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

Question: Is an original signature required on the Biographical Affidavits in all states?
Answer: Not all states require an original signature on the Biographical Affidavit, state specific requirements can be found on the Signature Requirements – Biographical Affidavits and Uniform Consent to Service of Process state chart. The chart can be found at: http://www.naic.org/documents/industry_ucaa_chart_signature.pdf.

Question: Are there any special requirements/limitations that I need to be aware of when completing a Biographical Affidavit?
Answer: The Biographical Affidavit must be sworn to by the Affiant, notarized and dated no more than one year prior to submission.

Question: Is it acceptable to leave a question or item blank if I don’t know the answer, or that the question or item does not apply, or that the answer is none?
Answer: No, you must answer each and every question or item. If the answer is none, state “None”. If the question or item does not apply, then state, “Not Applicable” or “N/A”. By not responding to each question or item, you risk the various State Insurance Departments requesting an affidavit from you regarding your having not responded to that question or item. State Insurance Departments also conduct their own due diligence and you risk delaying the application process by not providing complete information.

Question: I am completing a primary application. We do not yet know the address and telephone number of the insurer. What information should I include?
Answer: Following the name of the present or proposed entity, insert, “To be determined” as your answer.

Question: The form does not allow enough space to respond to the questions or items. What should I do?
Answer: Attach a supplemental sheet to your Biographical Affidavit and cross-reference the question or item number with your response.

Question: When the question or item requires that I attach a copy of the complaint or settlement document or other similar document, do I need to just include it with the Biographical Affidavit?
Item 1

Question: I never utilize my full name (First, Middle and Last Name). I always utilize my initials when signing documents in an official capacity. No one would recognize me if I complete the form as indicated.

Answer: You must complete the form in the manner as indicated; that is, full name (First, Middle and Last Name), no initials.

Item 2a

Question: I was a citizen of the United States and moved to another country where I am now a citizen. I don’t know if I am still a citizen of the United States or not. How should I respond to this question?

Answer: You need to research the matter and provide a response.

Item 2b

Question: I have citizenship in several countries. Do I have to list all of the countries?

Answer: Yes.

Item 3

Question: I have several occupations. Item 3 of the Biographical Affidavit does not appear to allow for this. How should I respond?

Answer: If there is not room in the space to list your other occupations, you may provide a supplemental sheet cross-referencing the item number, i.e., Item 3.

Item 4

Question: I have several businesses with various addresses, but primarily work out of my home. Which address or addresses should I utilize?

Answer: The address or addresses where the business or businesses are actually located.

Question: I primarily work out of my home in New Jersey, though the business is located in New York. Which telephone number should I utilize?

Answer: The telephone number(s) where you receive and make your business calls.

Item 5

Question: I do not recall the exact dates that I attended college. Can I just guess?

Answer: No, because if you guess and are wrong, when the Independent Third Party vendor verifies the information and submits their findings to the State Insurance Departments, a discrepancy will be noted. You may be required by the various State Insurance Departments to submit a notarized affidavit explaining the discrepancy; an unnecessary request had you researched the matter before guessing.
Question: What should be listed in “Other Training”? For example, I took some classes and received a certification to administer CPR and also to teach aerobics. Should I list this training?

Answer: Apply judgment in your response. The intent is to list professional training. For example, you took a training class and exam(s) to become a licensed Financial Planner.

Question: I do not recall the telephone number of the foreign school that I attended. Can I just leave this information off the form?

Answer: No, you need to respond to the question or item completely, even if it involves research.

Item 6

Question: I used to be a member of a professional association. Do I still need to list the name of the association even though I am no longer active?

Answer: No.

Question: I am not a member of a professional society or association. Can I just leave this item blank?

Answer: No, you must fill in a response to each question or item on the form. Remember; utilize “N/A”, if not applicable, or state, “None”, if your answer is none.

Item 7

Question: I have been asked to be a director of the company; I anticipate being named an officer in the immediate future. How should I respond to this item?

Answer: List your position(s) as of the date you signed the Biographical Affidavit.

Item 8

Question: I do not want my current employer to be contacted as part of the Independent Third Party verification process. Do I still have to provide the information?

Answer: Yes.

Question: I do not have or recall all the information requested in the employment section of the Biographical Affidavit. I don’t recall every telephone number, supervisor, etc. I do not even know if the entity is still in business. What should I do?

Answer: Research the matter and provide a response for each blank in the question or item. If you cannot locate the information, then state so in your answer; do not leave the question or item blank. State Insurance Departments also conduct their own due diligence and you risk delaying the application process by not providing complete information.

Question: I have been retired for the past five years; however I have sat on the Board of Directors for several companies while being retired. Do I disclose these directorates?

Answer: Yes, the instructions for the question require you to list any directorates.
Question: Why does the Biographical Affidavit require complete employment history for the past 20 years and then require only telephone numbers and supervisory information for the past 10 years?

Answer: The Independent Third Party that was selected by the Affiant or insurer will only verify the past 10 years of employment. However, State Insurance Departments will review the entire employment record and use it to assist in determining if the Affiant has the requisite experience for the present/proposed position with the insurer.

Item 9a

Question: It was 20 years ago that I was in a position that required a fidelity bond and there was a claim made on the bond, but I was not personally named in the claim. Do I have to disclose the information?

Answer: Your response should indicate you were in a position that required a fidelity bond. Then, you should disclose the claim and indicate that you were not personally named in the claim.

Item 10

Question: I do not have access to or recall all of the details that are required in item 10. For example, I do not recall telephone numbers, license numbers, expirations, the address of the issuer or the license, etc. How do I account for this?

Answer: Provide as much information as possible, and also research the matter as best as you can. After completing your research, for those items that you still do not know the answer to, just indicate you do not know.

Item 11

Question: If I answer “Yes” to any question in Item 11, what documentation do I need to include?

Answer: At the end of this item, Affiant is directed to include the details to any affirmative (“Yes”) response including dates, locations, dispositions, etc. and attach a copy of the complaint and filed adjudication or settlement as appropriate. Any “Yes” answer is a flag to the State Insurance Departments and you can be assured unsupported affirmative responses will be questioned. Even when documentation is provided, many State Insurance Departments have follow-up questions. For example, if you are the proposed CFO, have bankruptcies in your past, civil suits relating to collection issues, and outstanding tax liens, etc., this individual may not be the best candidate for CFO.

Item 11d

Question: Over 30 years ago, when I was a teenager, I was arrested and charged with Driving Under the Influence (“DUI”). Do I have to disclose this?

Answer: If the arrest occurred in a jurisdiction that did not deem the DUI charge a civil traffic offense, but a criminal offense, you would need to disclose. In many states, a DUI is not considered a civil traffic offense, but a criminal offense.

Question: When I was 19, I walked out of a store with an item, it was an accident, but I was charged with shoplifting. The charges were ultimately dropped and I believe my record was sealed or expunged and besides, it happened so long ago when I was a youngster. Do I need to disclose?
Answer: If you know for a fact that your record was sealed or expunged, you do not need to disclose this information. You must research and confirm that the record was sealed or expunged. If you are not sure if the record was sealed or expunged, it is best to disclose, and the fact that you were 19 is irrelevant.

Item 11h

Question: We had an employee that sued the company five years ago regarding alleged unpaid wages. The company was named in the suit, as well as me and two other directors. Do I need to disclose this matter?

Answer: Yes, you were named. The instructional paragraph to item 11 of the Biographical Affidavit says, “Have you ever...”

Item 11i

Question: I was personally involved in violating a small loan law, not intentionally; however, an official other than the Comptroller alleged the violation. Do I need to disclose this matter since the party alleging the violation was not a “Comptroller”, per say?

Answer: Absolutely, disclose the information.

Item 11j

Question: When I went through my divorce, a foreclosure action was filed against me and my wife with regards to our home. It was not all my fault. Do I need to disclose this, especially since my wife was also named?

Answer: Yes.

Item 12

Question: I have established a Trust for each of my minor children to hold the stock of our family owned insurance company until they are 21 years of age. There are three children, and each child holds 13% of the stock. I am just Trustee, my ownership is 5%, but I can vote the children’s stock. Do I have to disclose this?

Answer: Yes, you as an individual have the ability to vote 10% or more of the outstanding stock.

Item 13

Question: Within the holding company system, I own shares of stock of our Claims Management Company, a Managing General Agency, A Risk Management Company and a Computer Software Company. What do I need to disclose, if anything? My direct ownership percentage is 5% for each entity. Do I need to disclose anything?

Answer: No, refer to the definition of control in item 12 of the Biographical Affidavit.

Item 14

Question: I am personally in the midst of a bankruptcy proceeding at this time. Do I need to disclose the proceeding; it is still ongoing.

Answer: We suggest you disclose, and indicate the proceeding is ongoing and provide details about the bankruptcy proceeding.
**Item 15**

**Question:** If I answer “Yes” to any question in Item 15, how detailed must I be in my explanation?

**Answer:** Any “Yes” answer is a flag to the State Insurance Departments and you can be assured unexplained affirmative responses will be scrutinized. Even when details are provided by the Affiant, many State Insurance Departments have follow-up questions. For example, if you were an executive of an insolvent insurer, the State Insurance Departments may inquire as to your role in the insolvency and then contact the Receiver directly for further information. The objective in this exercise is for State Insurance Departments to get “comfortable” with the Affiant and his/her present or proposed position. Remember, the Independent Third Party vendor’s role is to validate a response. Due diligence is still conducted by State Insurance Departments. The severity of the event should guide the Affiant as to the amount of detail and Affiant should clearly disclose the position held at the time of the action.

**Item 15a**

**Question:** Prior to my being promoted to a key managerial position within the company, the company had its Certificate of Authority denied in Puerto Rico. This occurred six months ago. My promotion occurred last month. Do I need to disclose this information?

**Answer:** No, because at the time of the denial, you were not in the managerial position.

**Item 15b**

**Question:** Six months after I left the XYZ Insurance Company, where I held the position of Director, the company had their Certificate of Authority suspended, but it occurred twelve (12) years ago. Do I need to disclose?

**Answer:** Yes. The instructional paragraph to item 15 of the Biographical Affidavit would require that you disclose because the event occurred within twelve (12) months of your departure.

**Item 15c**

**Question:** Do I need to disclose market conduct fines imposed by the various State Insurance Departments? We had an incident where we utilized an unapproved form; 12 states fined us. This is a lot of information to disclose. What should we do?

**Answer:** Disclose.

**Notarization of Biographical Affidavit**

The Biographical Affidavit requires notarization. Affiant should pay particular attention to the “Note” that appears above the signature line. Failure to disclose is a flag to the State Insurance Departments and an Affiant’s credibility may be at risk.
General

Question: Why is this section of the Biographical Affidavit labeled “Supplemental”?

Answer: This particular section of the Biographical Affidavit contains information that may be protected, to the extent permitted by law, from public document requests and otherwise, classified confidential.

Item 2

Question: I have been married several times. Do I have to list all my former names, including first, middle and last names?

Answer: Yes, answer the question completely.

Question: Do I need to include just my nickname? For example, my peers know me as J.R., not John Robert Smith. Do I need to just fill in J.R. or J.R. Smith?

Answer: J.R. Smith

Question: I have utilized several aliases throughout the years. I prefer to keep this information confidential. Am I required to disclose this information?

Answer: Yes.

Item 8

Question: I have more than one residence. Do all residences need to be disclosed?

Answer: Disclose all residences.