

MANAGING GENERAL AGENT (MGA) EXEMPTION FILING FORM

Alaska Statute (AS) 21.27.620(a)(2) states that an insurer may not transact business with a Managing General Agent (MGA) unless the managing general agent is licensed under this chapter.

"Managing General Agent" means a person who

- (A) manages all or part of the insurance business of an insurer, including the managing of a separate division, department, or underwriting office; and
- (B) acts as an agent for an insurer, whether known as a managing general agent, manager, or other similar term, who, with or without the authority, separately or together with affiliates, produces, directly or indirectly, and underwrites an amount of gross direct written premium equal to or more than five percent of the policyholder surplus as reported in the last annual statement of the insurer in any one quarter or year together with the following activity related to the business produced, adjusts or pays claims over \$10,000 a claim, or negotiates reinsurance on behalf of the insurer.

1. A person may qualify for exemption if they meet the parameters described below. An exemption from the MGA license requirement may be obtained under AS 21.27.620(a)(2) if:

- ✓ the person represents only foreign insurer(s) as an MGA; and
- ✓ the person is currently licensed as an MGA in its home state; and
- ✓ the person's resident state is accredited by the National Association of Insurance Commissioners (NAIC); and
- ✓ the person's home state has enacted provisions substantially similar to those contained in Alaska law.

2. If a person acts as an MGA for an insurer within the insurer's company holding system and the person is compensated based on the volume of premium written, the person may qualify for exemption under AS 21.27.010(f) that states:

A person who performs management services under a written contract for an admitted insurer is not required to be licensed as a managing general agent if

(1) either

- (A) the person is a United States manager of the United States branch of an alien admitted insurer; or
- (B) the person's compensation is not based on the volume of premium written; and

(2) the person

- (A) is a wholly-owned subsidiary of the admitted insurer;
- (B) wholly owns the admitted insurer; or
- (C) is a wholly-owned subsidiary of the insurance holding company subject to AS 21.22 that owns or controls the admitted insurer.

Any person claiming exemption from the managing general agency license requirement must file for exemption as required under **Alaska Statute 21.27.620(a)(2)**

Attached is a copy of the most recently filed Form B filed with the insurance department of the insurer's domestic state.

FILING REQUIREMENTS

- ✓ Managing General Agent Exemption Form 08-260
- ✓ \$100 Filing Fee

MANAGING GENERAL AGENT EXEMPTION FILING FORM

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|----------|---|-------|---------------------------------|--------------------------|-------------------------|
| 1 | APPLICANT NAME _____ If Individual: Date of Birth _____ Social Security No. _____ | | | | |
| 2 | INDIVIDUAL DESIGNATED AS RESPONSIBLE PERSON (COMPLIANCE OFFICER)/INDIVIDUAL | | | | |
| | Last | First | Middle | | |
| | Address | | Social Security Number | National Producer Number | |
| 3 | TYPE OF BUSINESS Check the legal business type, license class(es) and line(s) of authority for which you are applying. Check the last column if you have been previously licensed in Alaska: Legal Business Type C – Corporation P – Partnership S – Sole Proprietorship LLC – Limited Liability Corporation LLP – Limited Liability Partnership | | | | |
| | Legal Business Type | | Incorporation/Formation Date | FEIN | State of Domicile |
| | C | P | S | LLC | LLP |
| | | | (month)____(day)____(year)_____ | | |
| 4 | LINES OF INSURANCE <input type="checkbox"/> Life <input type="checkbox"/> Property <input type="checkbox"/> Limited Lines _____ <input type="checkbox"/> Health <input type="checkbox"/> Casualty <input type="checkbox"/> Variable Annuity/Variable Life <input type="checkbox"/> Personal Lines | | | | |
| 5 | Business Physical Address | | City | State | Zip or Foreign Country |
| | Mailing Address | | P.O. Box | City | State |
| | Business Telephone Number | | Business Fax Number | | Business E-mail Address |
| 6 | INSURER(S) REPRESENTED Provide the name and NAIC co-code number of all insurers you represent as an MGA in this state. If the insurer is domiciled in a state <u>not</u> accredited with the National Association of Insurance Commissioners (NAIC), a copy of the executed contract must be provided. | | | | |
| | NAME | | | NAIC CO-CODE # | |
| | | | | | |
| | | | | | |
| 7 | Identify under what provision you are claiming exemption: <input type="checkbox"/> Option 1 (AS 21.27.650(a)(2)) I/the firm represent only foreign insurer(s) as an MGA; and I/the firm is currently licensed as an MGA in its home state of _____; and _____ is accredited by the National Association of Insurance Commissioners _____ Home State _____ has enacted provisions substantially similar to those contained in Alaska law. _____ Home State <input type="checkbox"/> Option 2 (AS 21.27.010(f)) Mark either A or B below and indicate whether 1, 2, or 3 applies. A. <input type="checkbox"/> the firm is a United States manager of the United States branch of an alien admitted insurer; or B. <input type="checkbox"/> my/the firm's compensation is not based on the volume of premium written; and 1. <input type="checkbox"/> the firm is a wholly-owned subsidiary of the admitted insurer; 2. <input type="checkbox"/> the firm wholly owns the admitted insurer; or 3. <input type="checkbox"/> the firm is a wholly-owned subsidiary of the insurance holding company subject to AS 21.22 that owns or controls the admitted insurer. | | | | |

BACKGROUND INFORMATION

Please read the following very carefully and answer every question:

1. Have you or the firm or any owner, partner, officer, or director of the business entity or member or manager of a limited liability company ever been convicted of, or is the business entity or any owner, partner, officer or director, member or manager currently charged with committing a crime, had a judgment withheld or deferred or are you currently charged with committing a crime? Yes No

"Crime" includes a misdemeanor, felony, or a military offense. You may exclude misdemeanor traffic citations and misdemeanor convictions or pending misdemeanor convictions or pending misdemeanor charges involving driving under the influence (DUI), driving while intoxicated (DWI), driving without a license, reckless driving or suspended or revoked license, and juvenile offenses.

"Convicted" includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere or no contest, or having been given probation, a suspended sentence or a fine.

If you answer yes, you must attach to this application:

- a written statement identifying all parties involved (including their percentage of ownership, if any) and explaining the circumstances of each incident,
- a copy of the charging document, and
- a copy of the official document which demonstrates the resolution of the charges or any final judgment.

If you have a felony conviction, have you applied for written consent to engage in the business of insurance in your home state as required under 18 USC 1033? Yes No

If so, was that waiver granted? (Attach copy of 1033 consent approved by home state.)

2. Have you or the firm or any owner, officer, or director or manager or member of a limited liability company ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration? Yes No

"Involved" means having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation or surrendering a license to resolve an administrative action. "Involved" also means being named as a party to an administrative or arbitration proceeding which is related to a professional or occupational license. "Involved" also means having a license application denied or the act of withdrawing an application to avoid a denial. You may EXCLUDE terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.

If you answer yes, you must attach to this application:

- a written statement identifying the type of license all parties involved (including their percentage of ownership, if any) and explaining the circumstances of each incident,
- a copy of the Notice of Hearing or other document that states the charges and allegations, and
- a copy of the official document which demonstrates the resolution of the charges or any final judgment.

3. Has any demand been made or judgment rendered against you or the firm or any owner, partner, officer, or director or member or manager of a limited liability company for overdue monies by an insurer, insured or producer, or have you ever been subject to a bankruptcy proceeding? Do not include personal bankruptcies unless they involve funds held on behalf of others. Yes No

If you answer yes, submit a statement summarizing the details of the indebtedness and arrangements for repayment.

4. Have you or the firm or any owner, officer, or director or member or manager of a limited liability company ever been notified by any jurisdiction to which you are applying of any delinquent tax obligation that is not the subject of a repayment agreement? Yes No

If you answer yes, identify the jurisdiction(s): _____

5. Are you or the firm or any owner, officer, or director or member or manager of a limited liability company currently a party to, or ever been found liable in, any lawsuit or arbitration proceeding involving allegations of fraud, misappropriation or conversion of funds, misrepresentation or breach of fiduciary duty? Yes No

If you answer yes, you must attach to this application:

- a written statement summarizing the details of each incident,
- a copy of the Petition, Complaint, or other document that commenced the lawsuit, arbitration, or mediation proceedings, and
- a copy of the official document which demonstrates the resolution of the charges or any final judgment.

6. Have you or the firm or any owner, partner, officer, or director or member or manager of a limited liability company ever had an insurance agency contract or any other business relationship with an insurance company terminated for any alleged misconduct? Yes No

If you answer yes, you must attach to this application:

- A written statement summarizing the details of each incident and explaining why you feel this incident should not prevent you from receiving an insurance license, and
- copies of all relevant documents.

BACKGROUND INFORMATION (continued)

7. **Individual applicants only:** do you have a child support obligation in arrearage? Yes No

If you answer yes,

- a) by how many months are you in arrearage? _____ Months
- b) are you currently subject to and in compliance with any repayment agreement? Yes No
- c) Are you the subject of a child support related subpoena/warrant? Yes No

If answered yes, provide documentation showing proof of current payments or an approved repayment plan from the appropriate state child support agency.

8. In response to a "yes" answer to one or more of the Background Questions for this application, are you submitting document(s) to the NAIC/NIPR Attachments Warehouse? Yes No

If you answer yes,

Will you be associating (linking) previously filed documents from the NAIC/NIPR Attachments Warehouse to this application? Yes No

Note: If you have previously submitted documents to the Attachments Warehouse that are intended to be filed with this application, you **must** go to the Attachments Warehouse and associate (link) the support document(s) to this application based upon the particular background question number you have answered yes to on this application. You will receive information in a follow-up page at the end of the application process, providing a link to the Attachments Warehouse instructions.

9 APPLICANT CERTIFICATION AND ATTESTATION

1. I hereby certify under penalty of perjury, that all of the information submitted in this application and attachments is true and complete and I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license or registration revocation and may subject me to civil or criminal penalties.
2. Unless provided otherwise by law or regulation of the jurisdiction, I hereby designate the Director of Insurance to be its agent for service of process regarding all insurance matters and agree that service upon the Alaska Director of Insurance is of the same legal force and validity as personal service upon the firm or myself.
3. I further certify that I grant permission to the Director of Insurance for which this application is made to verify any information supplied with any federal, state or local government agency, current or former employer or insurance company.
4. I certify I a) do not have a current child support obligation, or b) I have a child support obligation and I am currently in compliance with that obligation, or c) I have identified my child support obligation arrearage on this application.
5. I authorize the State of Alaska to give any information it may have concerning me to any federal, state or municipal agency, or any other organization and I release the State of Alaska and any person acting on their behalf from any and all liability of whatever nature by reason of furnishing such information.
6. I acknowledge that I am familiar with the Alaska insurance laws and regulations.
7. No representatives acting on behalf of this firm have been convicted of any felony involving dishonesty or breach of trust (18 USC 1033).
8. For non-resident license applications, I certify that I am licensed and in good standing in my home state/resident state for the lines of authority requested for the non-resident state.
9. I hereby certify that upon request, I will furnish the jurisdiction(s) to which I'm/we're applying, certified copies of any documents attached to this application or requested by the jurisdiction.

Must be signed and dated by applicant.

Signature of Designated Responsible Person

Type or Printed Name

Month/Day/Year