

REQUIREMENTS FOR RISK RETENTION GROUPS

The State of Utah, in accordance with the Risk Retention Act of 1986 (the Act), requires that Risk Retention Groups wishing to operate in Utah provide the following detailed information:

LICENSING OF AGENTS AND BROKERS [31A-15-212]

All parties wishing to act as a producer or broker for a Risk Retention Group must obtain a Utah producer license.

AGENT AS SERVICE OF PROCESS [31A-15-204(1)(c)]

The Insurance Commissioner of the State of Utah, or his successors, shall be made an agent of the Risk Retention Group solely for the purpose of receiving service of legal documents or process.

UNFAIR CLAIMS PRACTICES AND DECEPTIVE ACTS [31A-15-204(4)]

Each Risk Retention Group is required to comply with the statutes and rules of Utah pertaining to unfair claims practices and deceptive acts.

PREMIUM TAXES [31A-15-204(3)(a-c)]

Premium taxes are to be paid on a retaliatory basis to the State of Utah Tax Commission on premiums collected on risks located in Utah.

PLAN OF OPERATIONS/FEASIBILITY STUDY [31A-15-202(8)(a-h) & 31A-15-203(2)]

All Risk Retention Groups are required to submit a Plan of Operations/Feasibility Study. The study must include, but not necessarily be limited to, the following items:

1. The coverage's, coverage limits, etc. for each line of liability insurance the group intends to offer.
2. Loss experience of the proposed members.
3. Financial statements and projections.
4. Opinion by a qualified, independent casualty actuary.
5. Identification of management, which should include for each principal party of the group, a short biographical summary which contains as a minimum: name, address, business background, and insurance experience.
6. Such other matters as may be prescribed by the commissioner for liability insurance companies authorized by the insurance laws of the State of Utah.

FINANCIAL STATEMENT [31A-15-203(1)(b) & 31A-15-204(2)(a)]

A complete financial statement as submitted to the Risk Retention Group's state of domicile is to be filed with the Commissioner of Insurance of the State of Utah.

FILING FEES REQUIREMENTS [31A-15-204(d), R590-102-6(1)(a)(i-ii) & R590-102-17(1)(c)]

Initial filing fee due with application in the amount of **\$250.00** is required.

Annual Renewal Filing Fee in the amount of **\$200.00** is required.

E-Commerce and Technology fee **\$50.00***

*Annual fee for use by Utah Insurance Department to develop e-commerce applications to facilitate electronic data interchange between the Department, its licensees, other regulatory agencies, and the public.

STATEMENT OF RELATED EXPOSURE [31A-15-202(11)(f)]

A signed statement by the principal officers of the company certifying that all member of the group have like or similar risk exposures.

CERTIFICATE OF COMPLIANCE [31A-15-204(1)(a)(i)]

A certificate of compliance indicating that a risk retention group meets all requirements of a properly licensed insurance company and its state of domicile.

AUTHORIZATION TO APPOINT AND REMOVE AGENTS

For a Risk Retention Group to use the services of a producer, the producer must be duly appointed by a person designated to appoint and remove producers.

SUBMISSIONS THAT DO NOT COMPLY WITH THESE PROCEDES WILL BE CONSIDERED INCOMPLETE AND WILL BE RETURNED WITHOUT ACTION. REJECTED SUBMISSIONS THAT ARE RESUBMITTED ARE TREATED AS NEW AND NEW SUBMISSION FEES ARE REQUIRED.

Any questions please contact Jay Sueoka, Company Licensing Manager at 801-957-9253, jsueoka@utah.gov or Joe Coccimiglio, Financial Analyst, at joecoccimiglio@utah.gov, 801-957-9251.

Utah Insurance Department
4315 S. 2700 W., Suite 2300
Taylorsville, Utah 84129

NAIC UNIFORM RISK RETENTION GROUP REGISTRATION FORM

Appendix D

The following is the uniform registration form adopted by the NAIC. This registration form is being filed by a Risk Retention Group (RRG) operating in accordance with the Federal Liability Risk Retention Act of 1986 (LRRRA), 15 USC 3901-3906, chartered or licensed to write only liability insurance by the state of domicile listed in #1e. The registration form and supplemental documents are provided in accordance with §3902(d)(2) of the LRRRA. Under §3902 of the LRRRA, with the exception of the domiciliary state, RRGs are exempt from any state laws, rules, regulations, or orders that would make unlawful, or would regulate, directly or indirectly, the operation of an RRG, except that any state may require an RRG to comply with those laws specified in §3902(a)1(A),(B),(C) and (G) of the LRRRA. The domiciliary state regulates the formation and operation of the RRG.

Part A

STATE OF UTAH DEPARTMENT OF
INSURANCE
RISK RETENTION GROUP - NOTICE AND REGISTRATION
(All Information Should Be Typed)

1a. Name of the Risk Retention Group as it appears on its Certificate of Authority:

1b. Address of the Risk Retention Group:

1c. NAIC Company Code:

1d. FEIN:

1e. State of domicile, date licensed and date chartered:

1f. Primary contact person for state of domicile to whom questions regarding the Risk Retention Group should be addressed (include name, phone number and email address):

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2. List any other name(s) by which the Risk Retention Group is known or may be doing business in this State or any other state:

3. The Risk Retention Group is authorized to engage in the following lines and/or classifications of liability insurance under the laws of its chartering State:

4. Give a general description of the liability insurance coverages the Risk Retention Group plans to write in the state it is registering to do business in.

5. Has the Risk Retention Group’s domiciliary state approved the Risk Retention Group to register and expand its writings in the state it is seeking to become registered in?

6. Ownership of the Risk Retention Group consists of one or the other of the following (check one):

a) the owners of the Group are only persons who comprise the membership of the Group and who are provided insurance by the Group.

b) the sole owner of the Group is: _____

(Name and Address of Organization)

an organization which has as its members only persons who comprise the membership of the Group and which has as its owners only persons who comprise the membership of the Group and who are provided insurance by the Group.

7. The Risk Retention Group members are engaged in businesses or activities similar or related with respect to the liability to which such members are exposed by virtue of any related, similar or common business (whether profit or nonprofit), trade, product, services (including professional services), premises or operations. Give a general description of businesses or activities engaged in by the Group’s members:

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8. (a) List the name, position with the Risk Retention Group, and address of each officer and director of the Risk Retention Group: (Attach additional pages, if necessary.)

(b) Identify and give the telephone number of the officer or director of the Risk Retention Group who can be contacted for any information regarding the management of the insurance activities of the Group:

Name: _____ Telephone #: _____

9. List the name, address, and telephone number of the company responsible for managing the insurance operations of the Risk Retention Group and the company contact person's name, telephone number and email. (If none, answer none.)

Contact Person: _____ Telephone # _____

Email: _____

10. List the name(s) NPR#, and address(es) of the licensed insurance agent(s) or broker(s) who will be responsible for marketing the Risk Retention Group's insurance policies in the State of Utah and the current licensing status in the State of Utah: (If none, answer none. Attach additional pages, if necessary.)

<u>Name</u>	<u>NPR#</u>	<u>Address</u>	<u>License Status in State Registering</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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11. In accordance with the Liability Risk Retention Act, we verify the following:
- A. The Risk Retention Group is a corporation or other limited liability association whose primary activity consists of assuming and spreading all, or any portion, of the liability exposure of its members.
 - B. The Risk Retention Group is organized for the primary purpose of conducting the activity described under Item "A" above.
 - C. The Risk Retention Group does not exclude any person from membership in the Group solely to provide for members of the Group a competitive advantage over such a person.
 - D. The activities of the Risk Retention Group do not include the provision of insurance other than:
 - i. liability insurance for assuming and spreading all or any portion of the similar or related liability exposure of its Group members; and
 - ii. reinsurance with respect to the similar or related liability exposure of another Risk Retention Group (or a member of such other Risk Retention Group) engaged in business or activities so that such Risk Retention Group or member meets the requirement under Item #7 above for membership in the Risk Retention Group which provides such reinsurance.
12. In accordance with the LRRRA, if the State in which the Risk Retention Group is registering requires compliance with the following laws and requirements, the RRG agrees to the following:
- A. The Risk Retention Group will comply with the unfair claim settlement practices laws of this State.
 - B. The Risk Retention Group will pay, on a non-discriminatory basis, applicable premium and other taxes which are levied on admitted insurers, surplus line insurers, brokers or policyholders under the laws of this State.
 - C. The Risk Retention Group will participate, on a nondiscriminatory basis, in any mechanism established or authorized under the law of the State for the equitable apportionment among insurers of liability insurance losses and expenses incurred on policies written through such mechanism.
 - D. The Risk Retention Group will designate the Insurance Commissioner of this State as its agent solely for the purpose of receiving service of legal documents or process by executing Part B of this form, attached hereto.
 - E. The Risk Retention Group will submit to examination by the Insurance Commissioner of this State to determine the Group's financial condition, if:
 - i. the Insurance Commissioner of the Group's chartering State has not begun or has refused to initiate an examination of the Group; and
 - ii. any such examination by the Insurance Commissioner shall be coordinated to avoid unjustified duplication and unjustified repetition.

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- F. The Risk Retention Group will comply with a lawful order issued in a delinquency proceeding commenced by the Insurance Commissioner of this State upon a finding of financial impairment, or in a voluntary dissolution proceeding.
- G. The Risk Retention Group will comply with the laws of this State regarding deceptive, false or fraudulent acts or practices, including any injunctions regarding such conduct obtained from a court of competent jurisdiction.
- H. The Risk Retention Group will comply with an injunction issued by a court of competent jurisdiction upon petition by the Insurance Commissioner of this State alleging that the Group is in hazardous financial condition or is financially impaired.
- I. The Risk Retention Group will provide the following notice, in at least 10-point type, in any insurance policy issued by the Group:

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your State. State insurance insolvency guaranty funds are not available for your risk retention group.

- 13. In accordance with the LRRRA, the Risk Retention Group affirms that it has submitted to the Insurance Commissioner as part of this filing and before it has offered any insurance in this State, a copy of the plan of operation or feasibility study which it has filed with the Insurance Commissioner [Director, Superintendent] of its state of domicile. This plan or study includes the name of the State in which the Group is chartered, as well as the Group's principal place of business, and such plan of operation or feasibility study further includes the coverages, deductibles, coverage limits, rates, and rating classification systems for each line of liability insurance the Group intends to offer. The Group has also submitted to the Insurance Commissioner of this State any revisions of such plan of operation or feasibility study to reflect any changes if the Group intends to offer any additional lines of liability insurance or change in the designation of the State in which it is chartered.
- 14. The Risk Retention Group will submit a copy of its annual financial statement submitted to its chartering state, to the Insurance Commissioner of this State. The annual financial statement shall be certified by an independent public accountant and include a statement of opinion on loss and loss adjustment expense reserves made by a member of the American Academy of Actuaries or a qualified loss reserve specialist. The annual financial statement, certification and statement of opinion on loss and loss adjustment expense reserves will be submitted to the Insurance Commissioner of this State by the date it is required to be submitted to its chartering state.
- 15. The Risk Retention Group will not solicit or sell insurance to any person in this State who is not eligible for membership in the Group.
- 16. The Risk Retention Group will not solicit or sell insurance in this State, or otherwise operate in this State, if the Group is in hazardous financial condition or is financially impaired.
- 17. In accordance with the LRRRA, the terms of any insurance policy provided by the Risk Retention Group shall not provide or be construed to provide insurance policy coverage prohibited generally by State statute or declared unlawful by the highest court of the State whose law applies to such policy.

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- 18. To the extent required by the LRRRA, the Risk Retention Group will comply with all other applicable state laws.
- 19. The Risk Retention Group will notify the Insurance Commissioner as to any subsequent changes in any of the items included in this form (except for items #1f, #8 and #10).

The undersigned hereby swear and affirm that the foregoing statements and information regarding their principal, the _____(Name of Risk Retention Group) are true and correct.

President of the Risk Retention Group

Secretary of the Risk Retention Group

State of _____)

ss:

County of _____)

Sworn before me this _____day of _____, 20____.

_____, Notary Public. My Commission Expires: _____

NAIC UNIFORM RISK RETENTION GROUP REGISTRATION FORM

Part B

APPOINTMENT OF ATTORNEY TO ACCEPT SERVICE AND DESIGNATION

The _____ (“the Group”), a risk retention group which is chartered and licensed as a liability insurance company under the laws of the State of _____, having notified the Insurance Commissioner [Director, Superintendent] of the State of _____ of its intention to do business in this State as a risk retention group pursuant to the federal Liability Risk Retention Act of 1986, hereby appoints the Insurance Commissioner [Director, Superintendent] of the State of _____, any successor in office, and any authorized deputy its true and lawful attorney, in and for the State of _____, upon whom all legal documents or process in any proceeding against it may be served. Such service of legal documents or process shall be of the same legal force and validity as if served personally upon the Group.

The Group designates:

(Name)

(Address)

(City, Town or Village)

(State and ZIP Code)

as its officer, agent or other person to whom shall be forwarded all legal documents or process served upon the Insurance Commissioner [Director, Superintendent] of the State of _____, any successors in office, or any authorized deputy, for the Group. This designation shall continue in full force and effect until superseded by a new written designation filed with the Insurance Commissioner [Director, Superintendent].

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This appointment and designation is made pursuant to a resolution by the Group’s governing body authorizing it, and a certified copy of the resolution is attached hereto. This appointment shall be binding upon any person or corporation which as successor acquires the Group’s assets or assumes its liabilities, by merger or consolidation or otherwise.

This appointment may be withdrawn only upon a written notice of termination and, in any event, shall not be terminated by the Group or its successor so long as any contracts or liabilities or duties arising out of contracts entered into by the Group while it was doing business in this State are in effect.

IN WITNESS OF THIS APPOINTMENT AND DESIGNATION, the Group, in accordance with the resolution of its Board of Directors duly passed on _____, 20____, has affixed its corporate seal, and caused the same to be subscribed and attested in its name by its President and Secretary, at the City of _____ in the State of _____ on _____, 20____.

(Name of Risk Retention Group)

By: _____ President

_____ Secretary

State of _____)

) ss:

County of _____)

Sworn before me this _____ day of _____, 20____.

_____, Notary Public. My Commission Expires: _____