

**COMMONWEALTH OF PENNSYLVANIA
INSURANCE DEPARTMENT**



**REGISTRATION REQUIREMENTS
FOR RISK RETENTION GROUPS**

REGISTRATION REQUIREMENTS FOR RISK RETENTION GROUPS

The Commonwealth of Pennsylvania appreciates your interest in exploring business opportunities here. In order to operate as a risk retention group in the Commonwealth the group must first register with the Insurance Department. This packet will explain the procedures to be followed and the documentation to be filed to register the group.

CONTENTS

I. General Application Procedures	Pages 2-3
II. Specific Qualification Requirements	Pages 4

Attachments:

- **Risk Retention Group – Notice and Registration**
- **Appointment of Attorney to Accept Service and Designation**

Please refer to the following for guidance:

- **40 P.S. §991.1501 et seq.**

I. GENERAL APPLICATION PROCEDURES

You may find the following general comments helpful as you proceed through the registration process. At any time during the process, please do not hesitate to contact the Company Licensing Division at (717) 787-2735, or FAX (717) 787-8557, should you have a question.

- 1) To expedite the process, we recommend that you assign one member of your staff as the designated point of contact for all correspondence and/or telephone inquiries.
- 2) After receiving your application, the Department assigns a Licensing Specialist to process your submission. Please use this person as your primary point of contact with the Department.
- 3) Your timely response to any concerns or questions raised during the review of your materials is appreciated. Departmental inquiries that remain unanswered for over 90 days may result in the application being considered inactive.
- 4) Please notify the Licensing Specialist should any information contained in previously submitted documents change. These changes should be immediately forwarded to the Department to supplement the original application.

5) The compilation of the Pennsylvania Insurance Laws and cumulative pocket supplement thereto may be purchased from:

- a) **Purdon's Statutes, West Publishing Company**
610 Operman
St. Paul, MN 55123
Tele: (800) 733-2889
Website: <http://www.westgroup.com>

- b) **National Insurance Law Service Publishing Co.**
6750 Eton Avenue
Canogo Park, CA 91303
Tele: (800) 423-5910
Website: <http://www.nils.com>

- c) **BHM Insurance Services, L.L.C.**
P. O. Box 25130
Wilmington, DE 19899-5130
Tele: (302) 678-8795
(800) 543-3635
Website: <http://www.ramassociates.com>

If you wish to subscribe to the Pennsylvania Bulletin please contact:

Gary R. Hoffman
Director, Pennsylvania Code and Bulletin
641 Main Capital Building
Room 647
Harrisburg, PA 17120-0033
Tele: (717) 783-1530
Fax: (717) 787-6362



**COMMONWEALTH OF PENNSYLVANIA
INSURANCE DEPARTMENT**

Office of Regulation of Companies
1345 Strawberry Square
Harrisburg, PA 17120
Telephone (717) 787-2735 Fax (717) 787-8557

**REQUIREMENTS FOR REGISTRATION OF A
FOREIGN RISK RETENTION GROUP**

In accordance with the Liability Risk Retention Act of 1986 and Article XV of the Insurance Company Law, Act of May 17, 1921 (P.L. 682, No. 284), as amended, (hereinafter referenced as "Pennsylvania Risk Retention Act"), a risk retention group chartered and licensed in a state other than this Commonwealth and seeking to do business as a risk retention group in this Commonwealth shall file the following:

1. An application for registration as a risk retention group and appointment of the Commissioner for the purpose of receiving service of legal documents or process. (Forms attached.)
2. A copy of the group's plan of operation or a feasibility study and copies of all revisions of such plan or study submitted to the state in which the risk retention group is chartered and licensed.
3. A copy of the group's financial statement submitted to the state in which the risk retention group is chartered and licensed, which shall be certified by an independent public accountant and shall contain 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.
4. Filing fee in the amount of \$300 in the form of a check made payable to the "Commonwealth of Pennsylvania."

If the Pennsylvania members of your group will be subject to financial responsibility requirements, you should contact the appropriate state agency to determine whether coverage provided by your group will satisfy such requirements.

Should you have any questions concerning statutory requirements or registration procedures, please feel free to contact the Department at (717) 787-2735. Registration materials should be mailed to:

Pennsylvania Insurance Department
Company Licensing Division
1345 Strawberry Square
Harrisburg, PA 17120

PART A

FEIN _____

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

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

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 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.

4. The Risk Retention Group is organized for the primary purpose of conducting the activity described under Item #3 above.

5. The Risk Retention Group is chartered and licensed as a liability insurance company under the laws of the State of _____, and is authorized to engage in the following lines and/or classifications of insurance under the laws of its chartering State:

6. 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.

7. Ownership of the Risk Retention Group consists of one or the other of the following (check one):
 - a) _____ the owners of the Group are the 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.

RISK RETENTION GROUP FORM

8. 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 related, similar or common business, trade, product, services, premises or operations. Give a general description of businesses or activities engaged in by the Group's members:

9. The activities of the Risk Retention Group do not include the provision of insurance other than:
- (a) liability insurance for assuming and spreading all or any portion of the similar or related liability exposure of its Group members; and
 - (b) 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 which qualify such other Risk Retention Group (or member) under Item #8 above for membership in this Group.

10. (a) List the name, social security number (ss#) and address of each officer and director of the Risk Retention Group: (Attach additional pages, if necessary.)

<u>Name</u>	<u>SS #</u>	<u>Position With Risk Retention Group</u>	<u>Address</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

- (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 Number: _____

RISK RETENTION GROUP FORM

11. List the name, address, telephone number and Federal Employer Identification Number (FEIN) of the company responsible for managing the insurance operations of the Risk Retention Group and the contact person at the company: (If none, answer none.)

<u>Name</u>	<u>FEIN</u>	<u>Address</u>	<u>Telephone #</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Contact Person: _____ Telephone# _____

12. List the name(s), SS#(s) and address(es) of the licensed insurance agent(s) or broker(s) responsible for marketing the Risk Retention Group's insurance policies and the state(s) in which they are licensed: (If none, answer none. Attach additional pages, if necessary.)

<u>Name</u>	<u>SS#</u>	<u>Address</u>	<u>State(s)</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

13. The Risk Retention Group will comply with the unfair claim settlement practices laws of this State.
14. The Risk Retention Group will pay, on a non-discriminatory basis, applicable premium and other taxes which are levied on such Group under the laws of this State.
15. The Risk Retention Group has designated the Insurance Commissioner [Director, Superintendent] of this State to be its agent solely for the purpose of receiving service of legal documents or process by executing Part B of this form, attached hereto.
16. The Risk Retention Group will submit to examination by the Insurance Commissioner [Director, Superintendent] of this State to determine the Group's financial condition, if:
- (a) the Insurance Commissioner [Director, Superintendent] of the Group's chartering State has not begun or has refused to initiate an examination of the Group; and
 - (b) any such examination by the Insurance Commissioner [Director, Superintendent] is coordinated to avoid unjustified duplication and unjustified repetition.

RISK RETENTION GROUP FORM

17. The Risk Retention Group will comply with a lawful order issued in a delinquency proceeding commenced by the Insurance Commissioner [Director, Superintendent] of this State upon a finding of financial impairment, or in a voluntary dissolution proceeding.
18. The Risk Retention Group will comply with the laws of this State concerning deceptive, false or fraudulent acts or practices, including any injunctions regarding such conduct obtained from a court of competent jurisdiction.
19. The Risk Retention Group will comply with an injunction issued by a court of competent jurisdiction upon petition by the Insurance Commissioner [Director, Superintendent] of this State alleging that the Group is in hazardous financial condition or is financially impaired.
20. 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.

21. The Risk Retention Group has submitted to the Insurance Commissioner [Director, Superintendent] 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 chartering State. 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 or study further includes the coverages, deductibles, coverage limits, rates, and rating classification systems for each line of insurance the Group intends to offer. The Group will promptly submit to the Insurance Commissioner [Director, Superintendent] of this State any revisions of such plan or study to reflect any changes to the plan if the Group intends to offer any additional lines of liability insurance, including any change in the designation of the State in which it is chartered.
22. The Risk Retention Group will submit a copy of its annual financial statement submitted to its chartering state, to the Insurance Commissioner [Director, Superintendent] of this State, by March 1 of each year. The annual financial statement will 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 certification and statement of opinion on loss and loss adjustment expense reserves will be submitted to the Insurance Commissioner [Director, Superintendent] of this State by the date it is required to be submitted to its chartering state.
23. 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.

RISK RETENTION GROUP 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 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].

RISK RETENTION GROUP FORM

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: _____