COMMISSIONER OF SECURITIES & INSURANCE
OFFICE OF THE MONTANA STATE AUDITOR

# STATE OF MONTANA

## CAPTIVE APPLICATION FOR CERTIFICATE OF AUTHORITY

1. **Name of proposed captive:** _____

2. **Parent or Sponsor:** _____

3. **Name, address, and phone number of application contact person:**

   _____

   _____

4. **Federal Employee Identification Number:** _____

5. **Type of captive:**

   - ☐ Association
   - ☐ Captive Reinsurance Company
   - ☐ Captive Risk Retention Group
   - ☐ Industrial Insured
   - ☐ Protected Cell (Cell)
   - ☐ Protected Cell (Core)
   - ☐ Pure
   - ☐ Special Purpose Captive (Series Core)
   - ☐ Special Purpose Captive (Series SBU)
   - ☐ Special Purpose Captive (non-Series)

6. **Business entity form:** Corporation ☐ LLC ☐

7. **Organization Form:** Stock ☐ Mutual ☐ Reciprocal ☐ Other ☐

8. **Address of captive's principal place of business in Montana:**

   _____

9. **Location of books and records:**

_____

10. **Capital and/or Surplus of captive:**

(a) Capital $_____

Surplus $_____

Total $_____

(b) Location of shares of stock: _____

11. **List each beneficial owner of captive** **Percent of ownership**

_____

_____

_____

_____

12. **Explain relationship among owners:**

_____

_____

13. **List each entity to be insured by the captive and the beneficial owner (attach additional sheets):**

_____

_____

_____

_____

14. **If Letter of Credit is to be used:**

| Name and Address of Bank | Amount |
| --- | --- |
| _____ | _____ |

15. **Name and address of Captive Manager:**

_____

_____

16. **Name and address of Claims Handler:**

_____

_____

17. **Name and address of MGA/MGU:**

_____

_____

18. **Name and address of Lawyer:**

_____

_____

19. **Name and address of Certified Public Accountant:**

_____

_____

20. **Name and address of Actuary:**

_____

_____

21. **Name and address of Reinsurance Broker:**

_____

_____

22. **List the captive's directors, officers, and Controlling Person*:**

| **Name** | **Position(s) with Captive** |
|---|---|
| _____ | |
| _____ | |
| _____ | |
| _____ | |

*** Controlling Person means the possession of power, either directly or indirectly, to control the direction of the management and policies of the proposed captive, even if not an officer or director. This power may be evidenced through the ownership of voting securities, by contract, or otherwise.**

23. **If applicant is an Industrial Insured Captive, provide the following:**

(a) Name and address of each full-time employee acting as an insurance manager or buyer:_____

(b) Aggregate annual premium for insurance on all risks:$_____

(c) Number of full-time employees: _____

24. **Include the following with the application:**

(a) Coverage/Limits/Reinsurance form (attached).

(b) **A single check of $500**, payable to Commissioner of Insurance, in payment of $200 application fee and $300 license fee.

(c) A feasibility study by an actuary showing expected and adverse scenarios, along with confidence levels. The applicant understands that the Department may contract with an actuarial firm for a peer review of the feasibility study, with the cost of the peer review to be borne by the applicant.

(d) If the applicant selected **Association** in #5, give history, purpose, size and other details of the parent association.

(e) If the applicant selected 'Captive Risk Retention Group' in #5, please also complete and submit (as part of this application) the form located at the following link: https://csimt.gov/wp-content/uploads/2025/01/risk-retention-group-application-1-25.pdf

(f) If the applicant selected **Corporation** in #6, then include draft articles of incorporation and draft bylaws.

(g) If the applicant selected **LLC** in #6, then include draft articles of organization and a draft operating agreement.

(h) If the applicant selected **Reciprocal** in #7, then include a certified copy of the power attorney-in-fact and subscriber's agreement.

(i) For each captive owner shown in #11, include a current financial report for the owner.

(j) If #14 indicates that a Letter of Credit will be used, the State of Montana's approved Irrevocable Letter of Credit form must be used (attached).

(k) For the Captive Manager shown in #15, Claims Handler shown in #16, and MGA/MGU shown in #17, include the contract between the captive and each of these service providers.

(l) For the service providers shown in #'s 15-20, list each service provider's responsibilities together with how fees for services rendered are to be charged.

(m) For the CPA shown in #19, include a completed Application for Authorization as an Independent Certified Public Accountant for Captive Insurance Business. The form is attached. (Note: this item can be skipped if the CPA is already approved by the State of Montana).

(n) For the Actuary shown in #20, include a completed Application for Authorization to Certify Loss Reserves and Loss Expense Reserves for Captives. The form is attached. (Note: this item can be skipped if the Actuary is already approved by the State of Montana).

(o) A biographical affidavit for each individual listed in #22. Use the form available at: https://csimt.gov/wp-content/uploads/2025/01/Biographical-Affidavit-1-2025.pdf

(p) Detailed Plan of Operation with supporting data including:

(1) Risks to be insured – direct, assumed and ceded – by line of business.

(2) Name of fronting company, if operating as a reinsurer.

(3) Five-year projection of expected gross and net annual premium income by line of coverage (prorate first year).

(4) Five-year projection of maximum retained risk (per loss and annual aggregate).

(5) Investment policy and schedule of proposed investments.

(6) Rating and pricing guidelines and methodologies.

(7) Reinsurance program.

(8) Organization and responsibility for loss prevention and safety including the main procedures followed and steps taken to deal with events prior to possible claims.

(9) Loss experience for past five years, together with projections for the ensuing five years.

(10) Organization chart.

(11) Five-year financial projections on an expected and worst-case scenario.

(12) Specimen policy form(s) and declarations page(s).

(13) If the applicant is a risk retention group, describe how business will be produced (sold by company employees only, agency force, or describe other arrangements) and give details.

(14) Please use the Checklist Tool for Montana Captive Insurance Application Submission posted at this link: https://csimt.gov/wp-content/uploads/2026/10/CHECKLIST-TOOL-CAPTIVE-APPLICATION-SUBMISSION-10-26-2026.pdf

**CERTIFICATION**

I CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL OF THE INFORMATION GIVEN IN THIS APPLICATION IS TRUE AND CORRECT AND THAT ALL ESTIMATES GIVEN ARE BEST ESTIMATES, BASED UPON FACTS THAT HAVE BEEN CAREFULLY CONSIDERED AND ASSESSED.

Signature of the proposed captive's Controlling Person*: _____

Name & Title: _____ Date: _____

*Controlling Person means the possession of power, either directly or indirectly, to control the direction of the management and policies of the proposed captive, even if not an officer or director. This power may be evidenced through the ownership of voting securities, by contract, or otherwise. In the case of a Series SBU or Protected Cell, the owner/member of the SBU or owner/member of the Protected Cell is considered the Controlling Person. In all cases where a legal entity is the Controlling Person, the signer should be a person with signature authority for that legal entity.