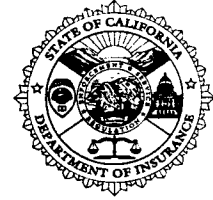


**DEPARTMENT OF INSURANCE**45 FREMONT STREET, 24th FLOOR  
SAN FRANCISCO, CA 94105

## **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 the insurer is eligible for surplus line placement in California. The approval process requires the nonadmitted insurer to meet specific financial and operational standards, as well as submit certain financial and other information to the California Department of Insurance ("DOI") for review. 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 with the requirements of CIC §1765.1, LESLI listed companies must continually provide the California DOI with more recent or amended financial documents and related information as soon as these become available.

This document summarizes the eligibility and filing requirements for nonadmitted insurers intending to operate or approved to operate as surplus line carriers in California. These requirements are specified in CIC §1765.1 and amended sections 2174.1-.4 of Title 10 California Code of Regulation ("CCR"). This 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. This guide is divided into the following sections:

- I Eligibility Requirements
- II Document Filing Requirements
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  - B. Alien Insurers
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- 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. The insurer has established its **financial stability, reputation, and integrity** for the class of insurance the insurer proposes to place with California surplus line brokers {CIC §1765.1(a)(1)}.
- B. The insurer must maintain a minimum of **\$15 million in capital and surplus** at all times. The insurer must also have **\$15 million in assets acceptable** under the California Insurance Code {CIC §1765.1(a)(2)(A)}. Acceptable assets comprise essentially of cash and marketable securities; letters of credit are not acceptable assets.
- C. The insurer has actively transacted insurance for **at least three years** immediately prior to its application to become an eligible surplus line carrier {CIC § 1765.1(e)(3)}. An insurer may be exempted from the seasoning requirement if it qualifies for exemption under CIC §716 (a), (b), or (c).
- 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 bank member {CIC §1765.1(b)(1)}. Letters of credit may be used to fund the trust account provided they are issued by a qualified U.S. financial institution.
- E. The insurer must hold a **license** to issue insurance policies (other than reinsurance) to residents of the jurisdiction that granted the license unless an exemption is granted {CIC §1765.1(e)(4)}.
- F. Materials filed are complete, clear, comprehensible, unambiguous, accurate and consistent {see CIC §1765.1(e)(1)}.
- G. The insurer has appointed a California licensed surplus line broker who has agreed to act as its sponsoring broker to assist with the insurer's initial and subsequent regulatory filing responsibilities in California {CIC §1765.1(a)(1)}. Nonadmitted insurers may make their initial filing, annual renewal filings, and update filings directly with the DOI provided the insurer keeps its sponsoring broker informed. It is also recommended that the sponsoring 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 other required documents must be verified. For a definition 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 as to why the document(s) was not included and an estimated date the document(s) will be made available to the DOI.

The document filing requirements are slightly different for foreign (U.S. domiciled) and alien (non-U.S. domiciled) insurers, consequently, 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) in the initial application and at least annually as part of the annual renewal process or 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)}. The Annual Statement must be certified and include all supplementary reports, exhibits, and schedules required by the NAIC including, but are not limited to, the Actuarial Opinion, Page 15 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) & (D)}. 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 Report to be certified; however, the DOI will accept verified copies if certified copies are not available at the time of filing. The DOI also expects to receive the certified copies when they do 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 the insurer's 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 should describe the insurer's market conduct and consumer complaint history {CIC §1765.1(c)(5)}. This report may be certified or verified.

If such report is not available from the insurer's domiciliary jurisdiction, 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)}. 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. A copy 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 that the insurer has the integrity for the class of insurance the broker proposes to place {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 offer 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 the coverages offered by affiliated insurers admitted in California.

For new applicants, the insurer's Plan should also include three- to five-year written premium 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 Report is not available at the time of the filing, provide an explanation as to why it is not available and when the latest Report should be 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)}.** Effective January 1, 1997 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 were 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** of the insurer, if available at the time of the initial application. After the initial filing, most Quarterly Statements are filed as updates (however, the first Quarterly Statement is often filed as part of the annual renewal process).

LESLI listed companies are required to file Quarterly Statements as soon as they are available {CCR §2174.3(a)(1)(A)(iv) and CIC §1765.1(d)(1)}. Quarterly Statements must be certified; however, 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. Exhibit B is a specimen of such verification statement that the Commissioner considers to be in compliance with the California Insurance Code.

Please note that the DOI requires a separate verified statement attached to each financial statement, even if the jurat page of the financial statement contains the insurer's officers' wet signature.

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

Alien insurers must file each of the documents listed below (in quadruplicate) in the initial application and at least annually as part of the annual renewal process or an update filing:

- 1. A Financial Statement** of the insurer not more than 12 months old. If the insurer is registered with the NAIC IID (International Insurers Department, formerly NAIIO), it must file a complete copy of the 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 is not limited to, Schedule of Premium 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 also 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 also 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.

3. **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 March 1998). 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, which is 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 a 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 the insurer's 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)}.

Alien insurers must make every attempt to get certified copies of their license issued by their 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 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.
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 should describe the insurer's market conduct and consumer complaint history {CIC §1765.1(c)(5)}. This report may be certified or verified.

If such report is not available from the insurer's domiciliary jurisdiction, 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)}. 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. A copy of any 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 must provide its proposed Plan of Operation in California to assist the Commissioner in determining the insurer has the integrity for the class of insurance the broker proposes to place {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 offer 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 the coverages offered by affiliated insurers admitted in California.

For new applicants, the insurer's Plan should also include a three- to five-year 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)}. Effective January 1, 1997, 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 were 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** if available, should be included with an initial application {CCR §2174.3(a)(2)(A)(iii) and CIC §1765.1(d)(1)}. Quarterly Statements must be certified; however, 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. Exhibit B is a specimen of such 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 assertion made in the document is true {CIC §1765.1(l)(11)}

### IV. Annual Renewal Requirements

To maintain its surplus line eligibility in California, LESLI listed companies are required to renew their eligibility status annually to ensure continual compliance with the requirements of CIC §1765.1. This renewal process includes the filing of up-to-date versions of all

required documents under CIC §1765.1(c) & (d) along with a **\$2,250 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 filed and affirm that there has been no change to the information in that 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.

However, insurers may not incorporate previously filed Market Conduct Information and the Regulatory Disclosure Statement into a current annual renewal filing, even if the information previously filed has not changed. These documents pertain to a specific period, and need to be restated and dated each year.

The standardized Regulatory Disclosure Statement that the Commissioner considers acceptable has been incorporated into Exhibit C (revised as of February 22, 2000). In regards to the Market Conduct Information, each year, insurers are required to submit this information obtained from its domiciliary jurisdiction pertaining to the current filing year. If such information is not available from the domiciliary jurisdiction, then the insurer must submit a verified statement describing its own record of claims payment and treatment of policyholders for the current filing period.

**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 need not wait until their LESLI anniversary date to make their annual renewal filing; it is strongly recommended that insurers make their annual renewal filing as soon as all the materials required are available.

**Where to File:** Annual renewal filings must be filed with the DOI {CCR § 2174.2(d)}. These filings may be made through the insurer's sponsoring broker or directly to the DOI (provided the insurer keeps its sponsoring broker informed). All documents and fees must be sent to the following address:

Surplus Line Enforcement Unit  
Investigations Bureau  
California Department of Insurance  
45 Fremont Street, 24<sup>th</sup> Floor  
San Francisco, CA 94105

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

Dale E. Wiseman  
California Department of Insurance  
Surplus Line Enforcement Unit  
Investigations Bureau  
(415) 538-4465

OR

Linda Cheng  
Surplus Lines Association of  
California  
(415) 434-4900

## V. Update Filing Requirements

Whenever a previously filed document described in Section II has a change that causes it to become out-dated, the LESLI listed insurer or the sponsoring broker is required to file the new, up-to-date version of the document as soon as it becomes available {CCR § 2174.3(b)} and the appropriate filing fee with the DOI. 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 version of the documents described in Section II A must be filed in accordance with the provisions under CIC §1765.1 (e.g. Financial Documents must be certified). These documents are classified as financial, non-financial, and supplemental information based on their required filing fee.

**1. Financial Document updates require a \$250 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 \$35 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, or ownership change) which may affect the operations of the insurer.

**3. Supplemental Information updates requires a \$35 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 version of the documents described in Section II B must be filed in accordance with the provisions under CIC §1765.1 (i.e. Financial Documents must be certified). These documents are classified as financial, non-financial, and supplemental information based on their required 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.

**1. Financial Document updates require a \$250 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 \$35 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, or ownership change) which may affect the operations of the insurer.

**3. Supplemental Information updates requires a \$35 filing fee.**

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

## VI. Suggested Dates for Filing Financial Documents

California requires LESLI listed companies to file new, amended, or updated financial documents **as soon as they are available** and are in compliance 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	August 30 <sup>th</sup> each year
September 30 <sup>th</sup> Quarterly Statement	November 30 <sup>th</sup> each year

### Alien Insurers

Financial Document	Document Should be Filed NO LATER than
Standard IID Reporting Format/ Financial Statement	August 15 <sup>th</sup> each year  Alien insurers 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 Statement	Alien insurers 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	April 15 <sup>th</sup> each year
June 30 <sup>th</sup> Listing of Assets in Trust Account	July 15 <sup>th</sup> each year
September 30 <sup>th</sup> Listing of Assets in Trust Account	October 15 <sup>th</sup> each year
Quarterly or half-yearly results	Due as soon as it is 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)}.

<b>Type of Filing</b>	<b>Filing Fee<sup>1</sup></b>
Initial Application	\$4,500
Subsequent Annual Renewal (see Section IV above)	\$2,250
Updated Financial Document <sup>2</sup>	\$250*
Updated Non-Financial Document <sup>3</sup>	\$35*
Updated Supplementary Information <sup>4</sup>	\$35*

\*Note: The filing fee applies only if these documents are filed as update filings (see Section V above) and not submitted as part of the annual renewal.

## VIII. Other Requirements for All Filings

For 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 the English language. All financial data must be translated into U.S. dollars.
- (2) Documents filed must be complete, in that they must include all referenced attachments.
- (3) Documents filed must be legible.
- (4) Documents must be filed in quadruplicate (at least one original and up to three photocopies).

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<sup>1</sup> Effective February 24, 1999

<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.

# **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<br>Except as enclosed, there are no changes to the biographical affidavits previously filed.  | _____ |
| <input type="checkbox"/> Regulatory Disclosure Statement<br>For the year/period ending _____, the company or any of its affiliates is not subject to legal proceeding for receivership, conservation, liquidation, license revocation or suspension, or any other cease and desist order in any jurisdiction in which it has authority to operate as an insurance company. | _____ |
| <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):<br>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 QUADRUPLICATE (one original and three photocopies) to:

**Surplus Lines Enforcement Unit  
Investigations Bureau  
California Department of Insurance  
45 Fremont Street, 24th Floor  
San Francisco, CA 94105**

☐ **Filing Fee:**

\_\_\_\_\_ Initial Application : \$4,500  
\_\_\_\_\_ Annual Renewal : \$2,250  
\_\_\_\_\_ Updated Financial Document : \$250  
\_\_\_\_\_ Updated Non-Financial/Supplemental  
Document : \$35

☐ **Certified Annual Statement**

Includes the following Documents:

\_\_\_\_\_ Actuarial Opinion  
\_\_\_\_\_ California Page 15  
\_\_\_\_\_ Management's Discussion and Analysis  
\_\_\_\_\_ Risk Based Capital (RBC) Summary Report

☐ **Audited Financial Report**

\_\_\_\_\_ Certified or \_\_\_\_\_ Verified

☐ **Certified Current License or Certificate of Authority**

☐ **Certificate of Good Standing or Certificate of Compliance**

If the domiciliary jurisdiction does not issue such a certificate, see Exhibit D.

☐ **Agent for Service of Process**

☐ **Principal Place of Business**

☐ **Market Conduct Report/Information**

\_\_\_\_\_ Certified or \_\_\_\_\_ Verified

☐ **Verified Regulatory Disclosure Statement**

☐ **Business Plan / Plan of Operation in California**

☐ **Biographical Affidavit on the Officers and Directors**

☐ **Certified Report of Examination**

☐ **List of Surplus Lines Brokers Authorized to Issue Policies**

☐ **March 31<sup>st</sup> Quarterly Statement**

\_\_\_\_\_ Certified or \_\_\_\_\_ Verified

☐ **June 30<sup>th</sup> Quarterly Statement**

\_\_\_\_\_ Certified or \_\_\_\_\_ Verified

☐ **September 30<sup>th</sup> Quarterly Statement**

\_\_\_\_\_ Certified or \_\_\_\_\_ Verified

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 QUADRUPLICATE (one original and three photocopies) to:

**Surplus Lines Enforcement Unit  
Investigations Bureau  
California Department of Insurance  
45 Fremont Street, 24th Floor  
San Francisco, CA 94105**

- |  |   |
|--|---|
| <p><input type="checkbox"/> <b>Filing Fee</b><br/>_____ Initial Application : \$4,500<br/>_____ Annual Renewal : \$2,250<br/>_____ Updated Financial Document : \$250<br/>_____ Updated Non-Financial/Supplemental Documents : \$35</p> <p><input type="checkbox"/> <b>Audited Financial Report</b><br/>_____ Certified    or    _____ Verified</p> <p><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 &amp; 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</p> <p><input type="checkbox"/> <b>Certified Trust Agreement and California Trust Amendment</b></p> <p><input type="checkbox"/> <b>Verified List of Trust Assets as of March 31<sup>st</sup></b></p> <p><input type="checkbox"/> <b>Verified List of Trust Assets as of June 30<sup>th</sup></b></p> | <p><input type="checkbox"/> <b>Verified List of Trust Assets as of September 30<sup>th</sup></b></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>List of Surplus Lines Brokers Authorized to Issue Policies</b></p> <p><input type="checkbox"/> <b>Quarterly or Semi-Annual Results</b></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.