



**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE**

Division of Insurance
Financial Affairs Section\ Analytical Unit - 0576
500 James Robertson Parkway, 4TH Floor
Nashville, Tennessee 37243-1135
(615) 741-7520

**RISK RETENTION GROUPS
REGISTRATION PACKET**

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

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Division of Insurance

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500 James Robertson Parkway, 4th Floor

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The Liability Risk Retention Act of 1986 (“the 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 under the Act to operate in Tennessee.

I. RISK RETENTION GROUPS

A. DOMESTIC COMPANY REQUIREMENTS:

1. Companies must qualify as a property and casualty insurer or captive insurer under the Tennessee Code Annotated and meet requirements to write under the Risk Retention Act.
2. Companies already licensed as property and casualty insurers must meet 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. Must comply with all laws, rules, regulations and requirements applicable to insurers chartered and licensed in Tennessee.
 - c. Must comply with the requirements for foreign companies writing in Tennessee under the Risk Retention Act as set forth below.

B. FOREIGN COMPANY REQUIREMENTS: (Each company writing in Tennessee under the Risk Retention Act must :)

1. Before it may offer insurance in Tennessee, submit a copy of its plan of operation, and any revisions, and 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 to the state in which it is chartered, which statement 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 unfair claim settlement practices law of Tennessee.
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 ½%), payable on a surplus lines basis through a licensed resident or non-resident Tennessee agent.
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 groups 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, we must have:

- (1) This application form, fully completed**
- (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**
- (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. List the complete home office physical address of the Retention Group.

6. List the mailing address if different from above.

7. List the name, address and telephone number of the principal staff person or officer of the Retention Group who can be contacted regarding the insurance program, membership criteria, coverage's, and key personnel of the group's administrator and insurance carrier.

8. 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).

9. List the names, addresses and occupations of the principal officers and directors of the Retention Group. Attach additional pages if necessary.

Principal Officers:

Name	Address	Occupation
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Principal Directors:

Name	Address	Occupation
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

10. 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:

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

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

Name	Address	Occupation
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

13. 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 (14) 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	Occupation
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

- Been arrested, indicted and convicted of a felony, or is a felony charge currently pending against any such person? _____
- Been denied any application for a professional, vocation or business license? _____
- Had any such license suspended or revoked? _____
- 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.

President or Chief Executive Officer

Secretary

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

Notary Public, State of _____.

My Commission Expires _____.

(seal)

INSURANCE COMPANIES

Know All Men By These Presents:

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

In Witness Whereof, the said Company, in accordance with a resolution of its Board of Directors, duly
 adopted by said Board, on the day of A.D. 20, (a certified
 copy whereof is hereunto attached), hath to these presents affixed its corporate seal, and caused the same
 to be subscribed and attested to by its President and Secretary, at the City of
 in the State of on the day of
 A.D. 20 President.

Attest:

..... Secretary.

NOTICE

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

Company's Name
(A Risk Retention Group)
Secretary's Certificate

On DATE the Board of Directors of the Company's 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's Name (A Risk Retention Group) authorizing the appointment of an Attorney for the State of Tennessee, as recorded by me.

Name (Secretary)