

How to Admit an Insurance Company in Texas

As a UCAA (Uniform Certificate of Authority Application) member state, we require the filing of a UCAA Expansion Application for entities wishing to be licensed as a Texas insurance company.

The UCAA Expansion Application is designed to provide a uniform process for the insurers to enter other states. Expansion Applications may be submitted anytime during the year.

Filing Requirements

Submit a cover letter with the filing summarizing information about the proposed application, what type of insurance it plans to offer in Texas, and the justification for omitting any of the filing requirements listed below. The filing, as set forth in the [UCAA Expansion Application instructions](#), requires the following:

1. Application Form and Attachments:
 - Completed Expansion Application Checklist (UCAA Form 1E)
 - Original UCAA Expansion Form executed and signed (UCAA Form 2E)
 - Include all lines of insurance applicant is licensed to transact, currently transacting and requesting authority to transact in all jurisdictions (UCAA Form 3)
 - Photocopy of notice to home state regarding application to expand to Texas.
2. Minimum Capital and Surplus Requirements: Submit an explanation of the applicant's compliance with minimum capital and surplus requirements.
 - Property & Casualty Company - \$2.5 million in paid-in surplus; \$2.5 million in capital stock; RBC minimum 300%.
 - Life & Health Company - \$700,000 in paid-in surplus; \$700,000 in capital stock; RBC minimum 250%.
3. Statutory Deposit Requirements: An original Certificate of Deposit prepared by state of domicile (UCAA Form 7)
 - Property & Casualty Company - \$50,000 (foreign and domestic); foreign are exempt if provide proof of deposit held in another state for all policyholders.
 - Life & Health Company - \$100,000 (foreign); foreign are exempt if provide proof of deposit held in another state for all policyholders.
4. Name Approval: Submit a [Name Application](#) form (TDI Form FIN300). Texas requires a name reservation process prior to name approval. After staff has reviewed the Name Application form, the name will be published in the Texas Register. On the twentieth day after publication, the name will become eligible for use if there has been no objection filed. The name reservation must be renewed unless incorporation documents are received within 120 days of the eligible date. If the name reservation is renewed, an additional 120 days is given to submit documents before the name eligibility expires.

5. Plan of Operation: The plan of operation has three components, a brief narrative, pro-forma financial statements/projections and a completed Questionnaire (UCAA Form 8). The narrative should include significant information not captured as a part of the Questionnaire that the company submits in support of the application. Provide a company-wide three-year pro forma balance sheet and income statement. For the lines you are requesting, provide three-year premium and loss projections by line for the state in which you have requested lines of business. Projections must support all aspects of the proposed plan of operation, including reinsurance arrangements and any delegated function agreements. Include the assumptions used to arrive at these projections.
6. Holding Company Form "B" Registration Statement: If the applicant is a member of a holding company system, the application must include either the most recent Annual Form "B" Registration Statement or a statement substantially similar to the NAIC model. The filing should include all attachments, exhibits and appendices referenced in the Form "B."
7. Certificate of Compliance: Original Certificate of Compliance (UCAA Form 6) completed by domiciliary state insurance regulatory agency. We suggest that the issuance of the Certificate of Compliance be no more than 6 months from the date you file the application.
8. Report of Examination: Provide a copy of the applicant's most recent Report of Financial Examination from its domiciliary insurance regulatory agency.
9. Statutory Membership(s): Texas does not have any statutory membership requirements as part of its licensing process.
10. Public Records Package: Most states have requirements to disclose information to the public under a Public Records Act. A company seeking admission should provide the following financial and operational documents: Annual Statement, Management's Discussion, Actuarial Opinion, Audited Financial Statement, Quarterly Statement, Application Form, Articles of Incorporation, Appointment for Service of Process, Bylaws and Holding Company Files (in Texas, Form B filings are not public record; however, pending transactions and Form A filings are.)
11. NAIC Biographical Affidavits and Independent Third-Party Verification: Submit for all officers, directors, and key managerial personnel of the applicant and individuals with a 10% or more, beneficial ownership in the applicant and the applicant's ultimate controlling parent ("Affiant"). See item 12 of the [UCAA Expansion Application Instructions](#). Anyone with a felony conviction involving moral turpitude cannot be an officer or director of an insurance company in Texas.
12. Uniform Consent to Service of Process: Submit the Uniform Consent to Service of Process and Resolution Authorizing Appointment of Attorney (UCAA Form 12). Applicant must designate the commissioner or a resident agent to receive service of process on behalf of the company. In addition, the applicant must designate a person or entity to receive a forwarded service of process after the commissioner receives the served documents.
13. State Specific Information – Fingerprinting is required for each biographical affidavit that is submitted with the application. See [Fingerprint requirements and instructions](#)

Specific Lines

Liability

The applicant must submit a loss control plan, after licensing approval but prior to writing, if the applicant is planning to write auto liability or liability other than auto, and will write any one of the following products:

- Commercial automobile liability insurance
- Professional liability insurance for hospitals
- Professional liability insurance for insureds other than hospitals
- General liability insurance
- Medical liability insurance for insureds other than hospitals

For further information, contact the Loss Control Division by email at LossControl@tdi.texas.gov or by phone at 512-676-6750.

Workers' Compensation

If applicant is planning to write workers' compensation insurance, contact TDI's Division of Workers' Compensation at 1-800-252-7031 or visit the [DWC website](#). After licensing approval, but prior to writing workers' compensation insurance, the applicant must file an Accident Prevention Plan to be reviewed by TDI-DWC.

Variable Life/Variable Annuity

If Applicant is proposing to write variable annuity or life annuity product, the following requirements must be submitted:

- SEC approval; if not-applicable, please document thoroughly.
- An affidavit, signed by two officers and notarized, which affirms that all persons with access to cash, securities or other assets allocated to or held by the separate account shall be under bond in the amount of not less than \$100,000.
- Disclose whether each investment advisor:
 - i) is registered under the Investment Advisers Act of 1940, or
 - ii) is an investment manager under the Employee Retirement Income Security Act of 1974, or
 - iii) whether the insurer will annually file required information and statements concerning each investment advisor as required by its domiciliary state, or
 - iv) Statement specifying the standards of conduct with respect to the purchase

or sale of investments of separate accounts (i.e., Board resolution).

Confidential Information

If an applicant considers any section of the Expansion Application to be considered confidential, please specifically state which part is considered proprietary and confidential. Most Company Licensing & Registration documents are open record; any determination that any of these documents are a closed record will have to be concluded at the Texas Attorney General's Office.

Review Process

Once the application is received in Company Licensing and Registration, it is assigned to a compliance analyst. The analyst will review for completeness. Once all required documents are received, the analyst will begin the review process, and will serve as the case manager during the department's review.