

Department of Insurance Securities and Banking			
Business Plan Changes Approval Requirements			
for Captives and Risk Retention Groups			
Nature of change	Notification only	Revised pro formas	Review & Prior Approval
Add or remove a director or officer with new biographical affidavit	x		
Change in address/contact information - captive, service provider or registered agent	x		
Change of service provider to a provider previously approved by DISB*	x		
Change of service provider to one not previously approved by DISB*			x
Change in service provider agreements (compensation, duties or term of yrs)			x
Change in service provider agreements (all other)	x		
Change in policy forms (no financial impact)	x		
Change in policy forms (financial impact)		x	x
Change to articles of incorporation or by-laws	x		
Any change related to VSC Administrator Obligors, including trust account(s), PORCs			x
Change in underwriting guidelines/credits/debits (less than 10% impact)	x		
Change in underwriting guidelines/credits/debits (more than 10% impact)		x	x
Change in rates (less than 10% of current rate)	x		
Change in rates (more than 10% of current rate)**		x	x
Change in net retentions (less than 10%)	x		
Change in net retentions (more than 10%)		x	x
Change in policy limits (less than 10%)	x		
Change in policy limits (more than 10%)		x	x
Change in expected NWP or GWP - less than 10%	x		
Change in expected NWP or GWP - more than 10%, less than 25%			x
Change in expected NWP or GWP - more than 25%		x	x
Change in expected NEP - less than 10%	x		
Change in expected NEP - more than 10%		x	x

Change in assumed earned premium less than 10%	x		x
Change in assumed earned premium more than 10%		x	x
Change in invested assets greater than 10% of invested assets			x
Change in invested assets less than 10% of invested assets	x		
Change in character or quality of invested assets			x
Change in reinsurer or reinsurance/excess/stop loss agreement		x	x
Commutation of reinsurance treaty		x	x
Adding or removing lines of authority		x	x
RRG registration in one or more states not previously approved**		x	x
RRG registration in an additional state previously filed and approved	x		
Changes in amounts or timing of payment of capital contributions		x	x
Payment of dividends			x
Approval of loan-backs			x
Repayment of surplus notes (principal or interest)			x
Cancellation or non-renewal of letters of credit			x
Change in terms - letter of credit where Commissioner is beneficiary			x
Change in terms - letter of credit where re/insurer is beneficiary			x
Change in ownership - more than 10%			x
Change in ownership - less than 10%	x		
Dividend or other reduction in capital not previously planned			x
Increase in capitalization	x		
Change in accounting method, including statutory vs. GAAP			x
Change in fronting arrangement			x
Change involving a liquidation, dissolution, acquisition, merger, consolidation or loss portfolio transfer		x	x
*Change in service provider includes captive manager, actuary, auditor, attorney, managing general agent, managing general underwriter,			

<p>investment advisor or custodian, commercial bank, loss control services, or claims adjustment services. Prior approval is required if there is a change in management personnel or greater than 25% ownership of the service provider. A new service provider assuming the responsibilities of an existing service provider must use same agreement on file with DISB without amendment of any terms. If any terms are changed, prior review and approval will be required.</p>			
<p>** Request for approval must be accompanied by detailed rate study prepared by a qualified actuary.</p>			
<p>All of the percentage changes should be calculated on an annualized basis.</p>			