



STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner
Company Analysis and Examinations Division

Forming a Captive Insurance Company
Application Guidelines

To transact insurance in the State of West Virginia, the insurer must have a valid license issued by the West Virginia Offices of the Insurance Commissioner. Before receiving a license, the applicant must first be approved for licensing by the Insurance Commissioner.

Specific requirements for obtaining a license are set forth in W. Va. Code §33-31 as amended. To enable the commissioner to be satisfied that the applicant meets these requirements, the applicant must submit the following qualifying data, documents and information:

- 1) Pursuant to W. Va. Code §33-31-4 and 5, Capital and Surplus requirements are:

	<u>Capital</u>	<u>Surplus</u>
(a) Pure Captive	\$100,000.00	\$150,000.00
(b) Association Captive	\$350,000.00	\$350,000.00
(c) Industrial Insured Captive	\$250,000.00	\$250,000.00
(d) Association Captive as a Mutual	-0-	\$600,000.00
(e) Industrial Insured Captive as a Mutual	-0-	\$400,000.00

- 2) A fully completed and duly executed application for license (Form CAP-1);
- 3) A certified copy of charter or Articles of Association and By-Laws, including all amendments thereto;
- 4) A completed biographical affidavit for each officer and each member of the Board of Directors of the company;
- 5) A duly executed Power of Attorney (**Form IC-CL3D**);
- 6) A certified statement that the company is in compliance with the laws of West Virginia and furthermore agrees to abide by the laws, regulations and rules concerning the Insurance Commissioner of West Virginia (**Form CAP-2**);
- 7) The company's proposed plan of operation;
- 8) A description of the loss prevention programs of the parent company, member organizations or industrial insureds as applicable;

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- 9) Projected volume of business to be transacted over the next five years (It is essential to include a discussion as to how the projected volume was derived);
- 10) A beginning balance sheet, an income and expense statement and a reconciliation showing changes in financial position to the ending balance sheet for the initial three-year period, made under oath by its President and Secretary;
- 11) Evidence of appointment of a resident registered agent to accept service of process and to otherwise act on the company's behalf in West Virginia;
- 12) (a) Does the company have any stock issues pending with the Securities and Exchange Commission at this time?

(b) If none are pending, do you plan any stock sales within the next year?
- 13) (a) If an association captive insurance company, a statement declaring all investments comply with the investment requirements of this chapter.

(b) No pure captive insurance company or industrial insured captive insurance company may make any investment that threatens its solvency or liquidity.
- 14) A non-refundable fee of \$200.00 for examining, investigating and processing its application for license, in addition to \$300.00 for a license fee for the year of registration.

Each of the aforementioned items is to be submitted and properly completed before the application can be considered as filed with this Department. When these filing requirements are met, the application will be considered to have been filed. Review of the application will be made on a first-in, first-out basis.

During our review, occasional requests for additional information may be made. Correspondence or inquiries regarding the application must be made only by a company official who has the authority to make corporate decisions regarding the application. It may also be necessary to request policies and/or endorsements of contracts proposed for use in West Virginia including rating plans. Please indicate the appropriate company official and how to contact that individual.

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