



Louisiana Department of Insurance  
Insure Louisiana Incentive Program  
Grant Application

**Section 1: General Information**

Applicant Name: \_\_\_\_\_

NAIC #: \_\_\_\_\_ FEIN: \_\_\_\_\_

Home Office Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

State of Domicile: \_\_\_\_\_

NOTE: The Applicant must have an existing Certificate of Authority in Louisiana for the line or lines of insurance which the Applicant will write pursuant to the Incentive Program. If the Applicant is a non-admitted insurer, provide evidence that the Applicant is contemporaneously applying for licensure with the Company Licensing Division of the Louisiana Department of Insurance ('LDI').

The following information is required of the individual who is authorized to represent the Applicant before the LDI on all matters pertaining to the grant process and the Insure Louisiana Incentive Program:

Contact Person: \_\_\_\_\_  
Title: \_\_\_\_\_  
Email: \_\_\_\_\_ Phone: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Amount of Grant Funds Requested under Incentive Program: \$ \_\_\_\_\_

NOTE: The Applicant is responsible for informing the LDI of any significant changes that occur or that the Applicant discovers during the application review period. Examples of significant changes include: changes in officers and directors, material acquisition or disposal of assets, changes in reinsurance, acquisition of the insurer, change in proposed shareholders, regulatory actions taken against the insurer, change in current business plan, etc.

## Section 2: General Interrogatories

The applicant must attach a written explanation if the answer is "yes" to any of the below interrogatories:

- a) Does the Applicant currently hold a Certificate of Authority to do business in Louisiana, or has an application for a Certificate of Authority been filed contemporaneously with this application?

Yes  No

- b) Has the Applicant's Certificate of Authority to do business in any state been suspended or revoked within the last five years?

Yes  No

- c) Has the Applicant had an application for admission denied by any regulatory authority within the last five years?

Yes  No

- d) Has the Applicant ever been placed under any type of administrative supervision?

Yes  No

- e) Has the Applicant, or any current or former affiliated insurers, ever been placed in Conservation, Rehabilitation, or Liquidation?

Yes  No

- f) Has any officer, director, or controlling person of the Applicant ever been an officer, director, or controlling person with an insurer that was placed in Bankruptcy, Conservation, Rehabilitation, Liquidation, or declared insolvent?

Yes  No

- g) Has any direct, or indirect, upstream controlling persons of any insurance company within the insurance holding company system been placed in Bankruptcy, Conservation, Rehabilitation, Liquidation, or declared insolvent?

Yes  No

- h) Within the last five years, has the Applicant transferred or encumbered a substantial portion (more than 10%) of its assets, or has its outstanding capital stock been directly or indirectly pledged?

Yes  No

- i) Within the last five years, has the Applicant merged or consolidated with any other entity?

Yes  No

- j) Within the last five years, has the Applicant undergone a change in ownership of 10% or more?

Yes  No

k) Is the Applicant presently negotiating or inviting negotiations, or party to an offer which would result in a merger, consolidation, or change of ownership of 10% or more?

Yes  No

l) Has the Applicant undergone a change in management or control since the date of the latest financial statement filed in support of this application?

Yes  No

m) Does the Applicant contemplate a change in management or any transaction that would normally result in a change in management within the reasonably foreseeable future?

Yes  No

n) Has any person who is presently an officer or director of Applicant Company been convicted of, or pleaded guilty or nolo contendere to, an indictment or Bill of Information in any jurisdiction charging a felony for theft, larceny or mail fraud or, of violating any corporate securities statute or any insurance statute?

Yes  No

o) Is the Applicant Company presently engaged in a dispute with any state or federal regulatory agency?

Yes  No

p) Is the Applicant Company a plaintiff or defendant in any legal action other than one arising out of policy claims?

Yes  No

q) As of the latest Annual Statement filing, what was the Applicant's premium to surplus ratio, net of reinsurance? \_\_\_\_\_

r) As of the latest Annual Statement filing, what was the Applicant's premium to surplus ratio, gross of reinsurance? \_\_\_\_\_

s) As of the latest Annual Statement filing, what was the Applicant's largest amount insured in any one risk (net of reinsurance)? \_\_\_\_\_

t) Does the Applicant currently write more than 15 percent of it's net written premiums in any one Louisiana parish?

Yes  No

### Section 3: Minimum Solvency Requirements

The following information must be provided from the Applicant's most current financial statement:

Date of most current financial statement: \_\_\_\_\_

Capital: \$ \_\_\_\_\_ Surplus: \$ \_\_\_\_\_

Risk-based capital ratio: \_\_\_\_\_

NOTE: The sum of capital and surplus shall not be less than \$10 million at the time the grant is awarded and shall be maintained at all times to comply with grant requirements. In addition, the risk-based capital ratio shall be equal to or greater than 400% at the time the grant is awarded and shall be maintained at all times to comply with grant requirements.

Provide the most recent financial strength ratings of Applicant by any of the below nationally recognized statistical rating organizations:

<u>Rating Organization</u>	<u>Financial Strength Rating</u>	<u>Effective Date</u>
A.M. Best Company:	_____	_____
Demotech, Inc:	_____	_____

NOTE: Minimum rating requirements: A.M. Best (B+) or Demotech (A). Provide an attachment describing any affiliated risk pooling arrangements in which the Applicant participates, or the Applicant's rating is dependent upon. Property insurers rated by more than one rating company need only meet one of the rating requirements.

### Section 4: Satisfactory Prior Experience

Provide a detailed Statement of Prior Experience which includes at least the following:

- Applicant's years of experience in writing property insurance, average property premiums written per year over last five years (or over total number of years in which premiums were written if less than five), a list of states in which Applicant has written property insurance, and a description of types of property insurance written;
- Applicant's key management's names, titles, contact information, years of experience in writing property insurance, a list of states in which management have written property insurance within the last five years, and a description of types of property insurance written;
- Descriptions of any failed operations or legal actions taken against the Applicant and/or Applicant's key management and any instances where Applicant and/or Applicant's key management were placed in receivership or administrative supervision;
- All lines of insurance the Applicant is licensed to transact, currently transacting, and requesting authority to transact in all jurisdictions; and
- A description of the Applicant's current catastrophe reinsurance program, including retentions, limits, reinstatements, as well as the current ratings of each reinsurer. In addition, the report shall contain the modeled Probable Maximum Loss for a 1 in 50, 1 in 100, 1 in 150, 1 in 200 and 1 in 250 event, including the models and versions utilized.
- If the Applicant had in-force Louisiana policies during Hurricanes, Laura, Delta, Zeta, or Ida, please provide the number of open outstanding claims for each aforementioned hurricane (of these please also identify how many are in litigation).

NOTE: Grants shall be made only to property insurers with satisfactory prior experience in writing property insurance or to new property insurers whose management has satisfactory experience in property insurance. The Commissioner may request additional information from the Applicant and conduct such investigation of prior experience as the Commissioner deems appropriate.

### Section 5: Matching Capital Requirements

Applicant commitment of newly allocated matching insurer capital: \$ \_\_\_\_\_

Describe the form and sources of Applicant's capital assets that we be used to match the grant funds received under the Program:

NOTE: Grants from the Incentive Program must be matched by such newly allocated insurer capital at a ratio of at least one dollar of allocated capital funds for each dollar of Incentive Program grant funds. If approved, safekeeping receipts will be required of successful Applicants for any grant funds received.

## Section 6: Plan of Operations

Provide a Plan of Operation covering at least the Applicant's five years succeeding receipt of Grant Funds which includes information responsive to the following:

- A brief narrative addressing the Applicant's overall plan of operation, as well as, that specific to the Program.
- Proforma financial statements/projections, including a company-wide, three-year proforma balance sheet, income statement, and cash flow statement. For the lines applicable under the Program, provide three-year premium and loss projections by line for each state in which the Applicant is actively writing. Projections should include sufficient detail to demonstrate the Applicant's compliance with the financial guidelines of the Incentive Program. Include the assumptions used to arrive at these projections. (Use of the NAIC UCAA proforma template is preferred.)
- Applicant's potential for providing property insurance as required by the Incentive Program at reasonable and competitive costs, particularly for property owners in the Louisiana parishes included in the federal Gulf Opportunity Zone Act of 2005 consisting of: Acadia, Allen, Ascension, Assumption, Beauregard, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Evangeline, Iberia, Iberville, Jefferson, Jefferson Davis, Lafayette, Lafourche, Livingston, Orleans, Plaquemines, Pointe Coupee, Sabine, St. Bernard, St. Charles, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Vernon, Washington, West Baton Rouge, and West Feliciana;
- Applicant's anticipated reinsurance program (assuming sufficient reinsurance market capacity) for the 2023 Atlantic Hurricane Season, including details of program the Applicant anticipates entering into or expanding for the lines of business to be written pursuant to the Incentive Program. This should include anticipated retentions, limits, and reinstatements, as well as, the anticipated Probable Maximum Loss the Applicant is targeting (e.g. 1 in 50, 1 in 100, 1 in 150, 1 in 200 and 1 in 250 event);
- Applicant's marketing, distribution network, underwriting and claims handling capability and experience, particularly the Applicant's ability to market property insurance in areas affected by Hurricanes Laura, Delta, Zeta, & Ida and to handle future claims that may arise. If the underwriter is other than the Applicant, describe the relationship to the Applicant;
- The Applicant's timeline for filing policy rates and policy forms under the Incentive Program;
- Briefly, what are the underwriting controls for accepting or rejecting a potential policyholder;
- What procedures the applicant has in place for reviewing, accepting, or denying claims, and what, if any, procedures are in place to allow the applicant to make prompt claim payments;
- Considering the scale of a catastrophe and the number of policies issued in any given area, please discuss the Applicant's methodology for determining the following:
  - a. The approximate number of field adjusters, desk adjusters, and other administrative personnel necessary to respond to the catastrophe.
  - b. b) The process through which the Applicant will provide claims and administrative personnel to service policyholder and subscriber needs in a timely manner.
  - c. c) The process through which the Applicant will provide logistical support for claims and administrative personnel in an area affected by a catastrophe.
- Applicant's intended longevity in the Incentive Program, demonstrating the Applicant's intent, if any, to continue doing business in Louisiana following the completion of the Incentive Program; and
- The projected premiums to be written under the Incentive Program, including the following:

- Estimated new property insurance premium to be written under the Program for the following lines by parish (include both the number of policies and premium for each parish):
  - Fire (Line 1)
  - Allied Lines (Line 2.1)
  - Farmowners Multiple Peril (Line 3)
  - Homeowners Multiple Peril (Line 4)
  - Commercial Multi-peril (Non-Liability Portion) (Line 5.1)
  
- Estimated number of policies, as well as the amount of total net written premiums to be assumed or written by Applicant under the Program for policies depopulated from, or formerly insured by, the Louisiana Citizens Property Insurance Corporation (where Citizens was the immediately prior insurer); and

NOTE: Applicant must demonstrate that the existing or intended reinsurance program is sufficient for the amount and types of business to be written during the projection period in aggregate and new business to be written pursuant to the Incentive Program. The new property insurance written under the Incentive Program in Louisiana whether residential, commercial, mono-line, or package insurance policies shall include coverages for wind and hail with limits equal to the limits provided for other perils insured under such policies.

## Section 7: Other Requirements<sup>1</sup>

Provide copies of the most currently available information below for the Applicant (affirmatively identify any information that is not applicable to Applicant company):

- If the Applicant’s state of domicile is not Louisiana, provide a current Certificate of Compliance from the state of domicile;
- Holding Company Form "B" & “C” Registration Statements;
- Most recent Annual or Quarterly SEC 10K/10Q Filings (if applicable);
- If the Applicant, its parent, or its ultimate holding company is not publicly traded, the application must include a copy of the parent or its ultimate holding company’s most recent Consolidated GAAP financial statement.
- Consolidated Debt-to-Equity Ratio Statement for the holding company system that includes:
  1. Debt-to-Equity Ratio
  2. a brief description of the any outstanding debt;
  3. a brief discussion of how the holding company plans to service any debt;
  4. The Applicant must clearly substantiate the sources of repayment of any debt, including, but not limited to, whether the source of repayment is independent from the future income of the Applicant.
  5. List the assets of the holding company, if any, that are pledged to fund the debt service or debt repayment of an affiliate or parent (include the assets or stock of any insurer subsidiaries);
  6. List any guarantees (personal or otherwise) from the holding company’s shareholders for repayment of the debt.
- Reports of Examination (including Financial and Market Conduct) performed within the last five years;
- Annual Statement with Attachments, including:
  - Actuarial Opinion;
  - Risk Based Capital Report
  - NAIC Management's Discussion and Analysis;
  - Current Year Quarterly Statements — Updated Statements should be submitted on a timely basis while application is pending;
  - Current Year’s Audited Financial Statements

<sup>1</sup> Hard copies of any of the documents listed above need not be filed if the documents were filed electronically with the NAIC or SEC.

Please provide a listing of all other applications filed by the Applicant, or any of its affiliates, that are pending before the LDI.

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## Applicant Officers' Certification and Attestation

This form must be notarized. Both of the officers (listed below) of the Applicant must read the following very carefully:

1. I hereby certify that I have read the application, that I am familiar with its contents, and that all of the information, including the attachments, submitted in this application are true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license discipline or other administrative action and may subject me or the Applicant, or both, to civil or criminal penalties.
2. I acknowledge that I am familiar with the insurance laws and regulations of the jurisdictions in which the Applicant is licensed or to which the Applicant is applying for licensure.
3. I acknowledge that, if awarded a grant, the Applicant can be declared in default of the grant requirements if the Applicant fails to comply with the provisions of La. R.S. 22:2361 et seq. or Regulation 125 and be required to repay any grant funds not earned by the Applicant.
4. I acknowledge, if awarded a grant, that the commissioner may examine the Applicant's records at any time during the grant period to determine compliance with Insure Louisiana Incentive Program requirements.
5. I acknowledge that I am an Officer of the Applicant, am authorized to execute, and am executing this document on behalf of the Applicant.
6. I hereby certify under penalty of perjury under the laws of the applicable jurisdictions that all of the forgoing is true and correct.

\_\_\_\_\_  
Applicant Company Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Principal Officer #1

\_\_\_\_\_  
Full Legal Name of Principal Officer #1

\_\_\_\_\_  
Title of Principal Officer #1

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Principal Officer #2

\_\_\_\_\_  
Full Legal Name of Principal Officer #2

\_\_\_\_\_  
Title of Principal Officer #2

Notarization: Signed and sworn to (affirmed) before me;

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Notary

\_\_\_\_\_  
Full Legal Name of Notary

\_\_\_\_\_  
City, State of Notary

\_\_\_\_\_  
Notary Commission Expires