



Financial Affairs Division
Arizona Department of Insurance

2910 North 44th Street, Suite 210, Phoenix, Arizona 85018-7269

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Web: <https://insurance.az.gov>

HEALTH CARE SERVICES ORGANIZATION UCAA PRIMARY APPLICATION SUPPLEMENT

In addition to the NAIC's UCAA Primary Application http://www.naic.org/industry_ucaa.htm, provide the following:

1. Documentation that the Chief Executive Officer (CEO) has at least the following duties and responsibilities: manage the HCSO; establish and implement policies, procedures, and effective processes of the HCSO; act as liaison between the governing authority and the providers of healthcare and other services to the HCSO; and, establish a written plan of authority that will be in place in the CEO's absence. AAC R20-6-1906.
2. Documentation that the HCSO shall designate a central place of business within the major geographic area served at which the CEO shall be based and from which the HCSO shall direct administrative activities. AAC R20-6-1906.
3. A statement generally describing the health care services organization and its health care plan or plans, facilities and personnel, as approved by the director. ARS § 20-1053.A.5.
4. The plan for providing covered services to enrollees. AAC R20-6-1904.C.3.
5. A statement reasonably describing the geographic area or areas to be served, as approved by the Director. ARS § 20-1053.A.11 and AAC R20-6-1905.A and B.
6. A description of the proposed network including the data required under AAC R20-6-1913.A.2 and A.3. AAC R20-6-1905.C.
7. The number and names of contracted, employed, or HCSO-owned providers that will serve the enrollees and the board eligibility or certification of each physician, if applicable. AAC R20-6-1904.C.2.
8. The proposed or actual enrollment. AAC R20-6-1904.C.1.
9. A copy of the form of evidence of coverage to be issued to the enrollees. ARS § 20-1053.A.6.
10. A copy of the form of the group contract, if any, that is to be issued to employers, unions, trustees or other organizations. ARS § 20-1053.A.7.
11. A plan for the risk of insolvency as prescribed in section ARS § 20-1069. ARS § 20-1053.A.13. See **Form E180A** for explanation.
12. A description of the proposed method of marketing the plan, a financial plan that includes a three-year projection of the initial operating results anticipated, and a statement as to the sources of working capital as well as any other sources of funding. ARS § 20-1053.A.9.
13. An originally certified (by the Arizona Corporation Commission) copy of the ACC filed, Arizona Department of Insurance approval stamped, Articles of Incorporation. ARS § 20-706.A.
14. A check in the amount of \$150.00 (Bylaws \$75.00, Certificate of Authority \$75.00) made payable to the *Arizona Department of Insurance*. ARS § 20-1053.A.12.
15. A check in the amount of \$100.00 made payable to the *Arizona Insurance Examiners' Revolving Fund*.
16. For each of the company's officers and directors and the company's UCP's officers and directors, two blue FBI fingerprint cards and a fee of \$22 per individual. The check should be made payable to the *Arizona Department of Insurance*.
17. A list of the names, addresses and official positions of the persons who are to be responsible for the conduct of the affairs of the applicant, including all members of the board of directors, board of trustees, executive committee, or

other governing board or committee, the principal officers in the case of a corporation, and the partners or members in the case of a partnership or association. ARS § 20-1053.A.3.

18. A copy of any contract made or to be made between any providers or persons listed in Item 19 and the company. ARS § 20-1053.A.4.
19. Each officer responsible for conducting the affairs of the health care services organization has filed with the Director, subject to the Director's approval, a fidelity bond in the amount of fifty thousand dollars. ARS § 20-1054.4.
20. A completed **NAIC Company Code Application**. This Department will forward the Company Code Application to the NAIC for the company.
21. Conflict of interest procedure and disclosure statements.
22. A copy of the Minutes of all meetings of the Incorporators, Directors, Shareholders, and Committees, inception to date.
23. A copy of the Stockholder Register.
24. A financial statement showing assets, liabilities and sources of financial support.
25. The source, nature and amount of funds or other considerations used or to be used in effecting the acquisition of the company's capital stock. If any funds are borrowed, submit copies of notes and all agreements relating to the transaction.
26. A copy of the executed Surplus Note or Contribution Agreement if surplus is borrowed.
27. Detail of the paid and accrued organizational expenses.
28. A description and copy of any lease, lease/purchase commitment and/or contract that encumbers assets or incurs liabilities.
29. A Confirmation Form **BNKCONFAD**. Reproduce as many of the confirmation forms necessary for your Company to complete one Confirmation Form for each account (i.e. checking, savings, trust deposit, money market, etc.). Be sure to provide the correct name and address for each financial institution. Do not provide any balance amount(s) as that information will be provided by the financial institution. It is very important that you provide an account number and sign the Confirmation Form authorizing the financial institution to release the information to the Arizona Department of Insurance. Providing complete and accurate information helps expedite this process and minimize delays.

Return the completed and signed Confirmation Forms, along with stamped envelopes addressed to each financial institution. Also enclose an equal number of postage paid envelopes addressed to:

Cary Cook, Chief Financial Compliance Officer
Arizona Department of Insurance
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018

30. The location at which the company's books and records will be maintained and available for Department review.
31. A health care services organization at all times shall maintain on deposit with the state treasurer through the Director's office cash, or securities eligible for the investment of capital funds of domestic insurers under this title, or other financial security approved by the Director in an amount of not less than five hundred thousand dollars. The deposit shall be held by the state treasurer in trust for the benefit and protection of persons covered by a health care plan and for the satisfaction of all debts and liabilities of the health care services organization. ARS § 20-1055. See **Form E003NonWC** for information and instructions.

Within ten days following any significant modification of information previously furnished pursuant to ARS § 20-1053.A, a health care services organization shall file a notice of the modification with the Director. ARS § 20-1053.B.

A health care services organization at all times shall maintain for the protection of enrollees a financial reserve consisting of two per cent of charges collected from enrollees for the health care plan, until said reserve totals one million dollars. Such reserve shall be in addition to the deposit prescribed by ARS § 20-1055. The reserve shall not apply with respect to

a health care services organization which is funded by the federal, the state or a municipal government or any political subdivision or body thereof. Beginning January 1, 1991, a health care services organization shall deposit on a quarterly basis the two per cent of charges collected from enrollees in trust with the state treasurer through the Director's office. This amount shall be deposited in cash or securities eligible for the investment of capital funds of domestic insurers under this title or other financial security approved by the Director until the amount reaches one million dollars. The state treasurer shall hold the deposit prescribed by this section in trust for the benefit and protection of persons covered by a health care services organization. ARS § 20-1056.

Forward the application materials to:

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The Department may utilize the services of financial analysts and/or examiners to assist in its review. A statement for services rendered may be forthcoming and is payable as these services are performed.