Commonwealth of the Northern Mariana Islands
DEPARTMENT OF COMMERCE
Office of the Insurance Commissioner

12054 Pohnpei Way, Capitol Hill, P.O. Box 5795 CHRB, Saipan, MP 96950
Tel: (670) 664-3000 • (670) 664-8020 • Email: info@commerce.gov.mp • Web: www.commerce.gov.mp

OFFICE OF THE INSURANCE COMMISSIONER

☐ New 20___ License Fee $ _____ Late Filing Penalty $ _____
☐ Extension/Renewal 20___ Receipt No. _____ Receipt No. _____
☐ Amendment 20___ Payment Date _____ Payment Date _____

APPLICATION FOR CERTIFICATE OF AUTHORITY

Captive Insurance Company

The Application for Certificate of Authority must be attested to by the owner's signature on Page 4. A scan of the complete application should be emailed to cnmi.insurance@commerce.gov.mp or submitted in person to:

CNMI Department of Commerce
Office of the Insurance Commissioner
12054 Pohnpei Way, Capitol Hill

1. Name of proposed captive: _____

2. Indicate type of proposed captive:

   ☐ Pure ☐ Association (Stock) ☐ Association (Mutual)

3. Type of insurance:

   ☐ Life ☐ Casualty ☐ Professional Liability ☐ Products Liability

4. Place of Incorporation: _____

5. Address of CNMI Office: _____
   _____

6. Name of CNMI Resident Incorporator: _____

7. Name of CNMI Resident Director: _____

8. Amount of Paid in Capital: _____

9. Contributed Surplus: $ _____

10. Name and Addresses of Shareholder(s)

    1) _____
    2) _____
    3) _____

FORM B, ATTACHED AS APPENDIX 2 TO THESE REGULATIONS, MUST BE SUBMITTED WITH THIS APPLICATION FOR EACH SHAREHOLDER OF THE COMPANY.

11. Enclose Financial Statements and Three Bank References for Each Shareholder, or Member, or Organization.

12. Name and Address of Registered Agent in CNMI:
    _____
    _____

13. If the Proposed Captive is not yet Incorporated, Names and Addresses of Incorporators:
    _____
    _____

14. Name and Address of Company's Proposed Independent Auditor:
    _____

    FORM C, ATTACHED AS APPENDIX 3 TO THESE REGULATIONS, MUST BE SUBMITTED WITH THIS APPLICATION FOR THE COMPANY'S PROPOSED INDEPENDENT AUDITOR.

15. Name and Address of the Directors of the Company:
    _____
    _____
    _____

    FORM B, ATTACHED AS APPENDIX 2 TO THESE REGULATIONS, MUST BE SUBMITTED WITH THIS APPLICATION FOR EACH DIRECTOR OF THE COMPANY.

16. Name and Business Address of the Officers of the Company:
    President: _____
    Vice President: _____
    Treasurer: _____

    FORM B, ATTACHED AS APPENDIX 2 TO THESE REGULATIONS, MUST BE SUBMITTED WITH THIS APPLICATION FOR EACH OFFICER OF THE COMPANY. PLEASE ATTACH AN EXHIBIT WITH THE NAMES AND BUSINESS ADDRESSES OF ANY ADDITIONAL OFFICERS OF THE COMPANY.

17. Name and Addresses of Company’s Proposed Loss Reserve Specialist:
    _____

    FORM D, ATTACHED TO THESE REGULATIONS AS APPENDIX 4, MUST BE SUBMITTED WITH THIS APPLICATION FOR THE COMPANY'S PROPOSED LOSS RESERVE SPECIALIST.

18. Detailed Statement of Proposed Business Plan, Including:

    (i) Five year projection of type of risk and party(ies) to be insured;
    (ii) Five year projection of net annual premium income;
    (iii) Five year projection of maximum retained risk (per loss and annual aggregate);
    (iv) Five year projection of income and loss;

(v) Copy of all policy forms to be issued by the company in a format approved by the Commissioner.
(vi) Actuarial feasibility study of planned operation;
(vii) Statement of Rating Program;
(viii) Statement of Reinsurance Program;
(ix) Five year projection of the amount and liquidity of assets relative to the proposed risks assumed;
(x) Five year projected balance sheet.

19. Attach a description showing the adequacy of the loss prevention program of each parent, affiliate, or member corporation or organization that the company proposes to insure.

20. Attach a proposed letter of credit or depository agreement for deposit of capital and surplus.

21. If the company has been incorporated, attach a statement of its financial condition that is sworn to under oath by the company's president and its secretary.

22. Certificate of the Truth of all of the matters contained in the application signed by each director.

FORM A
SAMPLE CREDIT LETTER FORM

CAPTIVE INSURANCE COMPANY
IRREVOCABLE LETTER OF CREDIT
(ADDRESS)
COMMONWEALTH OF THE
NORTHERN MARIANA ISLANDS

Letter of Credit No. (000001)
Date: _____

Commissioner of Insurance
CNMI Department of Commerce

Commissioner:

1. We hereby establish our IRREVOCABLE LETTER OF CREDIT in your favor for the account of _____(CNMI Captive Insurance Company) up to the aggregate amount of ($_____) available by your draft(s) drawn on us, at sight, bearing the number of this IRREVOCABLE LETTER OF CREDIT No. (000001). This LETTER OF CREDIT shall expire at our Letter of Credit Department, CNMI, at our close of business on July 31, 1986, unless as hereinafter extended.

2. This LETTER OF CREDIT is issued to satisfy the provisions of Section 43704 of Chapter 7, and on behalf of the above mentioned_____ (CNMI Captive Insurance Company) which is applying for a certificate of authority to engage in the insurance business in the Territory of Guam as a captive insurance company.

3. It is a condition of the LETTER OF CREDIT that it shall be automatically extended for additional periods, each of one year, unless at least ninety calendar days prior to the then relevant expiration date we have advised you in writing that we elect not to extend. In that event, you may draw hereunder, up to the full amount then available hereunder, against your sight draft(s) on us, bearing the number of this LETTER OF CREDIT.

4. It is a further condition of this LETTER OF CREDIT that each automatic extension shall be measured from the then relevant expiration date or relevant expiration date, even though such date be not a business day in the Commonwealth of the Northern Mariana Islands for this Bank. It is also a condition of this LETTER OF CREDIT that, for the purpose of drawing hereunder, if the then relevant expiration date is a non-business day for our Bank, drawing may be made not later than our next immediately following business day.

5. This LETTER OF CREDIT sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended or amplified by reference to any note, document, instrument or agreement referred to herein or in which this LETTER OF CREDIT relates and any such reference shall not be deemed to incorporate herein by reference any note, document, instrument or agreement.

6. Each sight draft so drawn and presented shall be promptly honored by us if presented on or prior to the above stated expiration date or any extension thereof as above provided.

Very truly yours,

Commonwealth of the Northern Mariana Islands
DEPARTMENT OF COMMERCE
Office of the Insurance Commissioner

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OFFICE OF THE INSURANCE COMMISSIONER

FORM B
BIOGRAPHICAL DATA AFFIDAVIT
FOR SHAREHOLDERS, DIRECTORS AND OFFICERS

Name and Address of Company: _____
_____

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 "NONE" OR "NO EXCEPTIONS, SO STATE.

1. Affiant's Full Name: _____
   Marital Status: _____
   Social Security No. _____

2. Other Names Used at Any Time: _____

3. Date of Birth: _____ Place of Birth: _____
   Color of Hair: _____ Color of Eyes: _____ Weight: _____

4. Education and Degrees:
   High School: _____
   College: _____
   Graduate or Professional: _____
   (LIST ALL EDUCATIONAL INSTITUTIONS AND LOCATIONS ON ADDITIONAL SHEET, IF NECESSARY.)

5. Member of Professional Societies or Associations (List): _____
   _____
   _____

6. I control directly or indirectly, or own legally or beneficially, 10% or more of the outstanding shares (in voting power) of the following insurers: _____
   _____

   a. If any of the above stock is pledged or hypothecated in any way, please detail fully:
      _____
      _____

7. Present Chief Occupation: _____
   Position or Title: _____ How Long? _____
   Employer's Name: _____
   Employer's Address: _____
   How long with this employer? _____ Where? _____

8. Other jobs, positions, directorates, or officerships concurrently held at present:

_____
_____
_____

9. Complete Employment Record for Past 20 Years:

DATES	EMPLOYER AND ADDRESS	TITLE

10. For the last 10 years, I have lived at the following address or addresses:

ADDRESS	CITY	DATES

11. I have never been adjudicated as bankrupt, except as follows:

_____
_____

12. I have never been convicted or had a sentence imposed, suspended or had pronouncement of a sentence pardoned for conviction of, or pleaded guilty of or nolo contendere to any information or an indictment charging or an indictment charging a felony for embezzlement, theft or larceny, mail fraud, or violating any corporate securities statute or any insurance law, nor have I been the subject of cease and desist order of any federal or state securities regulatory agency, except as follows:

_____
_____

13. During the last 10 years, I have neither been refused a professional, occupational, or vocational license issued by any public or governmental licensing agency or regulatory authority, nor has such a license held by me ever been suspended or revoked, except as follows:

_____
_____

    a. I presently hold or have held in the past the following professional, occupational, or vocational licenses issued by a public or governmental licensing agency or authority (state date license issued, insurer or license, date terminated, reason for termination):

    _____
    _____

14. I have never been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of an insurer which, while I occupied any such position or capacity with respect to it, became insolvent or was placed in conservatorship, or was enjoined from or ordered to cease and desist from violating any securities or insurance law, except as follows:

_____

_____

15. The certificate of authority or license to do business of any insurance company of which I was an officer or key management person has never been suspended or revoked while I occupied such position, except as follows:
    _____
    _____

16. No insurer of which I was an officer, director, or key management person at the time has ever been denied or refused or voluntarily withdrawn its application for a license or certificate of authority, except as follows:
    _____
    _____

Dated and signed this _____ day of _____, at _____.

I hereby certify under penalty of perjury that the following statements are true and correct to the best of my know ledge and belief.

_____
(Signature of Affiant)

SUBSCRIBED AND SWORN TO BEFORE ME this _____ day of _____,20__.

_____
(Notary Public)

FORM C

APPLICATION FOR AUTHORIZATION AS AN INDEPENDENT AUDITOR FOR CAPTIVE INSURANCE COMPANY

To the Commissioner of Insurance, Commonwealth of the Northern Mariana Islands

I hereby apply for authorization as a/an:

☐ Individual ☐ Partnership ☐ Corporation ☐ Other _____

for the transacting of audits as required under Chapter C of these regulations for Captive Insurance Companies.

IF APPLICANT IS AN INDIVIDUAL

1. Full Legal Name: _____

2. Business Address: _____
   Telephone: _____

3. (a) Residence Address: _____
   (b) Date of Birth: _____
   (c) Social Security No.: _____
   (d) Education and Degree:
   High School: _____
   College: _____
   Graduate or Professional: _____

4. List all insurance and/or captive auditing experiences for past 15 years: (Attach additional sheets as necessary)
   _____
   _____
   _____
   _____

5. Has applicant ever been arrested, or indicted for and/or convicted of any crime or offense other than a traffic violation?
   ☐ Yes ☐ No
   If "yes" submit full particulars of each case and disposition thereof.

6. I control directly or indirectly, or own legally or beneficially the outstanding stock of the following insurers: _____
   _____

7. Do you currently hold or have you held any type of insurance license?
   TYPE STATE EXPIRATION DATE
   _____
   _____

_____

8. Have you ever had a license or privilege refused or revoked by any Insurance Department? If so, give details. _____

9. Are you currently licensed by the Commonwealth of the Northern Mariana Islands as a CPA?
   ☐ Yes ☐ No

10. Has your license as a CPA in this Territory or any State of the United States ever been suspended or revoked? If so, give details.
    ☐ Yes ☐ No
    _____

IF APPLICANT IS OTHER THAN AN INDIVIDUAL

11. Name of Partnership, Corporation, etc.: _____
    Business Address: _____
    Federal I.D. #_____ Telephone No. _____

12. List of insurance and/or auditing experience for past 15 years: (Attach additional sheets as necessary)
    _____
    _____

13. Indicate insurance experience of partner, manager, supervisor, etc. of individual(s) responsible for auditing of captive(s):
    _____
    _____

14. Will you assign only individuals that have a minimum of two years insurance auditing experience?
    ☐ Yes ☐ No

I hereby certify that I will immediately notify in writing an officer of the company and all members of the Board of Directors of the company of any determination by me that the company has materially misstated its financial condition in any of its reports to the Commissioner.

I hereby certify that I have read and understand all of the requirements and provisions of Guam Insurance Regulation § 20-40.10-600 through § 20-40.10-1000 relating to Captive Insurance Companies, and will fully comply therewith.

Signed

_____

(NO FEE REQUIRED)

Dated

_____

SUBSCRIBED AND SWORN TO before me this_____ day of _____, 20_____.

NOTARY SEAL

_____

Signature of Notary Public

Notary Public authorized by law of the Commonwealth of the Northern Mariana Islands to administer oaths.

My commission expires on _____.

FORM D
APPLICATION FOR AUTHORIZATION
AS CAPTIVE INSURANCE COMPANY
LOSS RESERVE SPECIALIST

To the Commissioner of Insurance, Commonwealth of the Northern Mariana Islands

I hereby apply for authorization to certify as to the adequacy of loss reserves and loss expense reserves as required by the Captive Insurance Regulations.

INDIVIDUAL ONLY MAY APPLY

1. Full Legal Name: _____

2. Residence Address: _____
   (Street) (City or Town) (State) (Zip)

3. (a) Date of Birth: _____
   (b) Social Security No.: _____

4. Education and Degree:
   High School: _____
   College: _____
   Graduate or Professional: _____

   LIST ALL EDUCATIONAL INSTITUTIONS ATTENDED AND ADDRESSES ON ADDITIONAL SHEET, IF NECESSARY. INDICATE MAJOR CONCENTRATION AND ACTUARIAL EXAMS COMPLETED IF NOT A FELLOW.

5. Member of Professional Societies or Associations (List): _____
   _____

6. Present Chief Occupation: _____
   Position or Title: _____ How Long? _____
   Employer's Name: _____
   Employer's Address: _____
   How long with this employer? _____ Where? _____

7. Other jobs, positions, directorates, or officerships concurrently held at present:
   _____
   _____

8. Complete Employment Record for Past 20 Years:
   DATES EMPLOYER AND ADDRESS TITLE
   _____
   _____
   _____
   _____

9. Indicate property and casualty loss reserve and loss expense reserve experience:
   _____

10. In order to qualify to sign statements of opinion relating to loss and loss adjustment expense reserves for a captive insurance company, an applicant must qualify in one or more of the following areas. Indicate by an /X/ which area(s) you qualify in:
    - ☐ A member of the Casualty Actuarial Society and three years of property and casualty loss and loss expense reserve evaluation experience.
    - ☐ A member in good standing of the American Academy of Actuaries and five years of property and casualty loss and loss expense reserve evaluation experience.

I hereby certify that my responses to the above are true and complete, and I have read and understand all of the requirements and provisions of the Captive Insurance Regulation Chapter C(6) and will fully comply therewith.

Signed

_____

(NO FEE REQUIRED)

Dated

_____

SUBSCRIBED AND SWORN TO before me this_____ day of _____, 20_____.

NOTARY SEAL

_____

Signature of Notary Public

Notary Public authorized by law of the Commonwealth of the Northern Mariana Islands to administer oaths.

My commission expires on _____.