



Dipåtamenton Kontribusion yan Adu'aña

DEPARTMENT OF

REVENUE AND TAXATION

GOVERNMENT OF GUAM

Gubetnamenton Guåhan

CHECKLIST FOR CERTIFICATE OF AUTHORITY FOR NEW DOMESTIC INSURANCE COMPANY

COMPANY NAME: _____

COA: _____

_____ FEE FOR CERTIFICATE OF AUTHORITY Receipt Number: _____

_____ Date Paid: _____

_____ APPLICATION FOR CERTIFICATE OF AUTHORITY

_____ CERTIFICATE OF AUTHORITY ISSUED BY THE GENERAL LICENSING BRANCH

_____ ARTICLES OF INCORPORATION

_____ BY-LAWS

_____ FIVE-YEAR BUSINESS PLAN

_____ PROFORMA/BALANCE SHEET

_____ REINSURANCE AGREEMENT

_____ INSURANCE COMPANY'S BOND OR DEPOSIT AGREEMENT IN LIEU OF BOND

_____ BIOGRAPHICAL AFFIDAVIT OF DOMESTIC STOCKHOLDERS

_____ BALANCE SHEET/NET WORTH FOR EACH DOMESTIC STOCKHOLDER

_____ POLICE CLEARANCE OF DOMESTIC STOCKHOLDERS

_____ TAX CLEARANCES (Form I-9) FOR PROPOSED COMPANY & STOCKHOLDERS

ESTABLISHING A DOMESTIC INSURER

CHECKLIST

1. Voting Shares:

All of its voting shares of stock shall have a par value as certified in its Article of Incorporation.

2. Application

The application shall contain the following information:

- a. The proposed location of its principal office;
- b. Amount of Paid-in Capital;
- c. Corporate name which shall include the word "insurance";
- d. The proposed Articles of Incorporation showing the classes of insurance business which it proposes to transact;
- e. Financial responsibility, business experience and ability of the proposed incorporators, directors and officers.

3. Incorporation

Within ninety (90) days after approval, applicant shall file Articles of Incorporation with the General Licensing & Registration Branch.

4. Certificate of Articles of Incorporation

After receiving approval of its Articles of Incorporation and By Laws, the applicant shall comply with other requirements to secure a Certificate of Authority to transact insurance business.

5. Promotional Expense

No Certificate of Authority shall be issued if after examination it shows that the expense of organization and promotion exceeds ten percent (10%) of the total amount actually paid on its capital stock.

6. Capital

Paid-in capital requirement must be paid in CASH. Minimum capital required to transact one class of insurance is \$25,000.00, except life which is \$100,000.00.

7. Certificate of Authority

Submit an Insurance Company's Bond or Deposit Agreement in Lieu of Bond with a minimum amount of \$50,000.00.

8. Maximum Single Risk

The maximum single risk, which may be assumed by an insurer after the deduction of any reinsurance taking effect simultaneously with the policy, shall be ten percent (10%) of the paid-in capital and surplus of such insurer.

If the insurance company has a paid-in capital and surplus of \$25,000.00, the minimum single risk that this company can underwrite is \$2,500.00 Prior to assumption of risk, the insurance company must reinsure coverage in excess of \$2,500.00 or, deposit with the Insurance Commissioner a collateral agreement and collateral security in an amount not less than that proportion in excess of the foregoing limitation.

DETAILED STATEMENT OF PROPOSED BUSINESS PLAN

1. Five-year projection of type of risk and party(ies) to be insured
2. Five-year projection of net annual premium income, with data for each class of insurance written
3. Five-year projection of maximum retained risk (per loss and annual aggregate)
4. Five-year projection of income and loss
5. Copies of all policy forms to be issued by the company in a format for approval by the Commissioner
6. Actuarial feasibility study of planned operation
7. Statement of Rating Program
8. Statement of Reinsurance Program
9. Five-year projection of the amount of liquidity of assets relative to the proposed risks assumed
10. Five-year projected balance sheet