



South Carolina Department of Insurance
Captive Insurance Division
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Henry McMaster
Governor
Michael Wise
Director

Provide the documents listed below, in the order shown. Draft copies are acceptable. Submit all documents in PDF format (including Excel spreadsheets) and send to captivemail@doi.sc.gov.

1. Cover letter introducing the prospective captive and its owners.
2. Table of contents. Hyperlinks are helpful, but not required.
3. Completed, application form
4. Plan of operation which includes a discussion of the following:
 - a. Parent company overview
 - b. Business purpose
 - c. Ownership structure
 - d. Insurance program including type of captive and organizational type
 - e. Lines of coverage, direct or assumed
 - f. Expected premiums and losses
 - g. Amount and form of capitalization
 - h. Use of fronting or reinsurance
 - i. Details of risk management program
 - j. Board of directors and officers
 - k. Service providers
 - l. Investment plan
 - m. Special requests including target date for licensure
5. Organizational chart showing the captive in relation to the parent organization
6. Financial statements of the parent company
7. Organizational documents
 - a. Articles of Incorporation
 - b. Certification of Company Bylaws
 - c. Action Taken by Written Consent of Sole Incorporator
 - d. Unanimous Written Consent in Lieu of Organizational Meeting of the Board of Directors

- e. Uniform Consent to Service of Process
 - f. Certification of Balance Sheet by president and secretary
 - g. Executed Subscription for Stock
 - h. Employer Identification Number
 - i. Evidence of capital and surplus
8. Biographical affidavits of officers and directors
 9. Service provider agreements
 - a. Captive manager
 - b. Actuary
 - c. Auditor
 - d. Attorney
 - e. Other: Investment manager, Reinsurance broker; Consultant; Program administrator; Insurance broker; etc.
 10. Actuarial funding study
 11. Five-year financial proformas showing expected and adverse scenarios
 12. Policy forms and reinsurance agreements (draft is fine)
 13. A Check for the application fee, review fee, and licensing fee. Currently, fees are \$200 application fee, \$300 license fee, and \$4000 review fee. One check is fine.
 14. Original letter of credit, if used. Must be provided as an original, not a photocopy. This is the only document we need as an original.
 15. Any other information that may be helpful in assisting the department with its review and investigation.

Additional information may be required for risk retention groups, branch captives, reciprocals, and sponsored captives. Some documents required for these types of companies will be in place of some of the documentation listed above.

Risk Retention Groups

1. Provide a list of states in which the RRG will be registered subsequent to licensing.
2. If subject to the Holding Company Act, provide a Form B filing within 15 days of licensure or a Disclaimer of Affiliation.
3. Include the RRG statement prominently on the declaration page of each policy.
4. Investment policy must be consistent with §38-12 of the South Carolina Code of Laws.
5. Corporate governance requirements including, but not limited to:
 - a. Affirmation of independence of board of directors.
 - b. Board approved governance standards.
 - c. Code of business conduct and ethics.

Branch Captives

1. Establish a trust fund in the US for the benefit of US policyholders and US ceding insurers in accordance with §38-90-40(E) of the South Carolina Code of Laws.
2. Provide evidence of registration with the SC Secretary of State's Office.
3. Sixty days after the fiscal year end, file with the director a copy of all reports and statements required under the laws of the jurisdiction in which the alien captive is domiciled.

Reciprocals

Grant authority to the director to examine the affairs of the alien captive insurance company in the jurisdiction in which it is domiciled.

1. Certified copy of the power of attorney of its attorney-in-fact.
2. Certified copy of its subscribers' agreement.
3. A statement under oath of its attorney-in-fact demonstrating the financial condition of the company.
4. Abide by the provisions of §38-17 of the SC Code of Laws, as amended.

Sponsored Captives

1. The name of a sponsored captive insurance company shall include the words "Sponsored Captive" or the abbreviation "SC".
2. The name of an unincorporated cell shall include the words "Protected Cell" or "PC".
3. The name of an incorporated cell shall include the words "Incorporated Cell" or "IC".
4. Provide an explanation of how the losses and expenses for each protected cell will be accounted for, and how it will be reported to the director.
5. An affirmation that expenses will be allocated to each protected cell in an equitable manner.
6. A statement confirming all financial records of the sponsored captive insurance company and all protected cells will be made available for inspection or examination by the director.