



OFFICE OF INSURANCE AND SAFETY FIRE COMMISSIONER

RALPH T. HUDGENS
COMMISSIONER OF INSURANCE
SAFETY FIRE COMMISSIONER
INDUSTRIAL LOAN COMMISSIONER
COMPTROLLER GENERAL

SEVENTH FLOOR, WEST TOWER
FLOYD BUILDING
2 MARTIN LUTHER KING, JR. DRIVE
ATLANTA, GA 30334
(404) 656-2056
www.oci.ga.gov

CAP -1 CAPTIVE INSURANCE COMPANY FILING REQUIREMENTS - STATE OF GEORGIA

Generally, the following steps will be followed in the process of incorporation a captive insurer in Georgia and applying for a Certificate of Authority form the Commissioner of Insurance:

1. Review the Georgia Insurance Code (O.C.G.A. 33-41) and the Georgia Insurance Department Regulations, (Section 120-2-45).
2. Meet the Commissioner's staff to discuss the proposed captive and obtain initial reactions from the Department. The Commissioner may want to meet with the key officers of the company prior to licensing.
3. File with the Office of Insurance and Safety Fire Commissioner and Secretary of State's Office such documents necessary for incorporation pursuant to O.C.G.A. Sections 33-14-4 through 33-14-6.
4. After incorporation, file with the Commissioner of Insurance such documents necessary to apply for a Certificate of Authority as stated in O.C.G.A. 33-41, Regulations 120-2-45 and as indicated in the Form CAP-1. (NO INCOMPLETE APPLICATION PACKAGE WILL BE ACCEPTED.)
5. Unless an instruction indicates otherwise, send all communications and filings to the Regulatory Services Division, Georgia Insurance Department. Reference all cover letters, "Re: CAP-1 Captive Insurance Company". Send a Copy of each cover letter that is directed to others Divisions to the Regulatory Services Division. All documents filed should be listed on a transmitted letter.
6. Any items filed with the application package that are found to be incorrect or incomplete will be circled below and must be resubmitted.



OFFICE OF INSURANCE AND SAFETY FIRE COMMISSIONER

RALPH T. HUDGENS
COMMISSIONER OF INSURANCE
SAFETY FIRE COMMISSIONER
INDUSTRIAL LOAN COMMISSIONER
COMPTROLLER GENERAL

SEVENTH FLOOR, WEST TOWER
FLOYD BUILDING
2 MARTIN LUTHER KING, JR. DRIVE
ATLANTA, GA 30334
(404) 656-2056
www.oci.ga.gov

7. Forms required are enclosed. Make copies as may be necessary. TYPE all forms and type names underneath signatures.
8. Application for Certificate of Authority (Form CAP-2). Complete and Submit with all data as required by O.C.G.A. 33-41, Regulations, Sections 120-2-45 and as listed below in this Form CAP-1.
9. Name, address and telephone number of the individual to be contacted regarding application.
10. Certified copy of Articles of Incorporation and Bylaws.
11. Captive Administrator - Form CAP-3 must be filed with the Commissioner pursuant to Regulation 120-2-45-.05. A copy of any agreements or contracts must be filed 60 days prior to their use.
12. Biographical Affidavit - One (Form CAP-4) is enclosed. Copies may be made as required in Regulations 120-2-45-.05. Each affidavit must be filled out entirely and no substitute for the form will be accepted.
13. Plan of Operation or Feasibility Study - (Refer to O.C.G.A. Section 33-41-10 and Regulations 120-2-45-.09 for details) - with supporting data including:
 - (a) Description of coverage, limits, deductibles, premium rating systems by line of insurance.
 - (b) Historical and expected loss experience of risks to be insured. Include past five years and projections for ensuing five years.
 - (c) Pro-forma financial statements must be projected for at least five years.
 - (d) An analysis of the adequacy of the captive insurance company's proposed premium, capital and surplus levels relative to the risks to be insured or reinsured by the captive insurance company.
 - (e) Statement of the captive company's net retained limit of liability on any contract of insurance or reinsurance or it intends to issue and the nature of any reinsurance it intends to cede.



OFFICE OF INSURANCE AND SAFETY FIRE COMMISSIONER

RALPH T. HUDGENS
COMMISSIONER OF INSURANCE
SAFETY FIRE COMMISSIONER
INDUSTRIAL LOAN COMMISSIONER
COMPTROLLER GENERAL

SEVENTH FLOOR, WEST TOWER
FLOYD BUILDING
2 MARTIN LUTHER KING, JR. DRIVE
ATLANTA, GA 30334
(404) 656-2056
www.oci.ga.gov

- (f) Statement certifying that the captive insurance company's investment policy is in compliance with O.C.G.A. 33-11 and specifying the type of investments to be made pursuant to Code Section 33-41-8. All captives refer to O.C.G.A. 33-41-18 for any exceptions.
 - (g) Statements identifying the geographic areas in which the Captive intends to operate.
 - (h) Statement identifying the persons or organizations who will perform the captive company's major operational functions. Include data on the expertise, experience and character of such persons or organizations.
 - (I) Whenever required by the Commissioner an appropriate opinion by a qualified actuary (Regulations 120-2-45-.11) of the adequacy of proposed capital, surplus, coverage limits, rates and premiums.
14. License Fees - File separate checks payable to Office of Insurance and Safety Fire Commissioner, State of Georgia as follows:
- (a) Nonrefundable fee of \$1,000 for processing application.
 - (b) License fee of \$600. - The first license period is from date of license through the following June 30. License fee is not prorated for a period of less than one year.
 - (c) Renewal fee of \$500. - File before March 1 of each year and if license is issued between March 1 and June 30, file immediately after the license is issued.
15. Letters of Credit - Refer to O.C.G.A. 33-41-9 and Insurance Department Regulations 120-2-45-.10 for details.
16. Following notification by the Commissioner's Office that the application and other data is in compliance with O.C.G.A. 33-41 and Regulations, Section 120-2-45, the captive insurance company shall provide the Commissioner with :
- (a) Evidence satisfactory to the Commissioner that the minimum capital or surplus required for the particular captive has been paid in and the appropriate amount has been deposited with the State.



OFFICE OF INSURANCE AND SAFETY FIRE COMMISSIONER

RALPH T. HUDGENS
COMMISSIONER OF INSURANCE
SAFETY FIRE COMMISSIONER
INDUSTRIAL LOAN COMMISSIONER
COMPTROLLER GENERAL

SEVENTH FLOOR, WEST TOWER
FLOYD BUILDING
2 MARTIN LUTHER KING, JR. DRIVE
ATLANTA, GA 30334
(404) 656-2056
www.oci.ga.gov

- (b) A security Deposit of \$100,000 is required pursuant to O.C.G.A. 33-41-8(c). Forms CAP-5 and CAP-6 pursuant to Regulations 120-2-45-.09 are enclosed. Mail securities and forms directly to U.S. Bank Institutional Trust & Custody Service Center located in Jacksonville, Florida. Please contact Sherry Wilson of U.S. Bank at (877) 877-2143 option #2 to receive the appropriate instructions.
 - (c) A financial statement not over 30 days old, showing the assets and liabilities of the captive insurance company, certified by its president and prepared pursuant to O.C.G.A. 33-41-10(e) (2).
 - (d) Letters of credit if applicable.
17. Qualifying examination - Pursuant to O.C.G.A. Section 33-41-10(b) and Regulations 120-2-45-.08, an examination of the applicant company shall be completed, reviewed and approved before a Certificate of Authority is issued.
18. Captive companies writing workers' compensation should refer to O.C.G.A. Section 34-9-131 which states in part that an insurance company shall obtain a permit from the State Board of Workers' Compensation.

After the proposed captive insurer has completed, with above requirements, the applications will be reviewed and the Commissioner will be reviewed and the Commissioner will request any additional information as in his discretion he may deem proper for considering the application for a Georgia Certificate of Authority. Following approval of all data the Commissioner shall issue a Certificate of Authority authorizing the captive insurance company to transact insurance in this State until the thirtieth day of June thereafter.

While an application is pending, it is the responsibility of the company to keep all required statements, documents and materials current.

An application for a certificate of authority is not complete until the applicant has complied to the Commissioner's satisfaction, with all of the above requirements. The Commissioner is not required to act formally on an incomplete application.