

IMPORTANT: Read Instructions on bottom of Certification Page before completing this Form. Failure to comply with instructions may cause disapproval of proposed Regulations.

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REGULATION
 OF

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 INSURANCE DEPARTMENT

SECTION 1

Requirements for Insurance Companies Applying for a License to do Business in the State of Connecticut

Sections 38a-41-3 to 38a-41-4, inclusive, of the Regulations of Connecticut State Agencies are amended to read as follows:

§ 38a-41-3. General qualifications

Any unlicensed insurance company seeking to solicit or market insurance products in this state is hereby declared subject to Sections 38a-41-1 to 38a-41-4, inclusive, of the Regulations of the Connecticut State Agencies. All companies desiring to become authorized to transact kinds of insurance permitted by title 38a of the Connecticut General Statutes shall submit an application as follows:

(1) Capital and domiciliary licensure requirements.

- (A) The applicant shall file an application on the form prescribed by the insurance commissioner setting forth the lines of insurance which it desires to write. For each line of insurance the applicant proposes to write it shall demonstrate that it is possessed of adequate capital and/or surplus funds in a minimum amount as prescribed in title 38a of the Connecticut General Statutes.
- (B) A determination of financial condition will be made regarding those companies which apply. In making this determination there shall be deducted from unassigned funds any non-qualifying assets or understatement in reserves or special deposits not held on account for all policyholders. The difference between market value and amortized value of investments in bonds may be taken into consideration and also the ratio of earned premiums to surplus as regards policyholders for non-life companies when the ratio exceeds 3:1, as well as any other ratios that are generally acceptable among regulators and the insurance industry.
- (C) Applicant shall hold a valid Certificate of Authority from its state of domicile or jurisdiction which authorizes it to transact those kinds of insurance it proposes to transact in this state.

(2) Historic business experience.

- (A) Applicant shall demonstrate an orderly pattern of growth in the company's marketing territories in the geographic region. The commissioner, upon assessment of the rate of growth of the company, its business persistency, supporting surplus resources, business acquisition costs, claims experience and investment policies shall make a determination concerning the adequacy of equity resources as related to the company's business expansion. [This adequacy shall include, among other considerations, satisfactory ratio results by the National Association of Insurance Commissioners Insurance Regulatory Information System.] Such determination, together with a review of policyholder service arrangements relating to Connecticut residents, will be used to evaluate the company's potential to perform on policy obligations contracted within this state and its expertness in marketing and servicing its product lines.
- (B) Applicant shall show that it writes those lines of business in its domiciliary jurisdiction or other license jurisdictions that it proposes to write in this state in sufficient volume as to demonstrate an [expertness] EXPERTISE in marketing and servicing such products lines. This requirement may be waived regarding survivor corporations in the case of mergers or consolidations[.], OR A COMPANY WHICH IS AN AFFILIATE OF AN INSURER

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LICENSED IN CONNECTICUT IF IT IS DETERMINED THIS
REQUIREMENT IS UNNECESSARY.**(3) Specific filing requirements.**

[In order to be licensed, each insurance company shall do the following:

- (A) List the states in which the applicant is not licensed but has an application pending.
- (B) File a narrative of the company's plan of operations for this state and nationally along with a three year forecast of anticipated premiums in this state by line of business.
- (C) File a statement of ownership of the applicant. Include all shareholders of record who control 5% or more of the outstanding shares of the applicant directly or indirectly.
- (D) File audit reports for the two complete fiscal years immediately preceding the date of application certified by the company's outside public accounting firm (if the applicant has appointed independent outside accountants). If not contained in the report, a reconciliation, prepared by the independent accountant, shall be furnished which details adjustments from original basis of presentation to statutory form. Include any comments or management letters prepared by the outside accountant, as well as recommendations relative to adequacy of internal controls or a signed statement by the independent accountant that no recommendations have been rendered to management.
- (E) File a certified copy of a resolution of the company's board of directors which authorizes the filing of an application for a license in this state.
- (F) File a legible copy of the corporation charter or articles of incorporation with all amendments thereto certified by the public officer with whom the originals are on file in the domiciliary jurisdiction. These shall provide perpetual existence to the applicant or such other evidence, to provide perpetual existence to the applicant or such other evidence, to the satisfaction of the commissioner, that the applicant's corporate duration is of sufficient length to adequately protect its policyholders.
- (G) File a copy of the bylaws, as amended, certified to by the applicant's secretary or other officer having custody thereof.
- (H) File a copy of any agreements by which the right to conduct or influence any of the affairs of the applicant is transferred to others, also any employment or deferred compensation agreements in which any officer, director or shareholder who controls 5% or more of the outstanding shares of the applicant directly or indirectly participates.
- (I) File annual statements for the two years preceding the current year for the type(s) of company proposed to be licensed. Quarterly statements are required to be filed for the prior year and current year to date. All statements shall be sworn copies of the association edition blank promulgated by the National Association of Insurance Commissioners. All subsequent quarterly and annual statements shall be filed with the department as a supplement to the company's license application on or before the statement due date as required by the National Association of Insurance Commissioners annual statement instructions.
- (J) File a copy of any annual statements of any parent or subsidiary insurer(s) not currently licensed here for the year prior to submission date.

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- (K) File a certificate of deposit from its domiciliary jurisdiction provided such domiciliary requires such a filing of a Connecticut domiciliary.
- (L) File a certificate of valuation of policies in force as of December 31st last preceding certified to by the supervisory official of the domiciliary jurisdiction (applicable to life companies only).
- (M) File a copy of the certificate of authority /compliance from the domiciliary jurisdiction.
- (N) File a copy of the insurance regulatory information system results for the most recent two years with an explanation of any unusual results.
- (O) File a copy of the fees and documentary requirements for a like Connecticut company seeking admission to the applicant's domiciliary state.
- (P) File a copy of an opinion by a qualified actuary or reserve specialist certifying the applicant's life and health policy and claim reserves (for life companies) or loss and loss adjustment expense reserves (for property-casualty companies).
- (Q) File a certified copy of the deed of trust filed with the jurisdiction of entry to the United States, if an alien company.
- (R) File a statement of trusted surplus in the United States, if an alien company.
- (S) File a biographical data, in conformity with Appendix "A" of Sections 38a-41-1 to 38a-41-4, inclusive, of the Regulations of the Connecticut State Agencies, respecting all directors and the following officers, of the applicant: The president, vice president, secretary, treasurer, chief actuary, general counsel, comptroller and any person, however, described, who enjoys in fact the executive authority of any such officers, including a statement that no officer, director or five percent shareholder has been convicted of a felony; or if such persons have been so convicted, a description of the nature of the crime and the address of the court and docket number of the case when judgment was entered.
- (T) File copies of all annual, quarterly or other reports, and proxy statements made by the applicant and its parent to stockholders and policyholders during the most recent three year period.
- (U) File any prospectus of the company or its parent within the three years preceding.
- (V) File tender offer materials (advertisements, invitations, etc.) if any tender offer has been made by the company or its parent to acquire another company within the three year period.
- (W) File a copy of the most recent form 10-K and for the two years preceding if the applicant or any of its affiliates are regulated by the Securities and Exchange Commission.
- (X) File a copy of the holding company registration statement as amended as filed with the insurance supervisory official in the jurisdiction where the company is registered for the current year and the two preceding.
- (Y) File a certified copy of the most recent report of examination conducted by the company's domiciliary jurisdiction and copies of any other reports prepared by any jurisdiction within the two years preceding the filing of an application to do business in this state. The commissioner may require a more current report of examination prior to the issuance of a certificate of authority.
- (Z) If a license has been refused by a jurisdiction, furnish an explanation and a copy of any refusal.
- (AA) Applicants licensed in a jurisdiction and operated from an administrative office therein but domiciled in another jurisdiction

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shall justify such arrangements to the satisfaction of the commissioner. Such justification should demonstrate that regulatory influence of the domiciliary supervisory official has not been diminished as a result thereof. It should also demonstrate that such arrangement will not be disadvantageous to policy holders resident of this state.

- (BB) File a power of attorney, accompanied by a resolution of the board of directors certified by the corporate secretary, specifically appointing the Connecticut insurance commissioner and his successors in office to be its attorney in the state, upon whom all lawful process in any action or proceeding against it, may be served. Such power of attorney shall stipulate and agree on the part of the company that any lawful process against it, if served on such attorney, shall have the same legal force and validity as if served on the company, and that authority shall continue in force so long as any certificate of membership, policy or liability remains outstanding against the company in this state.]

EACH INSURANCE COMPANY SHALL FILE APPLICATIONS USING THE LICENSING REQUIREMENTS, FORMS AND PROCEDURES AS SET FORTH IN THE UNIFORM CERTIFICATE OF AUTHORITY APPLICATION (UCAA), AND ANY SUPPLEMENTAL FORMS PROMULGATED PURSUANT TO THE UCAA PUBLISHED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, SUBJECT TO ANY DEVIATIONS OF FORM AND DETAIL AND ADDITIONAL FILINGS AS MAY BE PRESCRIBED BY THE COMMISSIONER.

§ 38a-41-4. Procedure

- (1) As far as practicable, all applicants having been assigned a sequential order respecting their application will have their submission reviewed in that serial order.
- (2) Applicants must keep filing current. Any amendments to constituent documents on file must be timely dated.
- [(3) Applicants will be accepted between March 1, and October 1 of each year. Review of prior years filings may be expected to start by March 1 of each year (after receipt of annual statements due March 1 of each year).]
- [(4)] (3) Any applications whose application is rejected as a result of a review who reapplies will be assigned a new sequential order respecting its application as provided above.
- [(5)] (4) Any applicant whose application is rejected is entitled to a hearing.
- [(6)] (5) Any applicant whose application has been rejected other than as provided in [subsection (8)] SUBDIVISION (6) of this section or who has withdrawn its application may not reapply for a certificate of authority until a minimum of two years has expired. For good cause shown, such waiting period may be waived by the commissioner.
- [(7) At the Commissioner's discretion and/or as a condition of the expedited licensure of an affiliate of an insurer licensed in this state, the Commissioner may require a written resolution by the board of directors of the applicant's direct or indirect parent company that will guarantee that the applicant's combined capital and surplus will be maintained at the statutory minimum and when necessary will make any needed contributions prior to December 31 of each year should the surplus fall below its commitment and, if the applicant is sold, the applicant's license will be voluntarily surrendered if so requested by the commissioner.]
- [(8)] (6) Any applicant after written notice by the insurance department that its application is incomplete or has not been made current shall have its

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application rejected if the deficiency in the application is not corrected within 30 days of notification.

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[APPENDIX A

BIOGRAPHICAL AFFIDAVIT

Part 1. Instructions.

This form is to be completed by all persons subject to Regulation (insert applicable number) and the original personally signed by such person for filing in the state of domicile of the insurer, or state of entry in the case of alien insurers. Filing in another state of a Biographical Information Form complying in substance with the requirements of such Regulation shall be deemed compliance with this Regulation upon filing with the Commissioner of a copy of such form, indicating the state where the original was so filed.

In the case of directors who are neither employees of the insurer nor have any equity ownership in the insurer or any affiliate of the insurer, items 6, 8, 10, 13, 14, 18a, and 20 need not be completed.

Part 2. Notarization.

The affiant below need only complete when a company is filing or admission to a state.

State of _____)
County of _____)

Personally appeared before me the above named _____, personally known to me, who, being duly sworn, deposes and says that he executed the above instrument and that the statements and answers contained therein are true and correct to the best of his knowledge and belief.

Subscribed and sworn to before this _____ day of _____, 19____.

Notary Public
My Commision Expires

SEAL

Part 3. Biographical Affidivat.

BIOGRAPHICAL AFFIDAVIT

(Print or Type)

Full Name and Address of Company (Do Not Use Group Names).

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In connection with the above-named company, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. Affiant's Full Name (Initials Not Acceptable).

2. a. Have you every had you name changed?_____ If Yes, give the reason for the change_____

b. Other names used at any time.

3. Affiant's Social Security Number.

4. Date and Place of Birth.

5. Affiant's Business Address.

Business Telephone.

6. List your residences for the last ten (10) years starting with your current address, giving:

Appendix X CONNECTICUT REGULATIONS

DATE	ADDRESS	CITY AND STATE

7. Education: Dates, Names, Locations and Degrees
College_____

GraduateStudies_____

Others_____

8. List memberships in Professional Societies and Associations.

9. Present or Proposed Position with the Applicant Company.

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10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years, giving:

DATES	EMPLOYER AND ADDRESSES	TITLE

11. Present employer may be contacted. Yes No (Circle One)
 Former employers may be contacted. Yes No (Circle One)
 One)

12. a. Have you ever been in a position which required a fidelity bond? _____

If any claims were made on the bond, give details. _____

b. Have you ever been denied an individual or position schedule fidelity bond, or have a bond cancelled or revoked? _____

If yes, give details. _____

13. List any professional, occupational, and vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past (state date license issued, issuer of license, date terminated, reasons for termination).

14. During the last ten (10) years, have you ever been refused a professional, occupational, or vocational license by any public or governmental licensing agency or regulatory authority, or has any such license held by you ever been suspended or revoked? _____

If yes, give details.

15. List any insurers in which you control directly or indirectly or own legally or beneficially 10% or more of the outstanding stock (in voting power).

_____ If any of the stock is pledged or hypothecated in any way, give details.

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16. Will you or members of your immediate family subscribe to or own, beneficially or of record, shares of stock of the applicant insurance company or its affiliates?

If any of the shares or stock are pledged or hypothecated in any way give details.

17. Have you ever been adjudged a bankrupt?

18. a. Have you every been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to an information or indictment charging any felony, or charging a misdemeanor involving embezzlement, theft, larceny, or mail fraud, or charging violation of any corporate securities statute or any insurance law, or have you been subject of any disciplinary proceedings of any federal or state regulatory agency?

If yes, give details.

b. Has any company been so charged, allegedly as a result of any action or conduct on your part?

If yes, give details.

19. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any insurer which while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship?

20. Has the certificate of authority or license to do business of any insurance company of which you were an officer or director or key management person ever been suspended or revoked while you occupied such position?

If yes, give details.

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Dated and signed this _____ day of _____ at _____
I hereby certify under penalty of perjury that I am acting on my own behalf, and
that the foregoing statements are true and correct to the best of my knowledge
and belief.

(Signature of Affiant)

State of _____
County of _____

Personally appeared before me the above named _____ personally
known to me, who, being duly sworn, deposes and says that he executed the
above instrument and that the statements and answers contained therein are
true and correct to the best of my knowledge and belief.

Subscribed and sworn to before me this _____ day of _____ 19 _____

(Notary Public)

My Commission Expires _____]

Statement of purpose: The purpose of this amendment is to modernize the
licensing procedures for new insurance companies seeking to do business in
Connecticut. The new regulation will allow uniformity among the states and
enable the department to increase efficiency in reviewing applications.

CERTIFICATION

R-39 REV. 1/77

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Be it known that the foregoing:

Regulations Emergency Regulations

Are:

Adopted Amended as hereinabove stated Repealed

By the aforesaid agency pursuant to:

Section 38a-41 of the General Statutes.

Section _____ of the General Statutes, as amended by Public Act No. _____ of the _____ Public Acts.

Public Act No. _____ of the Public Acts.

After publication in the Connecticut Law Journal on, _____ of the notice of the proposal to:

Adopt Amend Repeal such regulations

(If applicable): And the holding of an advertised public hearing on _____ day of _____ 20 _____

WHEREFORE, the foregoing regulations are hereby:

Adopted Amended as hereinabove stated Repealed

Effective:

When filed with the Secretary of the State.

(OR)

The _____ day of _____.

In Witness Whereof:	DATE 9/17/02	SIGNED (Head of Board, Agency or Commission) <i>Susan F. Cogswell</i>	OFFICIAL TITLE, DULY AUTHORIZED INSURANCE COMMISSIONER
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Approved by the Attorney General as to legal sufficiency In accordance with Sec. 4-169, as amended, C. G. S. :	SIGNED <i>WLB</i>	OFFICIAL TITLE, DULY AUTHORIZED Assoc. Atty. General
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Approved

Disapproved

Disapproved in part, (Indicate Section Numbers disapproved only)

Rejected without prejudice.

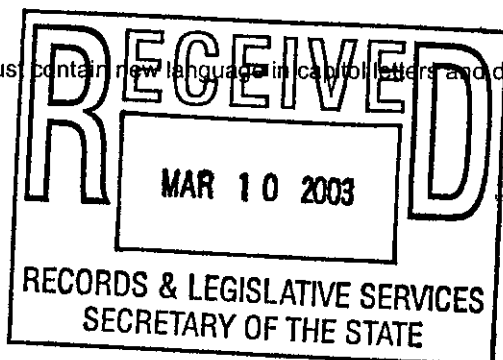
By the Legislative Regulation Review Committee in accordance With Sec. 4-170, as amended, of the General Statutes.	DATE 2/25/03	SIGNED (Clerk of the Legislative Regulation Review Committee) <i>Renee B. Booth, Administrator</i>
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Two certified copies received and filed, and one such copy forwarded to the Commission on Official Legal Publications in accordance with Section 4-172, as amended, of the General Statutes.

DATE March 10, 2003	SIGNED (Secretary of the State.) <i>Susan Bysiewicz</i>	BY <i>Peter J. Bartone</i>
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INSTRUCTION

- One copy of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the Attorney General for his determination of legal sufficiency. Section 4-169 of the General Statutes.
- Seventeen copies of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the standing Legislative Regulation Review Committee for its approval. Section 4-170 of the General Statutes.
- Each regulation must be in the form intended for publication and must include the appropriate regulation section number and section heading. Section 4-172 of the General Statutes.
- Indicate by "(NEW)" in heading if new regulation. Amended regulations must contain new language in capital letters and deleted language in brackets. Section 4-170 of the General Statutes



Regulations
OF

54-22

Dept. of Insurance

CONCERNING

**Requirements for Insurance Companies Applying for
a License to do Business in the State of Connecticut**

Received and filed in the office of the
Secretary of the State

March 10, 2003

Effective Date: March 10, 2003

Approved by the Attorney General

October 4, 2002

Approved by the Legislative Regulation
Review Committee or General Assembly

February 25, 2003

Published in Connecticut Law Journal

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