

UNIFORM CERTIFICATE OF AUTHORITY APPLICATION

COMPANY LICENSING DEFINITIONS

NAIC Biographical Affidavit

The form, located in the UCAA Application Forms section, that the Applicant Company must submit for all officers, directors, and key managerial personnel of the Applicant Company; individuals with a 10 percent (10%) or more beneficial ownership in the Applicant Company; and individuals with a 10 percent (10%) or more beneficial ownership in the Applicant Company's ultimate controlling parent. The biographical affidavit must be current and the affiant must sign the affidavit not more than six months ~~one year~~ before the filing date of a UCAA application and certification by an Independent Third-Party.

UNIFORM CERTIFICATE OF AUTHORITY APPLICATION

PRIMARY APPLICATION

The Primary Application to the Uniform Certificate of Authority Application (UCAA) is designed for use in the formation of a new insurer, or for an existing insurer to use in making application to redomesticate to another state. A Uniform State is one that is committed to using the UCAA review process for company licensing and admissions.

The UCAA Primary Application has four sections designed to guide the Applicant Company through the licensing process:

- I. [Application Review Process](#)
- II. [Filing Requirements \(New Insurers and Redomestications\)](#)
- III. [Filing Requirements \(Redomestications Only\)](#)
- IV. [How to File](#)

The goal of the UCAA is to provide a streamlined approval process. However, some states have [state-specific filing requirements](#) based on statutes or internal procedures. The uniform states are working to eliminate non-essential state-specific requirements. All Applicant Companies must be familiar with the insurance laws of the state to which they submit an application. Please see the [UCAA charts](#) for information related to obtaining a copy of the laws, regulations and bulletins for the state in which an application is filed.

If the Applicant Company has any questions about the uniform admission process, a list of contact information is provided on the [Addresses and Contacts Information for Submission of Application](#) chart. It is highly recommended that the Applicant Company review the [state charts](#), the application instructions and review the [Frequently Asked Questions \(FAQs\)](#) prior to contacting each state with any questions before submitting the application for review.

Primary Application Section II

Filing Requirements (New Insurers and Redomestications)

13. NAIC Biographical Affidavit (Biographical Affidavit)

- A. The Applicant Company is required to submit an NAIC Biographical Affidavit ([Form 11](#)) in connection with pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states. The Applicant Company must submit an NAIC Biographical Affidavit on behalf of all officers, directors and key managerial personnel of the Applicant Company and individuals with a ten percent (10%), or more, beneficial ownership in the Applicant Company and the Applicant Company's ultimate controlling parent ("Affiant").
- B. The UCAA defines "Independent Third-Party" as:

- (i) A consumer reporting agency (“CRA”) overseen by the Federal Trade Commission (“FTC”) and, therefore, subject to the FCRA, which have been vetted and is currently on the approved list;
 - (ii) Has the ability to perform international background investigations; and
 - (iii) One whose officers and directors have no material affiliation with the Applicant Company other than stock ownership amounting to less than one percent (1%) of total stock outstanding, unless prior approval is given by the department of insurance to which application is being made.
- C. The NAIC Biographical Affidavit requests information with respect to the Affiant’s employment history, education, personal information and character. The NAIC Biographical Affidavit also includes the Disclosure and Authorization Concerning Background Reports (the “Disclosure & Authorization Form”). The signature of the Affiant on the Disclosure & Authorization Form permits an Independent Third-Party to conduct an independent third-party verification on the Affiant.
- D. The NAIC Biographical Affidavit includes three types of the Disclosure & Authorization Form. There are three different Disclosure & Authorization Forms since certain state laws, regulations and rules require different kinds of disclosures and wording within such form. An Affiant must sign the corresponding Disclosure & Authorization Form(s) for the respective state(s) where the Affiant has lived or worked within the last ten (10) years. Refer to the Disclosure & Authorization Forms for further information.
- E. The NAIC Biographical Affidavit is used to evaluate the suitability, competency, character and integrity of the Affiant in connection with an Applicant Company’s pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states.

The Independent Third-Party uses information contained in the NAIC Biographical Affidavit as a tool to perform an independent third-party verification to determine an individual’s fitness and propriety. The independent third-party verification may contain information bearing on the Affiant’s character, general reputation, personal characteristics, mode of living and credit standing (if required by the state). The Independent Third-Party Vendor shall use the independent third-party verification to create a background report (the “Background Report”).

- F. The Disclosure & Authorization Form is valid for a maximum of ~~one year~~ six months. Additionally, an Affiant may revoke the authorization at any time by delivering a written revocation to the Applicant Company. Refer to the Disclosure & Authorization Form for further information.
- G. The Background Reports are subject to the Fair Credit Reporting Act (“FCRA”). Pursuant to FCRA, the state departments of insurance and an Applicant Company who is seeking admission are “users” of consumer reports. The FCRA requires that the Applicant Company provide the Affiant with a copy of the “Summary of Your Rights Under the Fair Credit Reporting Act.” The Applicant Company should provide a copy of the “Summary of Your Rights under the Fair Credit Reporting Act” to each Affiant. This summary can be found at the Federal Trade Commission (“FTC”) [website](#). Background

Reports are valid for six months from the signature date of the affidavit. Any alteration to the original biographical affidavit or updated signature will require a newly prepared background report.

- H. The Applicant Company and state departments of insurance are required to comply with FCRA, especially as it relates to confidentiality of the information contained in such consumer reports. To the extent required by law, the states and Independent Third-Party Vendors should maintain the Background Reports procured under the Disclosure & Authorization Form as confidential. A copy of the FCRA is located [here](#).
- I. The department of insurance in the state where an Applicant Company files, or intends to file, an application and the Applicant Company may require the Background Report. An Affiant who desires a copy of their Background Report may request a copy from the Applicant Company or the CRA as indicated on the Disclosure & Authorization Form. Refer to the Disclosure & Authorization Form for further information.
- J. Please check state requirements for those states that require additional background information, such as fingerprints, in place of, or in addition to, NAIC Biographical Affidavits. If applying in one of those states, necessary [fingerprints](#) and [processing fees](#) should be included.

Refer to the [list of currently approved Independent Third-Party Vendors for Background Reports](#).

NAIC Biographical Affidavits must be completed on the most current form [**Word** | **PDF**], in effect at the time the affidavit was signed and the Affiant shall not sign the Affidavits more than ~~one year~~ six months before the date the Applicant Company files the application.

Submit original Biographical Affidavits (Form 11 [**Word** | **PDF**]) that contain the Disclosure & Authorization Forms to the state department(s) of insurance as Item 13 of the application.

UNIFORM CERTIFICATE OF AUTHORITY APPLICATION

EXPANSION APPLICATION

The Expansion Application to the Uniform Certificate of Authority Application (UCAA) is for use by an Applicant Company that wishes to expand into one or more Uniform States. The Applicant Company may file Expansion Applications simultaneously in as many states as desired. Prior to submitting an application in a foreign state, the Applicant Company should inform the state of domicile of its plans in the foreign state(s).

Based on the circumstances of a particular application, it may be necessary for the reviewing state to request additional information.

The UCAA Expansion Application has three sections designed to guide the Applicant Company through the admission process:

- I. [Application Review Process](#)
- II. [Filing Requirements](#)
- III. [How to File](#)

The goal of the UCAA is to provide a streamlined approval process. However, some states have [state-specific filing requirements](#) based on either statutory requirements or internal procedures. All Applicant Companies must be familiar with the insurance laws of the state to which they submit an application. Please see the [UCAA home page](#) for information on obtaining a copy of the laws, regulations and bulletins for each state.

Direct any questions about the uniform admission process or [state-specific filing requirements](#) to the contact shown on the list of [Addresses and Contact Information for Submission of Applications](#). To assure a prompt review, the Applicant Company should review the instructions, [state charts](#) and [Frequently Asked Questions \(FAQs\)](#) prior to contacting each state with questions before submitting the application.

Expansion Application Section I Application Review Process

Refer to the [Company Licensing Best Practices Handbook](#), for more information regarding the review process.

12. NAIC Biographical Affidavits

- A. The Applicant Company is required to submit an NAIC Biographical Affidavit ([Form 11](#)) in connection with pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states. The Applicant Company must submit an NAIC Biographical Affidavit on behalf of all officers, directors and key managerial personnel of the Applicant Company and individuals with a ten percent (10%), or more, beneficial ownership in the Applicant Company and the Applicant

- Company's ultimate controlling parent (Affiant).
- B. The UCAA defines "Independent Third-Party" as:
- (i) A consumer reporting agency ("CRA") overseen by the Federal Trade Commission ("FTC") and, therefore, subject to the FCRA, which have been vetted and is currently on the approved list;
 - (ii) Has the ability to perform international background investigations; and
 - (iii) One whose officers and directors have no material affiliation with the Applicant Company other than stock ownership amounting to less than one percent (1%) of total stock outstanding, unless prior approval is given by the department of insurance to which application is being made.
- C. The NAIC Biographical Affidavit requests information with respect to your employment history, education, personal information and character. The NAIC Biographical Affidavit also includes the Disclosure and Authorization Concerning Background Reports Form (the "Disclosure & Authorization Form"). The signature of the Affiant on the Disclosure & Authorization Form permits an Independent Third-Party to conduct an independent third-party verification on the Affiant.
- D. The NAIC Biographical Affidavit includes three types of the Disclosure & Authorization Form. There are three different Disclosure & Authorization Forms since certain state laws, regulations and rules require different kinds of disclosures and wording within such form. An Affiant must sign the corresponding Disclosure & Authorization Form(s) for the respective state(s) where the Affiant has lived or worked within the last ten (10) years. Refer to the Disclosure & Authorization Forms for further information.
- E. The NAIC Biographical Affidavit is used to evaluate the suitability, competency, character and integrity of the Affiant in connection with an Applicant Company's pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states.
- The Independent Third-Party uses information contained in the NAIC Biographical Affidavit as a tool to perform an independent third-party verification to determine an individual's fitness and propriety. The independent third-party verification may contain information bearing on the Affiant's character, general reputation, personal characteristics, mode of living and credit standing (if required by the state). The Independent Third-Party Vendors shall use the independent third-party verification to create a background report (the "Background Report").
- F. The Disclosure & Authorization Form is valid for a maximum of ~~one year~~ six months. Additionally, an Affiant may revoke the authorization at any time by delivering a written revocation to the Applicant Company. Refer to the Disclosure & Authorization Form for further information.
- G. The Background Reports are subject to the Fair Credit Reporting Act ("FCRA"). Pursuant to FCRA, the state departments of insurance and an Applicant Company who is seeking admission are "users" of consumer reports. The FCRA requires that the Applicant Company provide the Affiant with a copy of the "Summary of Your Rights Under the Fair Credit Reporting Act." Applicant Company's should provide a copy of the

“Summary of Your Rights under the Fair Credit Reporting Act” to each Affiant. This summary can be found at the Federal Trade Commission (“FTC”) [website](#). Background Reports are valid for six months from the signature date of the affidavit. Any alteration to the original biographical affidavit or updated signature will require a newly prepared background report.

- H. The Applicant Company and state departments of insurance are required to comply with FCRA, especially as it relates to confidentiality of the information contained in such consumer reports. To the extent required by law, the states and Third-Party Vendors should maintain the Background Reports procured under the Disclosure & Authorization Form as confidential. A copy of the FCRA is located at [here](#).
- I. The department of insurance in the state where an Applicant Company files, or intends to file an application and the Applicant Company may require the Background Report. An Affiant who desires a copy of their Background Report, may request a copy from the Applicant Company or the CRA as indicated on the Disclosure & Authorization Form. Refer to the Disclosure & Authorization Form for further information.
- J. Please check the [Fingerprint and Biographical Affidavit Requirements chart](#) for those states that require additional background information, such as fingerprints, in place of, or in addition to, NAIC Biographical Affidavits. If applying in one of those states, necessary fingerprints and processing fees should be included.

Refer to the [UCAA homepage](#) for a list of currently approved [Independent Third-Party Vendors](#) for Background Reports.

NAIC Biographical Affidavits must be completed on the most **current form** [Word | PDF], in effect at the time the affidavit was signed and the affiant shall not sign the Affidavits more than one year six months before the date the Applicant Company files the application.

Submit original Biographical Affidavits (Form 11 [Word | PDF]) that contain the Disclosure & Authorization Forms to the state department(s) of insurance as Item 12 of the application.

UNIFORM CERTIFICATE OF AUTHORITY APPLICATION

CORPORATE AMENDMENTS APPLICATION

Existing insurers use the Uniform Certificate of Authority Corporate Amendment Application for requesting amendments to its Certificate of Authority. A Uniform State is one that is committed to using the Uniform Certificate of Authority (UCAA) review process for company licensing and admissions.

The Applicant Company can use the Corporate Amendment Application to file more than one change in the same submission. The Applicant Company should mark all changes on the application form and submit all items required for those changes. For electronic application submissions, refer to the [UCAA Corporate Amendment User Guide](#).

Step One: Filing the Application

Processing Goal: 2 Weeks

9. NAIC Biographical Affidavits - Item 9 of the application

- A. The Applicant Company is required to submit an NAIC Biographical Affidavit in connection with pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states. The Applicant Company must submit an NAIC Biographical Affidavit on behalf of all officers, directors and key managerial personnel of the Applicant Company and individuals with a ten percent (10%), or more, beneficial ownership in the Applicant Company and the Applicant Company's ultimate controlling parent (Affiant).
- B. The UCAA defines "Independent Third-Party" as:
 - (i) A consumer reporting agency ("CRA") overseen by the Federal Trade Commission ("FTC") and, therefore, subject to the FCRA, which have been vetted and is currently on the approved list;
 - (ii) Has the ability to perform international background investigations; and
 - (iii) One whose officers and directors have no material affiliation with the Applicant Company other than stock ownership amounting to less than one percent (1%) of total stock outstanding, unless prior approval is given by the department of insurance to which application is being made.
- C. The NAIC Biographical Affidavit requests information with respect to the Affiant's employment history, education, personal information and character. The NAIC Biographical Affidavit also includes the Disclosure and Authorization Concerning Background Reports (the "Disclosure & Authorization Form"). The signature of the Affiant on the Disclosure & Authorization Form permits an Independent Third-Vendor to conduct an independent third-party verification on the Affiant.
- D. The NAIC Biographical Affidavit includes three types of the Disclosure & Authorization Forms. There are three different Disclosure & Authorization Forms since certain state

laws, regulations and rules require different kinds of disclosures and wording within such form. An Affiant must sign the corresponding Disclosure & Authorization Form(s) for the respective state(s) where the Affiant has lived or worked within the last ten (10) years. Refer to the Disclosure & Authorization Forms for further information.

- E. The NAIC Biographical Affidavit is used to evaluate the suitability, competency, character and integrity of the Affiant in connection with an Applicant Company's pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states.

The Independent Third-Party uses information contained in the NAIC Biographical Affidavit as a tool to perform an independent third-party verification to determine an individual's fitness and propriety. The independent third-party verification may contain information bearing on the Affiant's character, general reputation, personal characteristics, mode of living and credit standing (if required by the state). The Independent Third-Party Vendors shall use the independent third-party verification to create a background report (the "Background Report").

- F. The Disclosure & Authorization Form is valid for a maximum of one year. Additionally, an Affiant may revoke the authorization at any time by delivering a written revocation to the Applicant Company. Refer to the Disclosure & Authorization Form for further information.

- G. The Background Reports are subject to the Fair Credit Reporting Act ("FCRA"). Pursuant to FCRA, the state departments of insurance and an Applicant Company who is seeking admission are "users" of consumer reports. The FCRA requires that the Applicant Company provide the Affiant with a copy of the "Summary of Your Rights Under the Fair Credit Reporting Act." The Applicant Company should provide a copy of the "Summary of Your Rights under the Fair Credit Reporting Act" to each Affiant. This summary can be found at the Federal Trade Commission (FTC) [website](#). Background Reports are valid for six months from the signature date of the affidavit. Any alteration to the original biographical affidavit or updated signature will require a newly prepared background report.

- H. The Applicant Company and state departments of insurance are required to comply with FCRA, especially as it relates to confidentiality of the information contained in such consumer reports. To the extent required by law, the states and Third-Party Vendors should maintain the Background Reports procured under the Disclosure & Authorization Form as confidential. A copy of FCRA is located [here](#).

- I. The department of insurance in the state where the Applicant Company files, or intends to file and the Applicant Company may require the Background Report. An Affiant, who desires a copy of their Background Report, may request a copy from the Applicant Company or the CRA as indicated on the Disclosure & Authorization Form. Refer to the Disclosure & Authorization Form for further information.

- J. For those states that require additional background information, such as fingerprints, in place of or in addition to, NAIC Biographical Affidavits, please refer to the appropriate charts for [fingerprints](#) and [processing fees](#) information.

The list of currently approved [Independent Third-Party Vendors for Background Reports](#) is located on the UCAA homepage.

NAIC Biographical Affidavits must be completed on the most **current form** [Word | PDF], in effect at the time the affidavit was signed and the Affiant shall not sign the Affidavits more than ~~one year~~ **six months** before the date the Applicant Company files the application.

Submit original Biographical Affidavits that contain the Disclosure & Authorization Form to the state department(s) of insurance.

Corporate Amendments Application Section VI Filing Requirements (Proposed/Completed Change of Control of Foreign Insurers)

6. NAIC Biographical Affidavits - Item 6 of the application

- A. The Applicant Company is required to submit an NAIC Biographical Affidavit ([Form 11](#)) in connection with pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states. The Applicant Company must submit an NAIC Biographical Affidavit on behalf of all officers, directors and key managerial personnel of the Applicant Company and individuals with a ten percent (10%), or more, beneficial ownership in the Applicant Company and the Applicant Company's ultimate controlling parent (Affiant), if the information currently on file with the regulator is not current.
- B. The UCAA defines "Independent Third-Party" as:
 - (i) A consumer reporting agency ("CRA") overseen by the Federal Trade Commission ("FTC") and, therefore, subject to the FCRA, which have been vetted and is currently on the approved list;
 - (ii) Has the ability to perform international background investigations; and
 - (iii) One whose officers and directors have no material affiliation with the Applicant Company other than stock ownership amounting to less than one percent (1%) of total stock outstanding, unless prior approval is given by the department of insurance to which application is being made.
- C. The NAIC Biographical Affidavit requests information with respect to your employment history, education, personal information and character. The NAIC Biographical Affidavit also includes the Disclosure and Authorization Concerning Background Reports (the "Disclosure & Authorization Form"). The signature of the Affiant on the Disclosure & Authorization Form permits an Independent Third-Party to conduct an independent third-party verification on the Affiant.
- D. The NAIC Biographical Affidavit includes three types of the Disclosure & Authorization Form. There are three different Disclosure & Authorization Forms since certain state laws, regulations and rules require different kinds of disclosures and wording within such form. An Affiant must sign the corresponding Disclosure & Authorization Form(s) for

- the respective state(s) where the Affiant has lived or worked within the last ten (10) years. Refer to the Disclosure & Authorization Forms for further information.
- E. The NAIC Biographical Affidavit is used to evaluate the suitability, competency, character and integrity of the Affiant in connection with an Applicant Company's pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states.
- The Independent Third-Party uses information contained in the NAIC Biographical Affidavit as a tool to perform an independent third-party verification to determine an individual's fitness and propriety. The independent third-party verification may contain information bearing on the Affiant's character, general reputation, personal characteristics, mode of living and credit standing (if required by the state). The Independent Third-Party Vendors shall use the independent third-party verification to create a background report (the "Background Report").
- F. The Disclosure & Authorization Form is valid for a maximum of one year. Additionally, an Affiant may revoke the authorization at any time by delivering a written revocation to the Applicant Company. Refer to the Disclosure & Authorization Form for further information.
- G. The Background Reports are subject to the Fair Credit Reporting Act ("FCRA"). Pursuant to FCRA, the state departments of insurance and an Applicant Company who is seeking admission are "users" of consumer reports. The FCRA requires that the Applicant Company provide the Affiant with a copy of the "Summary of Your Rights Under the Fair Credit Reporting Act." The Applicant Company should provide a copy of the "Summary of Your Rights under the Fair Credit Reporting Act" to each Affiant. This summary can be found at the Federal Trade Commission (FTC) [website](#). Background Reports are valid for six months from the signature date of the affidavit. Any alteration to the original biographical affidavit or updated signature will require a newly prepared background report.
- H. The Applicant Company and state departments of insurance are required to comply with the FCRA, especially as it relates to confidentiality of the information contained in such consumer reports. To the extent required by law, the states and Independent Third-Party Vendors should maintain the Background Reports procured under the Disclosure & Authorization Form as confidential. A copy of the FCRA is located [here](#).
- I. The department of insurance in the state where the Applicant Company files, or intends to file, an application and the Applicant Company may require the Background Report. An Affiant who desires a copy of their Background Report may request a copy from the Applicant Company or the CRA as indicated on the Disclosure & Authorization Form. Refer to the Disclosure & Authorization Form for further information.
- J. Please check state requirements for those states that require additional background information, such as fingerprints, in place of, or in addition to, NAIC Biographical Affidavits. If applying in one of those states, necessary [fingerprints](#) and [processing fees](#) should be included.

Refer to the UCAA website for a [list of currently approved Independent Third-Party Vendors for Background Reports](#).

NAIC Biographical Affidavits must be completed on the most **current form** [Word | PDF], in effect at the time the affidavit was signed and the Affiant shall not sign the Affidavits more than ~~one year~~ **six months** before the date the Applicant Company files the application.

Submit original Biographical Affidavits that contain the Disclosure & Authorization Form to the state department(s) of insurance.

Best Practices: Application Review

Confidentiality and Safeguarding of Biographical Affidavit Information

The insurance department shall implement a written information security program that includes administrative, technical, and physical safeguards to protect the security and confidentiality of the biographical affidavit, fingerprint card (where applicable), independent third-party ~~verification~~-background report, and all associated notes, emails or work papers (collectively referred to hereafter as “documents or records”).

Given: (i) the size and complexity of the insurance department and the nature and scope of its activities; (ii) the variations in state laws; and (iii) the sensitive and personal information it maintains, the insurance department is referred to the NAIC *Standards for Safeguarding Consumer Information Model Regulation* (#673) for further guidance with respect to an information security program. In addition, the insurance department should be aware that there may be other state-specific and federal laws and regulations regarding record retention and confidentiality, including the federal Fair Credit Reporting Act and the Federal Trade Commission regulations.

The following actions and procedures are recommended to the insurance department in implementing a written information security program.

Administrative Safeguards

- Identify reasonably foreseeable internal or external threats, assess the risk of harm from these threats, and develop and implement written procedures and policies that will safeguard the information and minimize the threats.
- Periodically assess the sufficiency of current practices and adjust the written program as necessary to adapt to new threats and technologies.
- Train employees on the policies and procedures developed to safeguard documents or records and personal information contained therein. Periodically review the training process and refresh employees on old and new processes. Provide training and training materials relevant to the safeguards to employees outside the company licensing division that may handle a public records request for the documents or records. Educate employees on any state enforcement rules and/or policies regarding their failure to abide by the training they receive.
- Develop procedures to search for Social Security numbers imbedded in licensure or registration numbers provided. Licenses or registrations from prior years may have included Social Security numbers within the number.
- Develop procedures and policies specific to the security of laptops and other portable devices that may contain personal information from the documents or records.
- Prohibit the sale of personal information, including names and addresses of any affiant for any purpose.

NAIC *Company Licensing Best Practices Handbook*

Best Practices: Application Review

- Exercise appropriate due diligence in selecting service providers, and require through appropriate confidentiality agreements, that they implement measures to meet the relevant objectives of the security program.

Technical Safeguards

- Maintain personal information in a secure manner that is appropriate to the size and complexity of the insurance department and the nature and scope of its activities.
- Transmit documents or records and personal information between the third-party vendor and insurance department in a secure manner.

Physical Safeguards

- Develop policies and procedures to address retention and destruction of paper and electronic documents or records.
- Permit access to the documents or records, whether in paper or electronic form, only to those individuals that need to know the information contained therein to complete a company's review for licensure or to investigate a response to an open records or Freedom of Information Act (FOIA) request.
- Keep the documents or records out of public view and secure when not being utilized.
- Maintain and secure all electronic and paper documents or records in accordance with state laws or record retention policies. The insurance department must comply with its written information security program when responding to the public records request for biographical information that is outdated or for which the authorization has been revoked by the affiant. In addition, the Department should include a statement with the documents that notifies the individual requesting disclosure through a public records request that the information contained therein may be outdated. (According to ~~question #13 and question #18 of the UCAA's "Frequently Asked Questions Instructions,"~~ a biographical affidavit is only good for 12-6 months after executed, and an affiant may revoke authorization at any time.)
- Destroy documents or records in a manner that renders the information unreadable and undecipherable.
- Develop standards for notifying the affiant and affiant's employer in the event of a security breach.
- Store the electronic and hardcopies of these documents or records in a secure manner. (Examples include storage in a cabinet or room accessible only by individuals that need the information for permitted purposes.)

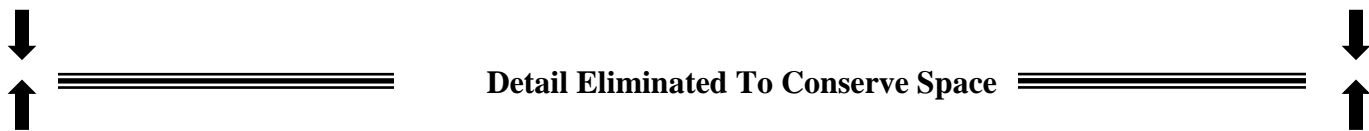
NAIC Company Licensing Best Practices Handbook
 Appendix D – Form A Review Best Practices

Primary Application

A Primary Application is to be used for domestic insurers. See Appendix A for the Primary Application Review Checklist.

The classification of the application instruction items is illustrated in the following chart:

Application Instruction Items	Administrative Filing	Analysis of Current Condition	Analysis of Business Plan
1. Application Form and Attachments	☒		
2. Filing Fee	☒		
3. Minimum Capital and Surplus Requirements		☒	
4. Statutory Deposit Requirements	☒		
5. Name Approval	☒		
6. Plan of Operation			☒
7. Holding Company Act Filings		☒	
8. Statutory Memberships	☒		
9. SEC Filings or Consolidated GAAP Financial Statement		☒	
10. Debt-to-Equity Ratio Statement		☒	
11. Custody Agreements			☒
12. Public Records Package	☒		
13. NAIC Biographical Affidavits		☒	

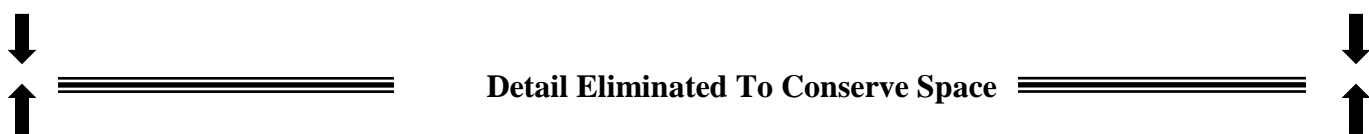


Analysis of Current Condition

Note: Generally, the scope of the analysis of current condition would depend on the risk prioritization of the Applicant Company. With a primary application (not a redomestication):

- i. If it is a stand-alone company, there is no information upon which to establish a risk prioritization and the use of that technique is inapplicable.*
- ii. However, if the Applicant Company is part of a holding company structure, the reviewer may want to consider the strengths, structure, ratings, etc. of the holding company.*


Application Instruction Items




Item 13. NAIC Biographical Affidavits

- These documents are used to perform a background check (if required by the state) to evaluate the suitability, competency, character and integrity of those persons ultimately responsible for the operations of the insurer. Persons to be reviewed are the controlling owners, officers, directors and key managerial personnel with the ultimate authority over the financial and operational decisions of the insurer, such as the chief executive officer (CEO), chief operating officer (COO), chief financial officer (CFO), secretary, chief marketing officer and treasurer.
- Independent third-party verification-background reports are used to identify discrepancies in the biographical affidavit and evaluate the suitability of the controlling owners, officers, directors or key managerial personnel of the Applicant Company and competency to perform the responsibilities of the position held with the company. Issues regarding competency, character and integrity may be self-evident from the information provided in the affidavit or may be determined from the related background review or criminal background check.
 - Regulators will review the comparison of information provided on the biographical affidavit and the results of the independent third-party verification-background reports.
 - Regulators will note any discrepancies found in the independent third-party verification-background reports and follow up with the Applicant Company.
 - Any key concerns will be addressed with the Applicant Company.

Fingerprint data, if available, can be used to validate the identity of personnel and check for criminal background. Information in the biographical affidavit can then be utilized to verify employment and educational background.



Detail Eliminated To Conserve Space



Expansion Application

The classification of the application instruction items is illustrated in the following chart.

Application Instruction Items	Administrative Filing	Analysis of Current Condition	Analysis of Business Plan
1. Expansion Application Form	☒		
2. Filing Fee	☒		
3. Minimum Capital and Surplus Requirements		☒	
4. Statutory Deposit Requirements	☒		
5. Name Approval	☒		
6. Plan of Operation			☒
7. Holding Company Act Filings		☒	
8. Certificate of Compliance		☒	
9. Reports of Examination		☒	
10. Statutory Memberships	☒		
11. Public Records Package	☒		
12. NAIC Biographical Affidavits		☒	

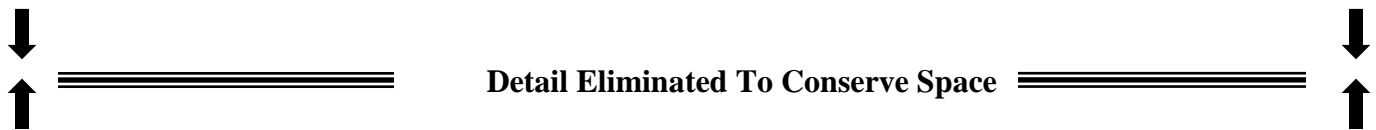
13. Uniform Consent to Service of Process	E		
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Administrative Filing



Application Instruction Items

The prioritization of the Applicant Company has no effect on the administrative filings processes.



Item 12. NAIC Biographical Affidavits

- These documents are used to perform a background check (if required by the state) to evaluate the suitability, competency, character and integrity of those persons ultimately responsible for the operations of the insurer. Persons to be reviewed are the controlling owners, officers, directors and key managerial personnel with the ultimate authority over the financial and operational decisions of the insurer, such as the chief executive officer (CEO), chief operating officer (COO), chief financial officer (CFO), secretary, chief marketing officer and treasurer.
- Independent third-party verification-background reports are used to identify discrepancies in the biographical affidavit and evaluate the suitability of the controlling owners, officers, directors or key managerial personnel of the Applicant Company and competency to perform the responsibilities of the position held with the company. Issues regarding competency, character and integrity may be self-evident from the information provided in the affidavit or may be determined from the related background review or criminal background check.
 - Regulators will review the comparison of information provided on the biographical affidavit and the results of the independent third-party verification-background reports.
 - Regulators will note any discrepancies found in the independent third-party verification-background reports and follow up with the Applicant Company or domestic regulator for further clarification.
 - Any key concerns will be addressed with the Applicant Company or domestic regulator for further clarification.

Fingerprint data, if available, can be used to validate the identity of personnel and check for criminal background. Information in the biographical affidavit can then be utilized to verify employment and educational background, if necessary.



Corporate Amendment Application – Merger of Two or More Foreign Insurers – For Filing with Non-Domiciliary States

NAIC Company Licensing Best Practices Handbook
 Appendix D – Form A Review Best Practices

Prior to a corporate amendment filing, the Form A should be approved. Refer to Appendix D for detailed information regarding the review of a Form A filing.

The classification of the application instruction items is illustrated in the following chart.

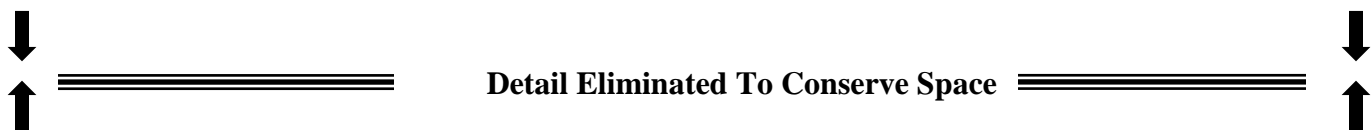
Application Instruction Items	Administrative Filing	Analysis of Current Condition	Analysis of Business Plan
1. Application Form and Attachments	☒		
2. Filing Fee	☒		
3. Articles of Incorporation/Articles of Merger	☒		
4. Bylaws	☒		
5. Minimum Capital and Surplus Requirements	☒	☒	
6. Statutory Deposit Requirements	☒		
7. Plan of Operation			☒
8. Statutory Memberships	☒		
9. NAIC Biographical Affidavits		☒	
10. Service of Process	☒		
11. State of Domicile Approval	☒		

Administrative Items

A merger requires notification to all states in which the Applicant Company is licensed. Corporate documents must be amended to incorporate the new address along with other requirements that may be state-specific.



Analysis of Current Condition

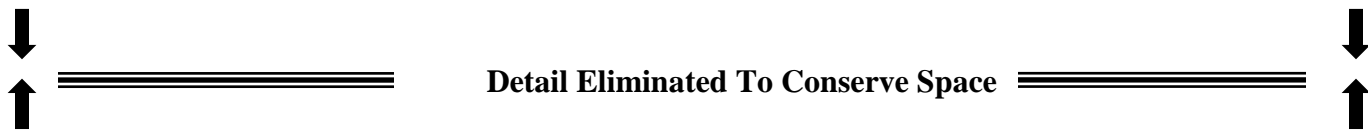


Item 9. NAIC Biographical Affidavits

- A review of biographical affidavits is only necessary if there is a change in officers, directors or ownership.
- These documents are used to perform a background check (if required by the state) to evaluate the suitability, competency, character and integrity of those persons ultimately responsible for the operations of the insurer. Persons to be reviewed are the controlling owners, officers, directors and key managerial personnel with the ultimate authority over the financial and

operational decisions of the insurer, such as the chief executive officer (CEO), chief operating officer (COO), chief financial officer (CFO), secretary, chief marketing officer and treasurer.

- Independent third-party **verification-background** reports are used to identify discrepancies in the biographical affidavit and evaluate the suitability of the controlling owners, officers, directors or key managerial personnel of the applicant and competency to perform the responsibilities of the position held with the company. Issues regarding competency, character and integrity may be self-evident from the information provided in the affidavit or may be determined from the related background review or criminal background check.
 - Regulators will review the comparison of information provided on the biographical affidavit and the results of the independent third-party **verification-background** reports.
 - Regulators will note any discrepancies found in the independent third-party **verification background** reports and follow up with the Applicant Company or domestic regulator for further clarification.
 - Any key concerns will be addressed with the Applicant Company or domestic regulator for further clarification.



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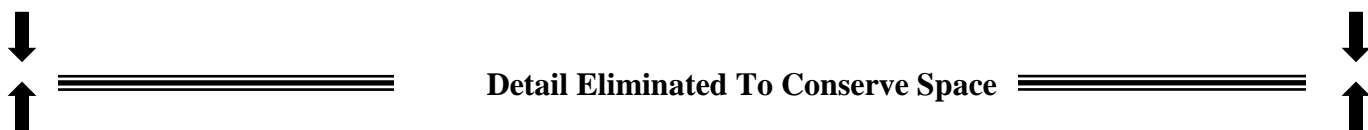
Corporate Amendment Application – Proposed/Completed Change of Control of Foreign Insurers

The classification of the of the application instruction items is illustrated in the following chart.

Application Instruction Items	Administrative Filing	Analysis of Current Condition	Analysis of Business Plan
1. Application Form and Attachments	☒		
2. Filing Fee	☒		
3. Articles of Incorporation	☒		
4. Bylaws	☒		
5. Plan of Operation			☒
6. NAIC Biographical Affidavits	☒		
7. Uniform Consent to Service of Process	☒		
8. State of Domicile Approval	☒		
9. State-Specific Information		☒	

Administrative Items

Proposed change of control transaction information (proposed transaction) and a second filing of actual information after the change of control are complete (completed transaction). This application is not applicable for filing in a state if the insurer is a domestic insurer in that state.



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Analysis of Current Condition

Item 6. NAIC Biographical Affidavits

- A review of biographical affidavits is only necessary if there is a change in officers, directors or ownership.
- These documents are used to perform a background check (if required by the state) to evaluate the suitability, competency, character and integrity of those persons ultimately responsible for the operations of the insurer. Persons to be reviewed are the controlling owners, officers, directors and key managerial personnel with the ultimate authority over the financial and operational decisions of the insurer, such as the chief executive officer (CEO), chief operating officer (COO), chief financial officer (CFO), secretary, chief marketing officer and treasurer.
- Independent third-party ~~verification-background~~ reports are used to identify discrepancies in the biographical affidavit and evaluate the suitability of the controlling owners, officers, directors or key managerial personnel of the Applicant Company and competency to perform the responsibilities of the position held with the entity. Issues regarding competency, character and integrity may be self-evident from the information provided in the affidavit or may be determined from the related background review or criminal background check.
 - Regulators will review the comparison of information provided on the biographical affidavit and the results of the independent third-party ~~verification-background~~ reports.
 - Regulators will note any discrepancies found in the independent third-party ~~verification-background~~ reports and follow up with the Applicant Company or domestic regulator for further clarification.

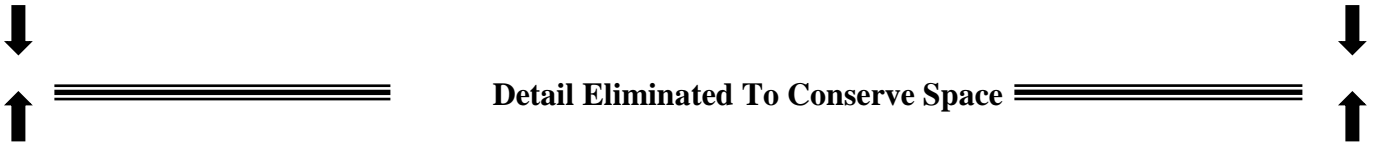
FREQUENTLY ASKED QUESTIONS

BIOGRAPHICAL AFFIDAVIT

The information contained in the Biographical Affidavit is used to validate the educational, employment and criminal history of the Affiant. The results of the validation process are used by the State Insurance Departments to access competency, character, experience and integrity of the personnel responsible for the insurer. An Independent Third-Party, chosen by the Affiant from the list of vendors located on the [UCAA website](#), performs the validation/verification process, and submits the results directly to the State Insurance Department(s) in the form of a Background Investigative Report.

Note, failure to disclose certain items in the Biographical Affidavit may increase the processing time of an application and slow an insurer's speed to market. When in doubt, always disclose. If there is any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

General Biographical Affidavit Questions:



Question 2: Can a company reference another affiliate company's UCAA for biographical or other documents in common with ~~the a~~Applicant Company?

Answer: No, a separate biographical affidavit is required for each Applicant Company within a group. The biographical affidavit must include the company name, NAIC company code and FEIN.

Question 3: Can a biographical affidavit and third-party background report more than six months old be used in a new application?

Answer: ~~One of the goals of the UCAA and the speed with which the states will review the application is to have a complete application in front of them. Each state is different with respect to how they store their files and it sometimes becomes too cumbersome to track down an affiliate company's application. In addition, b~~No, biographical and background checks more than ~~twelve six (126)~~ months old are not acceptable and a ~~newly must be completed~~ biographical affidavit with a current date must be submitted. ~~You might ask the state if the biographicals are less than twelve (12) months old whether a photocopy of the biographical for the current application would suffice, so long as the previous affiliate who filed for admission filed original copies. In addition you can ask the entity that prepared the background checks on officers and directors to forward copies to additional jurisdictions. A gain the entity that prepared the background check will only be able to provide this additional service if the information is less than six (6) to twelve (12) months old. Some of these entities will not forward copies beyond six (6) months when based on existing data. Biographical affidavits signed within six months of the application submission date may be used for new~~

[applications for the same Applicant Company. If you are submitting an application for an affiliated company a new biographical affidavit would be required.](#)

Question 3: Who must submit the NAIC Biographical Affidavit?

Answer: The NAIC Biographical Affidavit is required to be submitted by an [Applicant Company](#) in connection with pending or future application(s) for licensure or a permit to organize with a department of insurance in one or more states. The NAIC Biographical Affidavit must be submitted on behalf of all officers, directors and key managerial personnel of the [Applicant Company](#) and individuals with a ten percent (10%) or more beneficial ownership in the applicant or the applicant’s ultimate controlling parent (“Affiant”). An exception to requirement for biographical affidavit is that individuals with a ten percent (10%) or more beneficial ownership in the Applicant Company or the Applicant Company’s ultimate controlling parent (“Affiant”) should provide a copy of the Disclaimer of Affiliation/Control filed with the domiciliary state for the corporate entity and the action taken by the domiciliary regulator. A disclaimer generally consists of disclosing all manners of affiliation, including 1) the number of authorized, issued and outstanding voting securities held, 2) the number and percentage of shares of the holding company’s voting securities that are held of record or known to be beneficially owned by the person (or corporation) disclaiming control and all affiliates, and the number of such shares concerning which there is a right to acquire, directly or indirectly; 3) all other relationships and bases for affiliation between the holding company and the person (or corporation) disclaiming control and all affiliates of such person, including material contracts; and 4) a statement explaining why such person should not be considered to control the insurer. This information should have been previously filed with the company’s domiciliary state. If biographical affidavits are not provided, the reviewing state may request them during the course of the review. Refer to the state specific information link for states cannot accept the domiciliary state’s disclaimer.

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Question 6: Why is the NAIC Biographical Affidavit necessary?

Answer: The NAIC Biographical Affidavit is used to evaluate the suitability of the Affiant in connection with an [Applicant Company](#)’s pending or future application(s) for licensure or a permit to organize with an Insurance Department in one or more states.

The information contained in the NAIC Biographical Affidavit is used as a tool to perform an independent third-party verification where certain items must be verified. The independent third-party verification may contain information bearing on the Affiant’s character, general reputation, personal characteristics, mode of living and credit standing. The independent third-party verification shall be utilized to create a background report (the “Background Report”).

Question 7: How long is the Disclosure & Authorization Form valid?

Answer: The Disclosure & Authorization Form is valid for a maximum of ~~onesix~~ (6+) ~~year~~months and, in certain instances, only valid for one pending application. Additionally, an Affiant may revoke the authorization at any time by delivering a written revocation to the applicant. Refer to the Disclosure & Authorization Form for further information.



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Question 9: Who is permitted to receive a copy of the Background Report?

Answer: The Background Report may be received by an Insurance Department in any state where an ~~a~~Applicant Company files or intends to file an application, and to the applicant. Affiants, who desire a copy of their Background Report, may request a copy from the applicant or the consumer reporting agency (“CRA”) as indicated on the Disclosure & Authorization Form. Refer to the Disclosure & Authorization Form for further information.

Best Practices for NAIC Background Investigations

Sample Report Format

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Resubmission of a Report

Biographical Affidavits are valid for 6 months from the signature date of the affiant. The background reporting agency must use the original signature dates when submitting a previously prepared background investigation report. The signature date of the biographical affidavit must not be more recent than the date of the report preparation. Vendors must provide a new verification background report if the signature of the biographical affidavit has been updated.

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REPORT HEADER

Company Name: (Name of company making the application)

Company Address:

DOI Name: (Name of Department of Insurance Receiving the Background Report)

DOI Address:

Date of Request: (the date the company made the request)

Date of Biographical Affidavit: (Date signed by the affiant)

Date of Preparation: (the date the investigation was completed)

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