (“LESLI”). Surplus line brokers may only make placements with nonadmitted insurers that appear on the LESLI, unless the placement qualifies under the GAP provisions of CIC §1765.1(k) (GAP filings have their own requirements and are not addressed in this document). To ensure continued compliance, a LESLI listed company is required to renew its eligibility status annually and provide the California DOI with the most recent or amended financial documents pursuant to CIC §1765.1.

This document (the “guide”) summarizes the eligibility and filing requirements for nonadmitted insurers wishing to operate or approved to operate as surplus line carriers in California. The guide is intended to assist those who prepare regulatory filings for nonadmitted insurers. It is not all inclusive and does not supersede the actual language of the California surplus line laws and regulations, specifically CIC §1765.1 and amended sections 2174.1-.4 of Title 10 California Code of Regulation (“CCR”). The guide is divided into the following sections:

- I Eligibility Requirements
- II Document Filing Requirements
  - A. Foreign Insurers
  - B. Alien Insurers
- III Definitions of “Certified” and “Verified”
- IV Annual Renewal Requirements
- V Update Filing Requirements
  - A. Foreign Insurers
  - B. Alien Insurers
- VI Suggested Dates for Filing Financial Documents
- VII Filing Fees Schedule
- VIII Other Requirements for All Filings
- Exhibit A Specimen – Verified Regulatory Disclosure Statement
- Exhibit B Specimen – Verified Statement to use when Certification is Unavailable
- Exhibit C Specimen – Verified Statement Incorporating Previously Filed Documents
- Exhibit D Specimen – Verified Statement to use when Certificate of Good Standing, Certificate of Compliance, or equivalent Certificate is Unavailable
- Exhibit E Document Checklists: Foreign and Alien

## I. Eligibility Requirements

To be considered for placement on the LESLI, a nonadmitted insurer must make an initial application to the DOI and submit all the documents specified under CIC §1765.1(c) and (d), along with the appropriate filing fee. The required documents and applicable filing fee are detailed in Sections II and VII of this Guide, respectively. The documents filed in the initial application must demonstrate that the insurer meets the following standards:

- A. That the insurer has established its **financial stability, reputation, and integrity** for the class of insurance it proposes to place with California surplus line brokers {CIC §1765.1(a)(1)}.
- B. That the insurer must have and will maintain a minimum of **\$15 million in capital and surplus** at all times. It must also have **\$15 million in assets acceptable** under the California Insurance Code {CIC §1765.1(a)(2)(A)}. Acceptable assets, as defined in Sections 1170 to 1182, comprise essentially of cash and marketable securities; letters of credit are deemed unacceptable.
- C. That the insurer has actively **transacted insurance for at least three years** immediately prior to its application for surplus line eligibility {CIC §1765.1(e)(3)}.
- D. Alien insurers must have established an irrevocable **U.S. trust account** consisting of cash and marketable securities of no less than \$5.4 million at all times with a U.S. Federal Reserve System member bank. Letters of credit may be used to fund the trust account, provided they are issued by a qualified U.S. financial institution {CIC §1765.1(b)(1)}.
- E. The insurer must currently hold a **license** to issue insurance policies (other than reinsurance) to residents of the jurisdiction that granted the license unless it has been granted an exemption {CIC §1765.1(e)(4)}.
- F. All documents filed must be **complete, clear, comprehensible, unambiguous, accurate and consistent** {CIC §1765.1(e)(1)}.
- G. The insurer must have an appointed California-licensed surplus line broker who has agreed to act as its **contact broker** to assist with the insurer's initial and subsequent regulatory filing responsibilities in California {CIC §1765.1(a)(1)}. A nonadmitted insurer may make its initial filing, annual renewal filings, and update filings directly with the DOI provided the insurer keeps its contact broker informed. It is recommended that the contact broker maintain a complete set of all such filings.

## II. Document Filing Requirements

All required documents must be filed in accordance with the provisions of CIC §1765.1(c) and

(d). All financial and certain non-financial documents must be certified, while several other required documents must be verified. For definitions of “certified” and “verified”, refer to Section III of this guide.

If any required document(s) is not available at the time of the insurer’s filing, the insurer should provide an explanation why the document(s) was not included and an estimate as to when the document(s) will be made available to the DOI.

The filing requirements are slightly different for foreign (U.S. domiciled) and for alien (non-U.S. domiciled) insurers; hence, these requirements are addressed in separate sections.

#### **A. Filing Requirements for Foreign (U.S. domiciled) Insurers**

Foreign insurers must file each of the documents listed below (in quadruplicate, one original and three photocopies) in the initial application and, subsequent to their placement on the LESLI, at least annually as part of the annual renewal process or as an update filing:

1. **Annual Statement** of the insurer not older than 12 months, and prepared in the NAIC prescribed format {CIC §1765.1(c)(1)(A) & (D)(i)}. The Annual Statement must be certified and include all supplementary reports, exhibits, and schedules required by the NAIC including, but not limited to, the Actuarial Opinion, Exhibit of Premiums & Losses for California Business, Management Discussion and Analysis, and Risk-Based Capital (RBC) Summary Report.
2. **Audited Financial Report** of the insurer, prepared by an independent certified public accountant or accounting firm (“CPA”), showing the insurer’s condition as of a date not more than 12 months prior to submission {CIC §1765.1(c)(1)(B)}. The CPA must be in good standing with the American Institute of Certified Public Accountants in all states where the CPA is licensed to practice. The audited report must be prepared in accordance with statutory accounting practices prescribed, or otherwise permitted, by the insurance regulator of the insurer’s domiciliary jurisdiction.

CIC §1765.1 requires Audited Financial Reports to be certified; however, the DOI will accept verified copies if certified copies are not available at the time of filing. The DOI expects to receive certified copies when they become available. Exhibit B is a specimen of a verification statement that the Commissioner considers to be in compliance with the California Insurance Code.

3. A certified copy of the insurer’s **current License or Certificate of Authority** issued by its domiciliary jurisdiction. The license should set forth the insurer’s authority to issue the types of insurance it proposes to provide California consumers {CIC §1765.1(c)(2)}.

4. **A Certificate of Good Standing, Certificate of Compliance, or other Equivalent Certificate** issued by the insurer's domiciliary jurisdiction {CIC §1765.1(c)(2)}. If such certification is not available from its domiciliary jurisdiction or any other state where it is licensed, the insurer must provide a verified statement signed by a responsible executive or officer of the company. Exhibit D is a specimen of such verification statement that the Commissioner considers to be in compliance with the California Insurance Code.
5. **Agent for Service of Process** appointed by the insurer to receive service of suits filed against the insurer. The Agent must be located in California. Information must include the Agent's full name, the name of the firm the Agent represents, business address, telephone and fax numbers where the agent can be reached during normal business hours {CIC §1765.1(c)(3)}.
6. **Principal Place of Business** of the insurer, including complete street address, mailing address, telephone and fax numbers {CIC §1765.1(c)(4)}.
7. **An Explanation, Report, or other Statement as to the Insurer's Record Regarding Market Conduct and Consumer Complaints.** Such report should be from the insurance regulatory office or official of the insurer's domiciliary jurisdiction and may be certified or verified {CIC §1765.1(c)(5)}.

If such report is not available from the insurer's domiciliary jurisdiction for the current filing year, or if the market conduct report is older than 12 months, then the insurer can provide a verified statement describing its own record regarding market conduct, and its own record of claims payment and treatment of policyholders.

8. **Regulatory Disclosure Statement.** A verified statement that discloses any currently known regulatory actions pending against the insurer or any of its affiliates {CIC §1765.1(c)(6)} for the current filing year. These regulatory actions include, but are not limited to, legal proceeding for receivership, conservation, liquidation, license revocation or suspension, or any other cease and desist order. If the insurer or any of its affiliates are subject to such proceedings, the statement must identify the proceeding by date, jurisdiction, and relief or sanction sought. Copies of any outstanding orders must also be attached to the statement.

For insurers who are not subject to any such actions, Exhibit A is a specimen of a verified regulatory disclosure statement that the Commissioner considers to be in compliance with the California Insurance Code.

9. **Proposed Products/Relationship with Admitted Insurer Affiliates.** The insurer is required to provide its proposed **Plan of Operation** in California to assist the Commissioner in determining whether the insurer has the financial stability, reputation and integrity for the class of insurance it proposes to accept from surplus

line brokers {CIC §1765.1(d)(1)}, and to ascertain that the insurer does not intend to offer in California products that violate CIC §1765.1(e)(6). The Plan should include the following information:

- a) A brief description of the products it intends to accept from California surplus line brokers.
- b) A list of all affiliated companies who are admitted in California, including any affiliate(s) applying for admission in this State.
- c) An explanation as to how the coverages offered by the nonadmitted insurer differ from those offered by affiliated insurers admitted in California.

For new applicants, the insurer's business plan should also include three- to five-year written premium volume projections by lines of business, both nationwide (or worldwide) and in California.

10. **Biographical Affidavits on the Officers and Directors** of the insurer. If the insurer has filed these with the NAIC, they must be filed in California {CIC § 1765.1(d)(1)}.
11. **Latest Report of Examination** of the insurer issued by its domiciliary regulator. If the latest Report is not available at the time of the filing, the insurer must provide an explanation why it is not available, and an estimate as to when the latest Report should be made available {CIC §1765.1(c)(7)}. All copies must be certified.
12. **List of Surplus Line Brokers Authorized to Issue Policies on Behalf of the Insurer** {CIC §1765.1(c)(8)}. A surplus line broker(s) may issue policies on behalf of a nonadmitted insurer provided the broker(s) has a written authorization from the insurer, and that the policies follow the required form. The insurer is also required to provide the Commissioner with a list of those brokers who have been granted authorization.

If the insurer has not granted this authority to any broker, the insurer must submit a statement that indicates no broker has the authority to issue policies on the insurer's behalf.

13. **Quarterly Financial Statements** for the current year of the insurer if available at the time of the initial application. For LESLI listed companies, Quarterly Statements are normally filed as updates.

Quarterly Statements must be certified and filed as soon as they are available. The DOI will accept verified copies if certified copies are not available at the time of filing. The DOI also expects to receive certified copies when they do become available {CCR §2174.3(a)(1)(A)(iv) and CIC §1765.1(d)(1)}.

Please note that the DOI requires a separate verified statement attached to each financial statement, even if the jurat page of the financial statement has wet signatures of the insurer's officers. Exhibit B is a specimen of a verification statement that the Commissioner considers to be in compliance with the California Insurance Code.

#### **B. Filing Requirements for Alien (non-U.S. domiciled) Insurers**

Alien insurers must file each of the documents listed below (in quadruplicate, one original and three photocopies) in the initial application and, subsequent to their placement on the LESLI, at least annually as part of the annual renewal process or as an update filing:

1. **Financial Statement** of the insurer not more than 12 months old. If the insurer is registered with the NAIC IID (International Insurers Department), it must file a complete copy of its latest Standard IID Financial Reporting Format as filed with the NAIC {CIC §1765.1(c)(1)(A) & (E)}. This Report must include all the required schedules and exhibits including, but not limited to, Schedule of Premiums and Losses, IID Interrogatories, Schedule of Reinsurance Ceded, and Certification of Loss Reserves (signed by an actuary, who is a member of a recognized professional actuarial body).

If the insurer is not registered with the NAIC IID, it must file a Financial Statement that has been prepared following the Standard IID Financial Reporting Format.

All copies of the financial statement must be certified; however, the DOI will accept verified copies if certified copies are not available at the time of filing. The DOI expects to receive certified copies when they do become available. Exhibit B is a specimen of such verification statement that the Commissioner considers to be in compliance with the California Insurance Code.

2. **Audited Financial Report** of the insurer, prepared by an independent licensed auditor in the insurer's domiciliary jurisdiction, showing the insurer's condition as of a date not more than 12 months prior to submission {CIC § 1765.1(c)(1)(B) & (E)}. The audited report must be prepared in accordance with either (i) Generally Accepted Auditing Standards that prescribe Generally Accepted Accounting Principles, or (ii) International Accounting Standards as published and revised from time to time by the International Auditing Guidelines published by the International Auditing Practice Committee of the International Federation of Accountants. The audit report must include financial statement notes and a summary of significant accounting practices.

All copies of the Audited Report must be certified; however, the DOI will accept verified copies if certified copies are not available at the time of filing. The DOI expects to receive certified copies when they become available. Exhibit B is a specimen of a verification statement that the Commissioner considers to be in compliance with the California Insurance Code.

3. **U.S. Trust Agreement** of the insurer {CIC §1765.1(c)(1)(C)(i)} prepared in accordance with the NAIC Standard Form Trust Agreement for Alien Excess or Surplus Lines Insurers (as amended June 2000). All copies of the agreement must be certified. The Trustee/Bank may certify these agreements.
4. Most recent quarterly **Statement of Account or List of Assets in the Trust Account** {CIC §1765.1(c)(1)(C)(ii)}. This Statement, generally provided on a regular basis by the trustee bank, shows a list of the assets held in the insurer's trust account at the end of each quarter. The Statement must be verified. Exhibit B is a specimen of such verification statement that the Commissioner considers to be in compliance with the California Insurance Code.
5. A certified copy of the insurer's **current License or Certificate of Authority** issued by its domiciliary jurisdiction. The license should set forth the insurer's authority to issue the types of insurance it proposes to provide California consumers {CIC §1765.1(c)(2)}.

Each alien insurer must make every attempt to get a certified copy of its license issued by its domiciliary jurisdiction.

6. A **Certificate of Good Standing, a Certificate of Compliance, or other Equivalent Certificate** issued by the insurer's domiciliary jurisdiction {see CIC §1765.1(c)(2)}. If such certification is not available from its domiciliary jurisdiction, the insurer must provide a verified statement signed by a responsible executive or officer of the company. Exhibit D is a specimen of such verification statement that the Commissioner considers to be in compliance with the California Insurance Code.
7. **Agent for Service of Process in California** appointed by the insurer to receive service of suits filed against the insurer. The Agent must be located in California. Information must include the Agent's full name, the name of the firm the Agent represents, business address, telephone and fax numbers where the agent can be reached during normal business hours {CIC §1765.1(c)(3)}.
8. **Principal Place of Business** of the insurer, including complete street address, mailing address, telephone and fax number {CIC §1765.1(c)(4)}.
9. **An Explanation, Report, or other Statement as to the Insurer's Record Regarding Market Conduct and Consumer Complaints**. Such report should be from the insurance regulatory office or official of the insurer's domiciliary jurisdiction and may be certified or verified {CIC §1765.1(c)(5)}.

If such report is not available from the insurer's domiciliary jurisdiction for the current filing year, or if the market conduct report is older than 12 months, then the



insurer can provide a verified statement describing its own record regarding market conduct, and its own record of claims payment and treatment of policyholders.

10. **Regulatory Disclosure Statement.** A verified statement that discloses any currently known regulatory actions pending against the insurer or any of its affiliates {CIC §1765.1(c)(6)} for the current filing year. These regulatory actions include, but are not limited to, legal proceeding for receivership, conservation, liquidation, license revocation or suspension, or any other cease and desist order. If the insurer or any of its affiliates are subject to such proceedings, the statement must identify the proceeding by date, jurisdiction, and relief or sanction sought. Copies of any outstanding orders must also be attached to the statement.

For insurers who are not subject to any such actions, Exhibit A is a specimen of a verified regulatory disclosure statement that the Commissioner considers to be in compliance with the California Insurance Code.

11. **Proposed Products/Relationship with Admitted Insurer Affiliates.** The insurer is required to provide its proposed **Plan of Operation** in California to assist the Commissioner in determining whether the insurer has the financial stability, reputation and integrity for the class of insurance it proposes to accept from surplus line brokers {CIC §1765.1(d)(1)}, and to ascertain that the insurer does not intend to offer in California products that violate CIC §1765.1(e)(6). The Plan should include the following information:

- a) A brief description of the products it intends to accept from California surplus line brokers.
- b) A list of all affiliated companies who are admitted in California, including any affiliate(s) applying for admission in this State.
- c) An explanation as to how the coverages offered by the nonadmitted insurer differ from those offered by affiliated insurers admitted in California.

For new applicants, the insurer's business plan should also include three- to five-year written premium volume projections by lines of business, both nationwide (or worldwide) and in California.

12. **Biographical Affidavits on the Officers and Directors** of the insurer {CIC § 1765.1(d)(1)}, if these affidavits are filed in the insurer's home jurisdiction or elsewhere.
13. **List of Surplus Line Brokers Authorized to Issue Policies on Behalf of the Insurer** {CIC §1765.1(c)(8)}. A surplus line broker(s) may issue policies on behalf of a nonadmitted insurer provided the broker(s) has a written authorization from the insurer, and that the policies follow the required form.

The insurer is also required to provide the Commissioner with a list of those brokers who have been granted authorization.

If the insurer has not granted this authority to any broker, the insurer must submit a statement that indicates no broker has the authority to issue policies on the insurer's behalf.

14. **Quarterly or Half-yearly Results** for the current year, if available, should be included with the insurer's initial application. For LESLI listed companies, Quarterly or Half-yearly Results are normally filed as updates.

Quarterly or Half-yearly Results must be certified or verified, and filed as soon as they are available {CCR §2174.3(a)(1)(A)(iv) and CIC §1765.1(d)(1)}. Exhibit B is a specimen of a verification statement that the Commissioner considers to be in compliance with the California Insurance Code.

### III. Definitions of "Certified" and "Verified"

**"Certified"** – an originally signed or sealed statement, dated not more than 60 days before submission, made by a public official or other person (someone at the Department of Insurance of the Domiciliary jurisdiction), attached to a copy of a document, attesting that the copy is a true copy of the original, and that the original is in the custody of the person making the statement {CIC §1765.1(l)(1)}.

**"Verified"** – a document or copy accompanied by an originally signed statement, dated not more than 60 days before submission, from a responsible executive or official who has authority to provide the statement and knowledge whereof he or she speaks, attesting either under oath before a notary public, or under penalty of perjury under California law, that the assertions made in the document are true {CIC §1765.1(l)(11)}.

### IV. Annual Renewal Requirements

To maintain their surplus line eligibility in California and to ensure continual compliance with the requirements of CIC §1765.1, LESLI listed companies are required to renew their eligibility status annually. This renewal process includes the filing of up-to-date versions of all the documents required under CIC §1765.1(c) & (d) along with a **\$2,599 filing fee**. {CIC §1765.1(i) and (j)}

Eligible insurers may incorporate most previously filed documents (except for the Market Conduct Information and Regulatory Disclosure Statement) into a current annual renewal package, provided there were no changes to the information in those documents. To incorporate a previously filed document(s) into a current annual filing, the insurer must: (1) Submit a verified statement that lists the document(s) previously provided to the DOI and affirm that there has been

no change to the information contained in the previously filed document(s); and (2) Make a specific reference to the prior filing(s) in its current annual renewal filing. Exhibit C is a specimen of such verified statement that the Commissioner considers to be in compliance with the California Insurance Code.

Insurers may **not** incorporate previously filed Market Conduct Information and Regulatory Disclosure Statement into a current annual renewal filing, even if the information previously provided has not changed, since the information in these documents pertains to a specific period.

Each year, a LESLI listed company is required to submit market conduct information pertaining to the current filing year obtained from its domiciliary jurisdiction. If such information is not available from its domiciliary jurisdiction, the insurer must then submit a verified statement describing its record of claims payment and treatment of policyholders for the current filing period.

A LESLI listed company is also required to submit a Regulatory Disclosure Statement, each year, stating whether the insurer or any of its affiliates is subject to regulatory actions. A standardized Regulatory Disclosure Statement acceptable by the Commissioner has been incorporated into Exhibit A for insurers who are not subject to any such actions.

**When to File:** Annual renewal filings should be made on or before the anniversary of the insurer's LESLI approved date {CCR §2174.2(b)}; however, insurers do not have to wait until their LESLI anniversary date to make a filing. It is strongly recommended that insurers make their annual renewal filing as soon as all the required materials are available.

**Where to File:** All applications, annual renewal and update filings must be filed with the DOI {CCR §2174.2(d)}. These filings may be made through the insurer's California contact broker or directly to the DOI, provided the insurer keeps its contact broker informed. Effective October 22, 2003, all documents and fees must be sent to the following address:

Accounting Services Bureau  
State of California Department of Insurance  
300 Capitol Mall  
Sacramento, CA 95814

**Regulatory Filing Contacts:** For questions regarding surplus line filing requirements, you may contact:

Licensing Background Bureau  
State of California  
Department of Insurance  
(916) 492-3650

**OR**

Linda Cheng  
The Surplus Line Association  
of California  
(415) 434-4900, ext. 121

## V. Update Filing Requirements

Whenever a LESLI listed insurer issues new or revised documents, such as the ones described in Section II, that cause any of those previously filed to become out-dated, then the insurer or its contact broker is required to file with the DOI the new, up-to-date version of the document, as soon as it becomes available {CCR § 2174.3(b)}, along with the appropriate filing fee. In addition, the DOI may request other information in order to make a complete assessment of an insurer's financial stability, reputation and/or integrity.

### A. Foreign Insurers - Update Filing Requirements:

Any new or updated versions of the documents described in Section II-A must be filed in accordance with the provisions of CIC §1765.1 (e.g. Financial Documents must be certified). In addition, in order to make a complete assessment of an insurer's financial stability, reputation and/or integrity the DOI reserves the right to request other information.

The following classifies the documents as financial, non-financial or supplemental information based on the required filing fee:

1. **Financial Document updates** require a **\$289 filing fee.**

- (a) NAIC Annual Statement
- (b) Audited Financial Report
- (c) Report of Examination
- (d) NAIC Quarterly Statements

2. **Non-financial Document updates** require a **\$41 filing fee.**

- (a) Certificate of Authority
- (b) Certificate of Good Standing or Compliance
- (c) Agent for Service of Process
- (d) Principal Place of Business
- (e) Market Conduct Report
- (f) Regulatory Disclosure Statement
- (g) List of surplus line brokers authorized to issue policies
- (h) Any other material change (e.g. name change, domiciliary change, ownership change, etc) involving operations

3. **Supplemental Information updates** require a **\$41 filing fee.**

- (a) Plan of Operation/California Business Plan
- (b) Biographical Affidavits on Officers & Directors

### B. Alien Insurers - Update Filing Requirements:

Any new or updated versions of the documents described in Section II.B. must be filed in

accordance with the provisions of CIC §1765.1 (i.e. Financial Documents must be certified). In addition, in order to make a complete assessment of an insurer's financial stability, reputation and/or integrity the DOI reserves the right to request other information.

The following classifies the documents as financial, non-financial or supplemental information based on the required filing fee:

1. **Financial Document updates** require a **\$289 filing fee.**
  - (a) Financial Statement/Standard IID Financial Reporting Format
  - (b) Audited Financial Report
  - (c) Quarterly or Half-Yearly Results
  
2. **Non-financial Document updates** require a **\$41 filing.**
  - (a) Certificate of Authority
  - (b) Certificate of Good Standing or Compliance
  - (c) Trust Agreement
  - (d) Statement of Trust Assets
  - (e) Agent for Service of Process
  - (f) Principal Place of Business
  - (g) Market Conduct Report
  - (h) Regulatory Disclosure Statement
  - (i) List of surplus line brokers authorized to issue policies
  - (j) Any other material change (e.g. name change, domiciliary change, ownership change, etc) involving operations
  
3. **Supplemental Information updates** require a **\$41 filing fee.**
  - (a) Plan of Operation/California Business Plan
  - (b) Biographical Affidavits on Officers & Directors

## VI. Suggested Dates for Filing Financial Documents

The California DOI requires LESLI listed companies to file new, amended, or updated financial documents **as soon as they are available**, in accordance with the provisions of CIC §1765.1. Updated financial documents are generally available when they are due for regulatory filing with the insurer's domiciliary jurisdiction. Therefore, the DOI expects to receive the new financial documents no later than the dates specified below.

### Foreign Insurers

Financial Document	Document Should be Filed NO LATER than
Annual Statement	April 30 <sup>th</sup> each year
March 31 <sup>st</sup> Quarterly Statement	May 31 <sup>st</sup> each year
Audited Financial Statement	June 30 <sup>th</sup> each year

June 30 <sup>th</sup> Quarterly Statement	<b>August 30<sup>th</sup></b> each year
September 30 <sup>th</sup> Quarterly Statement	<b>November 30<sup>th</sup></b> each year

**Alien Insurers**

<b>Financial Document</b>	<b>Document Should be Filed NO LATER than</b>
Standard IID Reporting Format/ Financial Statement	<b>August 15<sup>th</sup></b> each year  An Alien insurer not listed with the NAIC-IID should file their financial statement 15 days after it is due for regulatory filing with the insurer's domiciliary regulators.
Audited Financial Report	An Alien insurer should file their audited financial statement 15 days after it is due for regulatory filing with the insurer's domiciliary regulators.
March 31 <sup>st</sup> Listing of Assets in Trust Account	<b>April 15<sup>th</sup></b> each year
June 30 <sup>th</sup> Listing of Assets in Trust Account	<b>July 15<sup>th</sup></b> each year
September 30 <sup>th</sup> Listing of Assets in Trust Account	<b>October 15<sup>th</sup></b> each year
Quarterly or Half-yearly results	Due as soon as they are available

**VII. Filing Fees Schedule**

All checks for filing fees must be made payable to the California Department of Insurance in U. S. Dollars {CCR §2174.2(a), (b), & (c) applicable via CIC §1765.1(j) & (m)}.

<u>Type of Filing</u>	<u>Filing Fee<sup>1</sup></u>
Initial Application	\$5,198
Subsequent Annual Renewal (see Section IV above)	\$2,599
Updated Financial Document <sup>2</sup>	\$289*
Updated Non-Financial Document <sup>3</sup>	\$41*
Updated Supplementary Information <sup>4</sup>	\$41*

<sup>1</sup> Effective January 1, 2004

<sup>2</sup> Include, but are not limited to, the Annual Statement (for foreign insurers) or Standard IID Financial Reporting Format (for alien insurers), Audited Financial Report, Quarterly Financial Statement (for foreign insurers) or Quarterly/Semi- Annual Statement (for alien insurers), and/or the Report of Examination.

<sup>3</sup> All other documents other than financial documents and supplemental information.

<sup>4</sup> Include, but are not limited to, Plan of Operation and Biographical Affidavits.

\*Note: These fees apply only if the documents are submitted to the DOI as update filings (see Section V above) and not as part of the annual renewal.

### **VIII. Other Requirements for All Filings**

For any and all filings to be in compliance with the provisions of CIC §1765.1 they must also meet the following standards:

- (1) All communications and documents filed must be submitted in, or translated into, the English language. All financial data must be converted into U.S. dollars.
- (2) Documents filed must be complete, in that pages cannot be omitted or cut off and they must include all referenced schedules, exhibits and/or attachments.
- (3) Documents filed must be legible.
- (4) Documents must be filed in quadruplicate (at least one original and up to three photocopies).

# **EXHIBIT A**



# REGULATORY DISCLOSURE STATEMENT

\_\_\_\_\_ (a nonadmitted insurer) and its affiliated entities are currently not known to be the subject of any order or proceeding regarding conservation, liquidation, or other receivership; or regarding revocation or suspension of a license to transact insurance in any jurisdiction; or otherwise seeking to stop the insurer from transacting insurance in any jurisdiction. I make this statement as an executive or official who has authority to provide the statement and knowledge whereof he or she speaks and under penalty of perjury under California law that the assertions are true.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

# **EXHIBIT B**

# VERIFICATION

I declare under penalty of perjury under California law that this is a true correct

copy of the original \_\_\_\_\_, and that I am an  
(Name of Document)

executive or officer of \_\_\_\_\_ who  
has  
(Name of the Nonadmitted Insurer)

the authority to provide this declaration.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

# **EXHIBIT C**

# VERIFICATION

As an officer or executive of \_\_\_\_\_ who has the  
(Name of the nonadmitted Insurer)

authority and knowledge to provide this declaration, I declare under penalty of perjury under California law that all of the following statements are true and correct:

1. The documents identified below have previously been filed with the California Department of Insurance and there have been no changes to the information in those documents.
2. These documents on file with the California DOI contain the most current information available, and should be considered as part of the annual renewal for \_\_\_\_\_ (year):

Document Previously Filed	Date Filed
<input type="checkbox"/> Year-end _____ Annual Statement	_____
<input type="checkbox"/> Period-end _____ Quarterly Statement	_____
<input type="checkbox"/> Year-end _____ Audited Financial Statement	_____
<input type="checkbox"/> Certificate of Authority	_____
<input type="checkbox"/> Certificate of Good Standing/Compliance	_____
<input type="checkbox"/> Agent for Service of Process	_____
<input type="checkbox"/> Principal Place of Business	_____
<input type="checkbox"/> California Plan of Operation/Business Plan	_____
<input type="checkbox"/> List of surplus line brokers authorized to issue policies	_____
<input type="checkbox"/> Biographical Affidavits on Officers and Directors Except as enclosed, there are no changes to the biographical affidavits previously filed.	_____
<input type="checkbox"/> Report of Examination:      Date of Report: _____	_____
<input type="checkbox"/> List of Trust Assets as of (for alien insurers only): _____	_____
<input type="checkbox"/> Trust Agreement (for alien insurers only): Date of Trust: _____      Date of Last Amendment: _____	_____
<input type="checkbox"/> Other: _____	_____

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

# **EXHIBIT D**

# VERIFICATION

I declare under penalty of perjury under California law that the Insurance Department for the state/country of \_\_\_\_\_ does not issue a Certificate of Good Standing, Certificate of Compliance, or other equivalent Certificate. I further declare that a Certificate of Good Standing, Certificate of Compliance, or other equivalent Certificate is not available from any other state where the company is licensed and that I am an

executive or officer of \_\_\_\_\_ who has

(Name of the Nonadmitted Insurer)

the authority to provide this declaration.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

# **EXHIBIT E**



**CALIFORNIA DOCUMENT FILING REQUIREMENTS  
CHECKLIST for FOREIGN (U.S. DOMICILED) INSURERS**

Please make checks payable to the **California Department of Insurance**. All documents must be submitted in QUADRUPPLICATE (one original and three photocopies) to:

**Accounting Services Bureau  
State of California Department of Insurance  
300 Capitol Mall  
Sacramento, CA 95814**

- |  |   |
|--|---|
| <p><input type="checkbox"/> <b>Filing Fee:</b><br/>____ Initial Application : \$5,198<br/>____ Annual Renewal : \$2,599<br/>____ Updated Financial Document : \$289<br/>____ Updated Non-Financial or Supplemental Document : \$41</p> <p><input type="checkbox"/> <b>Certified Annual Statement</b><br/>Includes the following Documents:<br/>____ Actuarial Opinion<br/>____ Exhibit of Premiums &amp; Losses for CA business<br/>____ Management's Discussion and Analysis<br/>____ Risk Based Capital (RBC) Summary Report</p> <p><input type="checkbox"/> <b>Audited Financial Report</b><br/>____ Certified or ____ Verified</p> <p><input type="checkbox"/> <b>Certified Current License or Certificate of Authority</b></p> <p><input type="checkbox"/> <b>Certificate of Good Standing or Certificate of Compliance</b><br/>If the domiciliary jurisdiction does not issue such a certificate, see Exhibit D.</p> <p><input type="checkbox"/> <b>Agent for Service of Process</b></p> | <p><input type="checkbox"/> <b>Principal Place of Business</b></p> <p><input type="checkbox"/> <b>Market Conduct Report/Information</b><br/>____ Certified or ____ Verified</p> <p><input type="checkbox"/> <b>Verified Regulatory Disclosure Statement</b></p> <p><input type="checkbox"/> <b>Business Plan / Plan of Operation in California</b></p> <p><input type="checkbox"/> <b>Biographical Affidavit on the Officers and Directors</b></p> <p><input type="checkbox"/> <b>Certified Report of Examination</b></p> <p><input type="checkbox"/> <b>List of Surplus Lines Brokers Authorized to Issue Policies</b></p> <p><input type="checkbox"/> <b>March 31<sup>st</sup> Quarterly Statement</b><br/>____ Certified or ____ Verified</p> <p><input type="checkbox"/> <b>June 30<sup>th</sup> Quarterly Statement</b><br/>____ Certified or ____ Verified</p> <p><input type="checkbox"/> <b>September 30<sup>th</sup> Quarterly Statement</b><br/>____ Certified or ____ Verified</p> |
|--|---|

If an insurer determines that the information contained in a previously filed document has not changed and wishes to incorporate that document into a current annual renewal filing, please see Exhibit C.

**CALIFORNIA DOCUMENT FILING REQUIREMENTS  
CHECKLIST for ALIEN (NON-U.S. DOMICILED) INSURERS**

Please make checks payable to the **California Department of Insurance**. All documents must be submitted in QUADRUPPLICATE (one original and three photocopies) to:

**Accounting Services Bureau  
State of California Department of Insurance  
300 Capitol Mall  
Sacramento, CA 95814**

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Filing Fee</b><br>_____ Initial Application : \$5,198<br>_____ Annual Renewal : \$2,599<br>_____ Updated Financial Document : \$289<br>_____ Updated Non-Financial or Supplemental Document : \$41   | <input type="checkbox"/> <b>Verified List of Trust Assets as of September 30<sup>th</sup></b>  |
| <input type="checkbox"/> <b>Audited Financial Report</b><br>_____ Certified or _____ Verified  | <input type="checkbox"/> <b>Certified Current License or Certificate of Authority</b>  |
| <input type="checkbox"/> <b>Certified Financial Statement and/or Standard IID (International Insurers Department) Financial Reporting Format</b><br>Includes the following documents:<br>_____ IID Interrogatories<br>_____ Schedule of Premiums & Losses<br>_____ Schedule of Reinsurance Ceded<br>_____ Certification of Loss Reserves<br>_____ Loss Development<br>_____ Schedule of Invested Assets<br>_____ Other Assets – Breakdown<br>_____ Financial Ratio Report<br>_____ IID Cross-check Spreadsheet | <input type="checkbox"/> <b>Certificate of Good Standing or Certificate of Compliance</b><br>If the domiciliary jurisdiction does not issue such a certificate, see Exhibit D. |
| <input type="checkbox"/> <b>Certified Trust Agreement and California Trust Amendment</b>   | <input type="checkbox"/> <b>Agent for Service of Process</b>   |
| <input type="checkbox"/> <b>Verified List of Trust Assets as of March 31<sup>st</sup></b>  | <input type="checkbox"/> <b>Principal Place of Business</b>  |
| <input type="checkbox"/> <b>Verified List of Trust Assets as of June 30<sup>th</sup></b>   | <input type="checkbox"/> <b>Market Conduct Report/Information</b><br>_____ Certified or _____ Verified   |
|  | <input type="checkbox"/> <b>Verified Regulatory Disclosure Statement</b>   |
|  | <input type="checkbox"/> <b>Business Plan / Plan of Operation in California</b>  |
|  | <input type="checkbox"/> <b>Biographical Affidavit on the Officers and Directors</b>   |
|  | <input type="checkbox"/> <b>List of Surplus Lines Brokers Authorized to Issue Policies</b>   |
|  | <input type="checkbox"/> <b>Quarterly or Semi-Annual Results</b>   |

If an insurer determines that the information contained in a previously filed document has not changed and wishes to incorporate that document into a current annual renewal filing, please see Exhibit C.