



RISK RETENTION GROUP REGISTRATION PACKET

ALL APPLICATIONS AND FORMS SHALL BE MAILED TO THE FOLLOWING ADDRESS:

Tennessee Department of Commerce and Insurance
Financial Affairs Section
500 James Robertson Parkway,
Nashville, TN 37243

For questions, call 615-741-1670

The Liability Risk Retention Act of 1986, codified at Tenn. Code Ann. §§ 56-45-101 et seq. (“the Risk Retention Act”) allows insurers licensed in one state to write liability insurance on commercial risks without being licensed in each state in which they do business. The following explains the requirements for a risk retention group to operate in Tennessee under the Act.

A. DOMESTIC COMPANY REQUIREMENTS:

1. Companies must qualify as a property and casualty insurer or captive insurer pursuant to Tennessee law and meet the requirements to write under the Risk Retention Act.
2. Companies already licensed as property and casualty insurers must meet the requirements to write under the Risk Retention Act.
3. In order to write under the Risk Retention Act, companies must:
 - a. Submit a plan of operation or feasibility study which includes the coverages, deductibles, coverage limits, rates, and rating classification systems for each line of insurance the group intends to offer, and revisions of such plan or study if the group intends to offer any additional lines of liability insurance.
 - b. Have a majority of independent directors on the risk retention group’s board of directors. Please see Tenn. Code Ann. § 56-45-103(d) for additional details.
 - c. Comply with all laws, rules, regulations and requirements applicable to insurers chartered and licensed in Tennessee.
 - d. Comply with the requirements of Tenn. Code Ann. § 56-45-104 for foreign companies writing in Tennessee under the Risk Retention Act.

B. FOREIGN COMPANY REQUIREMENTS: Before it may offer insurance in Tennessee, each company writing in Tennessee under the Risk Retention Act must:

1. Submit a copy of its plan of operation, and any revisions, the name of the state in which it is chartered and its principal place of business.
2. Submit a copy of its annual financial statement filed with the state in which it is chartered, which shall be certified by an independent public accountant and contain a statement of opinion on loss and loss adjustment expense reserves made by a member of the American Academy of Actuaries or a qualified loss reserve specialist.
3. Comply with the Tennessee Unfair Trade Practices and Unfair Claims Settlement Act of 2009, codified at Tenn. Code Ann. §§ 56-8-101 et seq.
4. Comply with any Tennessee law regarding false or fraudulent acts or practices, except that if the state seeks an injunction regarding such conduct, such injunction must be obtained from a court of competent jurisdiction.
5. Pay, on a non-discriminatory basis, applicable premium and other taxes, which are levied on admitted insurers and surplus lines insurers, brokers, or policyholders under the laws of Tennessee. The gross premium tax is two and one half percent (2.5%), payable on a surplus lines basis through a licensed resident or non-resident Tennessee agent.

The Insurance Division of the Tennessee Department of Commerce and Insurance has implemented rules requiring insurance companies to submit their premium tax returns and payments electronically through OPTins (Online Premium Tax for Insurance). Contact OPTins for details at <http://www.optins.org>. All taxes shall be reported and payable in OPTins on a quarterly basis with payments being due on or before June 1, August 20, December 1, and March 1 as prescribed by Tenn. Code Ann. § 56-4-205.

6. Participate, on a non-discriminatory basis, in any mechanism established or authorized under the law of the state for the equitable apportion among insurers of product liability or completed operations liability insurance losses and expenses incurred on policies written through such mechanism. However, no risk retention group may participate in any insurance insolvency guaranty association.
7. Register with and designate the Commissioner of Insurance as its agent solely for the purpose of receiving service of legal documents or process.
8. Submit to an examination by the Tennessee Commissioner of Insurance to determine the group's financial condition, if:
 - a. The Commissioner has reason to believe the risk retention group is in a financially impaired condition; and
 - b. The Commissioner of the jurisdiction in which the group is chartered has not begun or has refused to initiate an examination of the group.
9. Comply with a lawful order issued by a court of competent jurisdiction upon a petition by the Tennessee Insurance Commissioner alleging that the group is in hazardous financial condition or is financially impaired.
10. Provide the following notice in 10-point type, in any insurance policy issued by such group:

Notice: This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance solvency guaranty funds are not available for your risk retention group.

To complete an application, the Department must receive:

- (1) A fully completed application form;**
- (2) The latest annual statement, original signatures required;**
- (3) The latest CPA report;**
- (4) The latest Exam report, CERTIFIED by the RRG's home state; and**
- (5) A business plan of operations.**



**STATE OF TENNESSEE
APPLICATION FOR REGISTRATION AS A RISK RETENTION GROUP**

1. List the exact legal name of the Retention Group.

2. Indicate the form of organization (i.e. corporation, partnership, etc.).

3. The Retention Group is domiciled in the State of: _____

4. List any other names under which the Retention Group has done or is doing business in the State of Tennessee or any other state if different than above.

5. Have you provided the group's financial statement submitted to the state in which the risk retention group is chartered and licensed, which shall be certified by an independent public accountant and contain a statement of opinion on loss and loss adjustment expense reserves made by a member of the American Academy of Actuaries or a qualified loss reserve specialist under criteria established by the National Association of Insurance Commissioners? _____

6. List the complete physical address of the home office of the Retention Group.

7. List the mailing address if different from above.

8. List the name, address, e-mail address, and telephone number of those individuals who organized the group or who will provide administrative services or otherwise influence or control the activities of the group. Attach additional pages if necessary.

9. List the name of the principal agent or broker responsible for the sale of purchase or the group's liability insurance. (If none, answer none).

10. List the names of the principal officers and directors of the Risk Retention Group. Attach additional pages if necessary.

Principal Officers:

Name	Title	Address
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Principal Directors:

Name	Address
_____	_____
_____	_____
_____	_____
_____	_____

11. The Retention Group is composed of members whose business or activities are similar or related with respect to the liability to which members are exposed by virtue of any related, similar, or common business, trade, product, services, premises or operations. Give a general description of business or activities engaged in by retention group members:

12. The Retention Group intends to purchase the following lines and classifications of liability insurance:

13. List the name and address of the licensed agent or broker through whom purchase will be affected. Complete this item only if purchase of insurance is to be made from a surplus lines insurer, rather than from a licensed insurer.

Name	Address
_____	_____
_____	_____
_____	_____

14. If the retention group transacts insurance business by means of a “direct offering” (without using insurance agents to market its program), list the name and address of each person not listed in (13) above who will be transacting business on behalf of the retention group. (You need not include the names of licensed insurance agents duly appointed by an admitted insurer.)

Name	Address
_____	_____
_____	_____
_____	_____

15. Has any person transacting business on behalf of this Retention group ever:

- a. Been arrested, indicted and convicted of a felony, or has a felony charge currently pending against any such person? _____
- b. Been denied any application for a professional, vocation or business license? _____
- c. Had any such license suspended or revoked? _____
- d. Had application of license withdrawn or surrendered due to potential disciplinary action against licensee? _____

If the answer to any part of this question is yes, attach a supplementary statement explaining in full each such occurrence.

We do hereby swear and affirm that the aforementioned statements and information are true and correct.

_____	_____
Date	Signature of President

	Full Legal Name of President

_____	_____
Date	Signature of Secretary

	Full Legal Name of Secretary

Sworn before me this _____ day of _____, 20_____.

Notary Public, State of _____.

My Commission Expires _____.

(seal)



Power of Attorney to Acknowledge Service of Process

_____ Original Designation

_____ Amended Designation
(must be submitted directly to states)

Applicant Company Name: _____

Previous Name (if applicable): _____

Home Office Address: _____

City, State, Zip: _____ NAIC Company Code: _____

The Applicant Company named above, created by and organized under the laws of _____, and thereby authorized to transact business within the State of Tennessee, does, by these presents, authorize The Commissioner of The Department of Commerce and Insurance for the State of Tennessee, to acknowledge service of all legal process, for the Applicant Company, in any judicial proceeding which may, within the State of Tennessee, be instituted against it, or to which it may be a party; and the Applicant Company named above does hereby, in consideration of the privilege of doing business in this State, consents for the benefit of all persons concerned, that service of any such process upon the Commissioner of the Department of Commerce and Insurance shall be taken and held to be as valid as if served upon the Applicant Company, according to the laws of the State of Tennessee, or of any other State; and the Applicant Company named above does hereby further consent that in case it shall cease to transact business in the State of Tennessee, the Commissioner of the Department of Commerce and Insurance shall be considered and held as continuing to be Attorney for the Applicant Company for the purpose of process in any action against the Applicant Company upon any policy or liability issued or contracted during the time the Applicant Company transacted business in the State of Tennessee.

Applicant Company Officers' Certification and Attestation

The President and Secretary of the Applicant Company must execute the following:

1. I acknowledge that I am authorized to execute and am executing this document on behalf of the Applicant Company.
2. I hereby certify under penalty of perjury under the laws of the applicable jurisdictions that all of the forgoing is true and correct, executed at _____

Date

Signature of President

Full Legal Name of President

Date

Signature of Secretary

Full Legal Name of Secretary

NOTICE

Certified copy of Resolution adopted by Board of Directors authorizing the execution of Power of Attorney must be attached here.

Secretary's Certificate

On _____ the Board of Directors of the _____
(Date) (Company Name)
(A Risk Retention Group), by unanimous consent, adopted the following resolution:

RESOLVED: That the appropriate officers of the Corporation are hereby authorized and directed to execute forms designating the Commissioner of the Insurance Department of each state in which the Corporation will operate as its agent solely for the service of legal process, in accordance with the Act. The appropriate officers of the Corporation are specifically authorized by this Resolution to execute such forms in such manner as may be required by each state in which the Corporation will operate, and to certify that this Resolution authorizes them to so act.

I HEREBY CERTIFY, that the above is a true copy of the Resolution of the directors of the Company said above (A Risk Retention Group) authorizing the appointment of an Attorney for the State of Tennessee, as recorded by me.

Signature (Secretary)

Printed Name (Secretary)