

To: Insurer Contacts and U.S. Representatives  
From: NAIC International Insurers Department (IID)  
Re: NAIC *Quarterly Listing of Alien Insurers* – Application Filing Requirements

The following outlines the required application documentation and fee for application to the NAIC [Quarterly Listing of Alien Insurers](#).

**Application Required Documentation**

- ☐ Cover Letter (Include the rationale for the application and any explanatory details)
  - ☐ 2022 IIDfile – Annual Renewal and New Application Filing (MS Access Database)\*
  - ☐ Audited Financial Report
  - ☐ Business Plan (See Attachment A) and 3-year Pro Forma (See [Pro Forma Projections Template](#))
  - ☐ Actuarial Report and/or Loss Reserves Certification (See Attachment B)
  - ☐ [Biographical Affidavits](#) for the Applicant's:
    - ☐ President and/or Chief Executive Officer;
    - ☐ Chief Operating Officer;
    - ☐ Chief Investment Officer;
    - ☐ Secretary;
    - ☐ Treasurer;
    - ☐ Chief Underwriting Officer or Actuary; and
    - ☐ Any other individual that has authority or responsibility for planning, directing, and controlling the activities of the Company (including any individuals at the immediate, intermediate, or ultimate holding company level).
- Note:** Upon analysis of the application, additional biographical affidavits may be required.
- ☐ Certificate of Registration (i.e., license)
  - ☐ [Trust Agreement for Alien Excess or Surplus Lines Insurers](#) (Executed prior to admittance)
  - ☐ Relevant Additional Supplemental Documents (e.g., additional supporting financial statements or organizational charts)

\* The MS Access Database will need to be downloaded and saved to your computer. The data year of the application must correspond with the data year of the IIDfile System utilized.

Submission of all required documentation and payment of the fee within [OPTins](#) must be made before an application is considered (See [IID Plan of Operation, Section I – Application Process](#)). The application fee is \$11,682.

Questions may be directed to Andy Daleo, Sr. Mgr. - P/C Domestic and International Analysis, [adaleo@naic.org](mailto:adaleo@naic.org).

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**Surplus Lines Business Plan Requirements**

- I. Description of the applicant, including, but not limited to the following:
  - a. Brief history of the company formation (including any name changes and/or mergers and acquisitions);
  - b. Description and illustration of holding company structure;
  - c. Licensure and current standing with domiciliary regulator;
  - d. Qualifications and experience of key management; and
  - e. Summary of current business written (e.g., lines of business written, geographical distribution, and specific coverages/programs written).
- II. Discussion of proposed operations, including, but not limited to the following:
  - a. Lines of business and detailed descriptions of the types of coverages/programs planned in the U.S. including any long-range plans;
  - b. Target market and geographic distribution of coverages;
  - c. Method(s) of business production (e.g., independent agents or managing general agencies);
  - d. Three-year proforma that includes proposed premium by line of business, on a global and U.S. basis; and
  - e. Balance sheet and income statement projections for three years (including the current year, if applicable).
- III. Details on the applicant's reinsurance program, including, but not limited to the following:
  - a. Summary of reinsurance contracts planned for U.S. business;
  - b. Attachment points and maximum limits of liability; and
  - c. Net retention.
- IV. Any additional information not covered above that is relevant to the application.

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### Loss Reserves Certification Requirement

Provide an actuarial report or if an actuarial report is unavailable, a loss reserve certification. The loss reserve certification must include:

- Identification of the actuary (must be a member of a recognized professional actuarial body, e.g., Casualty Actuarial Society);
- A Scope paragraph that provides details on loss reserves and the period examined, assumptions applied, and data relied on; and
- Opinion.

**Important Note:** If an actuarial report is used in place of a loss reserve certification, the actuarial report **must** provide details on the U.S. gross surplus lines liabilities **AND** the U.S. gross surplus lines liabilities must crosscheck to the values reported within the IIDfile System (MS Access Database).

The following provides example language of the loss reserve certification:

#### Identification of Actuary

The Certification must indicate the actuary's relationship to the insurer such as the following:

- **Employee:** I, (name and title), am an employee of (name of insurer). I am a member of (name of recognized professional actuarial body) and meet its qualification standards to render this opinion.

**OR**

- **Consultant:** I, (name and title), am associated with (name of firm). I am a (name of recognized professional actuarial body) and meet its qualification standards. I was appointed by the Board of Directors of (name of insurer) on (date) to render this opinion.

#### Scope

The Scope paragraph must contain a statement such as the following:

- I have evaluated the actuarial assumptions and methods used in establishing loss reserves listed below, as shown in the Financial Statement of the Company as prepared for filing with regulatory officials, as of December 31, 20xx.

The paragraph must list items and amounts with respect to which the actuary is expressing an opinion. This list includes, but is not limited to:

- Worldwide net loss reserves for unpaid losses, including case and incurred but not reported (IBNR) and unpaid loss adjustment expenses.
- U.S. Specific Reporting Requirement: For liabilities arising from U.S. business written on or after January 1, 1998, provide the U.S. gross surplus lines liabilities (gross reserve for unpaid losses for case and IBNR + gross reserve for unpaid loss adjustment expenses) excluding liabilities from aviation, ocean marine, and transportation insurance.

**Special Note:** The gross loss reserves reported must crosscheck to the values reported within the IIDfile (MS Access Database).

If the actuary has evaluated the underlying records and/or summaries, the scope paragraph must include a statement such as:

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- My review included such evaluation of the assumptions and methods used and of the underlying basic records and/or summaries and such tests and calculations as I considered necessary.

If the actuary has not evaluated the underlying records and/or summaries, but has relied upon those prepared by the company, the scope paragraph must include either of the following statements:

- I relied upon underlying records and/or summaries prepared by the responsible officers or employees of the company or group. In other respects, my review included such evaluation of the assumptions and methods used and such tests of the calculations as I considered necessary.
- I relied upon (name of firm) for the accuracy of the underlying records and/or summaries. My review included such evaluation of the underlying assumptions and methods used and the calculations as I considered necessary.

#### **Opinion**

The opinion paragraph must include language similar to the following:

- In my opinion, the amounts carried in the balance sheet on account of the items identified above
  - (i) meet the requirements of the insurance laws of (country of domicile);
  - (ii) are consistent with reserves computed in accordance with accepted actuarial standards and practice; and
  - (iii) make reasonable provision for all unpaid losses and loss expense obligations of the insurer under the terms of its contracts and agreements.

If there has been any material change in the assumptions and/or methods used previously, details must be included in the statement of opinion such as the following:

- A material change in assumptions (and/or methods) was made during the past year, but such change agrees with accepted loss reserving standards (description of change should be included).

**Note:** The writing of new coverages requiring underlying assumptions that differ from assumptions used for prior coverages, would not be considered a change in assumption, but would be considered a new assumption per the intent of this paragraph.

If the actuary is unable to form an opinion, they should not issue a statement of opinion. If the opinion is adverse or qualified, the actuary should issue an adverse or qualified opinion explicitly stating the reason(s) for such opinion.