

**Requirements for Admission of Foreign  
or Alien Property and Casualty  
Insurance Companies - Stock and  
Mutual (Article VI, Illinois Insurance  
Code, 215 ILCS)**

**I. Delivery to Director of Insurance of documents (Section 110).**

- (a) Application for Certificate of Authority (printed form) Section 109).
- (b) If an alien company, a copy of the appointment and authority of its United States manager, certified by a proper officer of the Company at its head office also a copy of Appointment of Trustee and Deed of Trust for U.S. trust funds duly certified by the proper officer of the State or Port of Entry.
- (c) Copy of Articles of Incorporation containing all amendments, certified by the proper officer of the State or Country under whose laws the company is incorporated.
- (d) Copy of By-Laws, certified by Secretary of Company. Check to determine if authorized by domestic state to write all lines requested in Illinois.
- (e) Appointment of Attorney (printed form) authorized service of process on the Director of Insurance of Illinois (Section 112).
- (f) Copy of last annual statement, dated not more than nine months prior to date of application, certified by Home State Insurance Department, including loss reserve certification and management discussion and analysis statement.
- (g) Copy of latest Report of Examination subsequent to organization examination and bearing "as of" date not more than two years prior to the date of application, certified by Home State Insurance Department.
- (h) Copy of annual audit of financial condition by an independent certified public accountant (50 Illinois Administrative Code Part 925).
- (i) Complete copy of Annual Holding Company Registration Statement certified by Home State Insurance Department (Article VIII 1/2).
- (j) Certificate of Compliance from Home State Insurance Department.
- (k) Certificate of Deposit for the benefit and protection of all policyholders, from Home State Insurance Department, or any other state. Company to make up any difference by deposit in Home State or in Illinois, if certificate is for less than the required amount. (Section 111 and 26 - Stock) Section 111(3) and 53 - Mutual). At present stock and nonassessable mutuals need \$1,500,000 plus

10% market fluctuation unless held in bank C.D.'s.

- (l) Sworn biographical sketches on all officers, principal stockholders, or individuals who may have controlling influence in the operation of the Company. Affiants complete current NAIC Bio Affidavit and Addendums; background vendor send third party backgrounds.
- (m) A statement from the Commissioner of the Home State regarding company's operations, particularly with respect to the method of handling claims.
- (n) Copies of any service or management agreements (Section 141.1 and 141a).
- (o) A letter from the Company setting forth the following:
  - 1. Is the business to be obtained as a direct writer, through finance companies, or through the American Agency System? Where and how will the company recruit its producers? How and by whom will they be trained? What commission rates or salaries will be paid? (Provide answers on addendum and attach sample contract forms of all types used and remuneration schedule, including those for general agents, if any).
  - 2. Type of business to be solicited, whether it be standard or so-called substandard. Anticipated direct commissions to be paid by line?
  - 3. Is the use of a management contract contemplated? If so, describe.
  - 4. What is the projected premium volume by line in Illinois for the next, five years?
  - 5. Have you been involved in any formal or informal hearings in your Home State? Give specifics.
  - 6. Give us a detailed explanation of your underwriting practices. What kinds of business?
  - 7. Do you apply your rates fairly and without discrimination? Are rates independently filed or bureau rates?
  - 8. Does your Home State conduct rate/claims/or performance examinations? (other than financial). If so, provide copy of same. Does any other State in which you are licensed? If so, provide copy of same.
  - 9. Is applicant presently engaged in a controversy with any State or Federal

Regulatory Agency? If so, furnish particulars.

10. Are investment securities purchased through any investment banking or brokerage house or firm from any applicant's, officers, directors, trustees, investment committeemen or controlling stockholders received a commission on such purchase?
11. If admitted, does applicant plan to transact a specialty line in Illinois? If so, what?
12. Is applicant owned or controlled by a holding corporation? Provide registration statement.
13. A complete statement of disclosure, affidavit form, signed by the President of the Company, giving information about any person, Association or Corporation, or any persons managing the Company under a management contract, who are directly or indirectly the beneficial owners of more than 10% of any class of any equity security of stock insurer, (guaranty fund of a mutual insurer) and all other interests in excess of 10% which they may have in insurance agencies other insurance companies premium finance companies or other companies whose principal business relates directly to the writing of insurance or the handling of claims.
14. Complete attached Questionnaire (printed form). Must be sworn to by an Executive Officer who personally knows the facts. (1 copy).

- II. Company must comply with retaliatory requirements of Section 444, if any,
- III. Company will subscribe to the Illinois Automobile Insurance Plan (Assigned Risk), 20 North Wacker Drive, Suite 3030, Chicago, Illinois 60606, if clause (b) of Class 2 and (e) of Class 3 is to be written.
- IV. Acceptance if clause (d) of Class 2 Workers' Compensation, is to be written. (printed form - complete and return two copies). (215 ILCS 5/468).
- V. Articles of Acceptances (Membership Agreement) to the Illinois FAIR Plan Association authorized by the Urban Property Insurance Act of 1968 to implement the Illinois FAIR Plan, if Class 3, Fire and Allied Lines, is to be written. (printed form - complete and return two copies).
- VI. Application Fee (\$5000.00) - (Section 408(1)(i)).
- VII. For your information, we have an **October 1 Deadline** for accepting Applications.

**VIII. Issuance of Certificate of Authority (Section 113).**

- IX.** After licensing, compliance with Section 143(2), and with Departmental Rule 753, by submission of property and casualty forms to the Product Evaluation Division of this Department. Within ten days following their effective date, property and casualty rules and rates should be submitted to the Product Evaluation Division for informational purposes, in compliance with the Departmental Rule 754.

**REFERENCES**

A copy of the Illinois Insurance Code and Rules and Regulations may be obtained from the National Insurance Law Service, NILS Publishing Company, 20675 Bahama Street, P O Box 2507, Chatsworth, CA 91311.

A copy of the Illinois Compiled Statutes may be obtained from the Michie Co., P O Box 7587, Charlottesville, VA 22906-7587.

**ADM1 - 6/97**

## QUESTIONNAIRE

### For Fire, Casualty Applicants

**Directions:** This affidavit for is supplied in duplicate. Each "Yes" or "No" question is to be answered by the affiant making an "X" in the appropriate space. Other answers and additional explanations or details may be provided in writing attached to the Affidavit. Affiant should be an Executive Officer who knows the facts. Complete, swear to and file one form with the Company's Application for Certificate of Authority; the other copy is for your records.

STATE OF \_\_\_\_\_ )  
 )SS  
COUNTY OF \_\_\_\_\_ )

I, \_\_\_\_\_, first being duly sworn, do depose and say  
(Name of Affiant)  
that this Affidavit is made and offered in support of the Application for \_\_\_\_\_

\_\_\_\_\_  
(Name of Applicant) (City & State of Domiciliary Office)  
that I am an Executive Officer of applicant; that I have read the questions and answers herein, and that the answers given are true of my own knowledge, except as to those alleged on information and belief, and as to those I believe the answers to be true.

- \_\_\_\_ 1. I hold the position(s) of \_\_\_\_\_.
- \_\_\_\_ 2. Has applicant transferred or encumbered a substantial portion of its assets or business, or merged or consolidated with any other company since the date of its latest annual statement furnished with this Application? Yes \_\_\_\_\_ No \_\_\_\_\_. If so, copies of the instruments effecting such transaction certified by Secretary over Corporate Seal as a true copy of the originals, including any official state regulatory approvals and filing data are attached hereto.
- \_\_\_\_ 3. Has applicant undergone a change of management or control since the date of its latest annual statement filed in support of this Application? Yes \_\_\_\_\_ No \_\_\_\_\_. Does applicant contemplate a change in management or any transaction which would normally result in a change of management within the reasonable foreseeable future? Yes \_\_\_\_\_ No \_\_\_\_\_. If the answer to either question is affirmative, a detailed explanation is attached hereto and made a part, hereof.
- \_\_\_\_ 4. Has applicant's Certificate of Authority to do business in any state been suspended or revoked within the last ten years? Yes \_\_\_\_\_ No \_\_\_\_\_. Has its Application for admission to any state been denied within the last ten years?

Yes \_\_\_\_ No \_\_\_\_\_. If so, particulars are furnished in writing attached hereto and made a part hereof.

\_\_\_\_ 5. Is applicant a plaintiff or defendant in any legal action other than one arising out of policy claims? Yes \_\_\_\_ No \_\_\_\_\_. If so a summary of each case and an estimate of Company's probable liabilities, if any, is attached hereto and made a part hereof.

\_\_\_\_ 6. Has applicant within 18 months last preceding the date of this Affidavit done any of the following (not required if included in a holding company registration):

- a. Made a loan to an entity owned or controlled directly or through a holding corporation by one or more of applicant's officers, directors, trustees or investment committeemen, or to any such person? Yes \_\_\_\_ No \_\_\_\_.
- b. Sold or transferred any of its assets or property, real or personal, to any such entity or person? Yes \_\_\_\_ No \_\_\_\_.
- c. Purchased securities, assets or property of any kind from an entity owned or controlled by one or more of applicant's officers, directors, trustees, or any persons who have authority in the management of applicant's funds (including a controlling stockholder)? Yes \_\_\_\_ No \_\_\_\_.

If the answer to any of the last three questions (a, b or c) is affirmative, did any officer, director, trustee or any person who had authority in the management of applicant's funds (including a controlling stockholder) receive any money or valuable thing for negotiating, procuring, recommending or aiding in such transaction? Yes \_\_\_\_ No \_\_\_\_.

Witness my hand and Seal this \_\_\_\_ day of \_\_\_\_\_, A.D. \_\_\_\_\_.

\_\_\_\_\_  
(Affiant)

Subscribed and sworn to before me  
on the day and year above written.

(SEAL)

\_\_\_\_\_  
Notary Public in and for said  
County and State

QUEST1 - 6/97



## A C C E P T A N C E

The \_\_\_\_\_,  
a \_\_\_\_\_ company organized and existing under and by virtue of the laws of  
the State of \_\_\_\_\_, by its duly appointed officers, in accordance with the  
provisions of Section 468 of the Illinois Insurance Code (215 ILCS 5/468) which requires "All  
companies licensed to write Workers' Compensation and Employers' Liability insurance in this  
State to participate in a plan providing for the equitable apportionment among them of insurance  
which may be afforded applicants who are in good faith entitled to but who are unable to procure  
such insurance through ordinary methods," hereby accepts all provisions of said Section.

In witness whereof, the said \_\_\_\_\_  
has caused its corporate name to be hereunto subscribed and its duly attested corporate seal to be  
affixed, this \_\_\_\_\_ day of \_\_\_\_\_, A. D. \_\_\_\_\_,  
at \_\_\_\_\_.

(Seal)

By: \_\_\_\_\_

Attest: \_\_\_\_\_

\*\*\*\*\*

**NOTICE: No renewal is necessary. Execute and file in duplicate with the Director of  
Insurance, Springfield, Illinois.**

**Acceptance.mwp**

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Acceptance.mwp

**ILLINOIS FAIR PLAN ASSOCIATION**

**130 East Randolph Street**

**Suite 1350**

**Chicago, IL 60601**

**ACCEPTANCE OF ARTICLES OF ASSOCIATION**

**BY MEMBER**

The undersigned Insurer hereby becomes a Member of the **Illinois Fair Plan Association**, assumes all the rights and duties in connection therewith, and ratifies, accepts and agrees to be bound by the Articles of Association of the **Illinois Fair Plan Association** as amended from time to time.

As respects risks eligible for the **FAIR Plan**, the undersigned agrees that with respect to cancellation or nonrenewal initiated by the undersigned, it will give the policyholder (*except in cases of nonpayment of premium or evidence of incendiaries*), thirty (30) days to avail himself of the **FAIR Plan** and the undersigned shall, in writing, explain to the policyholder the procedures for making application to the Association.

Accepted and ratified this \_\_\_\_\_ day of \_\_\_\_\_ A. D. \_\_\_\_\_.

\_\_\_\_\_  
**Insurer**

By: \_\_\_\_\_  
**Authorized Signature**

**FAIRPLAN.mwp**

**ILLINOIS FAIR PLAN ASSOCIATION**

**130 East Randolph Street**

**Suite 1350**

**Chicago, IL 60601**

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**FAIRPLAN.mwp**

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**Authorized Signature**

**FAIRPLAN.mwp**