

***** APPLICATION FOR REGISTRATION AS A PURCHASING GROUP *****

PROPERTY AND CASUALTY DIVISION
STATE OF ARIZONA - DEPARTMENT OF INSURANCE
2910 NORTH 44TH STREET - SUITE 210
PHOENIX AZ 85018-7269
ADOI web site: www.azinsurance.gov
TELEPHONE: (602) 364-3453

____ NEW APPLICATION

____ UPDATED APPLICATION

PRINT OR TYPE RESPONSES; READ INSTRUCTIONS ON PAGE 8 BEFORE COMPLETING FORM

QUESTIONS MAY BE ADDRESSED TO PROPERTY AND CASUALTY DIVISION, ADOI, (602) 364-3453 OR VIA FAX TO (602) 364-3989 ATTENTION: PURCHASING GROUP REGISTRATION

NAME _____

MAILING ADDRESS _____

PLEASE ENTER ABOVE THE NAME & MAILING ADDRESS THE APPLICANT CURRENTLY USES.

SECTION A (GENERAL):

1. ENTER APPLICANT'S COMPLETE NAME: _____
_____ FEDERAL ID #: _____

2. _____ YES _____ NO DOES THE APPLICANT PLAN TO TRANSACT INSURANCE UNDER ANY NAME OTHER THAN AS SHOWN IN A (1) OR UNDER ITS INITIALS? IF "YES," EXACTLY STATE BELOW THE OTHER NAME(S) TO BE USED.

3. _____
STREET ADDRESS OF PRINCIPAL ADMINISTRATIVE OFFICE

CITY / ST / ZIP / (____) TELEPHONE NUMBER

FAX NUMBER (____) _____ TOLL FREE TELEPHONE NUMBER IF AVAILABLE (____) _____

NAME OF RESPONSIBLE CONTACT PERSON: _____

CONTACT PERSON'S TELEPHONE NUMBER (____) _____ AND E-MAIL ADDRESS: _____

4. THE PURCHASING GROUP IS DOMICILED IN THE STATE OF _____. PROVIDE ADDRESS BELOW IF DIFFERENT THAN GIVEN IN NUMBER 3 ABOVE:

STREET ADDRESS OF PRINCIPAL ADMINISTRATIVE OFFICE

CITY / ST / ZIP / (____) TELEPHONE NUMBER

FAX NUMBER (____) _____ TOLL FREE TELEPHONE NUMBER IF AVAILABLE (____) _____

5. INDICATE THE FORM OF ORGANIZATION OR TYPE OF CORPORATION: _____

SECTION A CONTINUED (GENERAL):

8. PROVIDE THE FOLLOWING INFORMATION FOR THE ENTITY THAT ACTS AS THE ADMINISTRATOR OF THE PURCHASING GROUP AND THE NAME OF THE PRINCIPAL ACCOUNT EXECUTIVE RESPONSIBLE FOR THE PURCHASING GROUP'S INSURANCE PROGRAM. (IF THERE IS NONE, WRITE "NONE" HERE:_____.)

NAME OF ENTITY _____

BUSINESS STREET ADDRESS _____ SUITE _____ CITY _____ ST _____ ZIP _____

(_____) _____ ENTITY IS A (CHECK ONE): _____ MANAGING GENERAL AGENT _____ AGENT

TELEPHONE NUMBER _____

NAME OF CONTACT PERSON: _____

9. PROVIDE THE FOLLOWING INFORMATION FOR THE AGENT OR BROKER RESPONSIBLE FOR THE SALE OR PURCHASE OF THE PURCHASING GROUP'S LIABILITY INSURANCE. (IF THERE IS NONE, WRITE "NONE" HERE:_____.)

NAME OF ENTITY AND/OR INDIVIDUAL _____

BUSINESS STREET ADDRESS _____ SUITE _____ CITY _____ ST _____ ZIP _____

(_____) _____ ENTITY IS A (CHECK ONE): _____ MANAGING GENERAL AGENT _____ AGENT

TELEPHONE NUMBER _____

10. THE PURCHASING GROUP INTENDS TO PURCHASE FOR ARIZONA RESIDENT MEMBERS OR THE PURCHASING CROUP THE FOLLOWING LINES AND CLASSIFICATIONS OF LIABILITY INSURANCE (SEE INSTRUCTIONS FOR DEFINITION OF "LIABILITY"):

11. PROVIDE THE FOLLOWING INFORMATION (ADD AN ADDITIONAL SHEET IF MORE SPACE IS NEEDED) ON THE INSURANCE COMPANY(IES) FROM WHICH THE PURCHASING GROUP INTENDS TO PURCHASE LIABILITY INSURANCE AS DESCRIBED IN 10 ABOVE FOR ARIZONA RESIDENT MEMBERS OF THE PURCHASING GROUP (SEE INSTRUCTIONS FOR DEFINITION OF "LIABILITY"). PLACE BY THE INSURER'S NAME ONE ASTERISK TO IDENTIFY AN ADMITTED INSURER AND TWO ASTERISKS TO IDENTIFY A SURPLUS LINES INSURER:

*NAME OF INSURER(S)	INSURER'S FEDERAL ID #	INSURER'S NAIC #	INSURERS STATE OF DOMICILE
_____	_____	_____	_____
_____	_____	_____	_____

***IF INSURER IS AN EXCHANGE, IDENTIFY THE NAME AND SYNDICATE I.D. NUMBER OF THE SYNDICATE(S) PROVIDING COVERAGE TO ARIZONA MEMBERS.**

12. PROVIDE THE FOLLOWING INFORMATION (ADD AN ADDITIONAL SHEET IF MORE SPACE IS NEEDED) ON THE SURPLUS LINES BROKER(S), IF ANY, IF THE LIABILITY INSURANCE IS TO BE PURCHASE FROM A SURPLUS LINES INSURANCE COMPANY(IES):

NAME OF BROKER	ADDRESS	AZ SURPLUS LINES BROKER LICENSE #	SOCIAL SECURITY #
_____	_____	_____	_____
_____	_____	_____	_____

13. IF THE PURCHASING GROUP PLANS TO TRANSACT INSURANCE BY MEANS OF A "DIRECT OFFERING" (THAT IS WITHOUT USING INSURANCE AGENTS OR BROKERS TO SELL ITS PROGRAM), PROVIDE THE INFORMATION BELOW FOR EACH PERSON WHO INTENDS TO TRANSACT INSURANCE ON BEHALF OF THE PURCHASING GROUP IN ARIZONA (BE ADVISED THAT BEFORE COMMENCING THE TRANSACTION OF INSURANCE IN ARIZONA, IT WILL BE NECESSARY FOR THOSE PERSONS TO OBTAIN A LICENSE FROM THE ADOI). IT IS NOT NECESSARY TO INCLUDE THE NAMES OF LICENSED INSURANCE AGENTS DULY APPOINTED BY AN INSURER ADMITTED TO ARIZONA. (ADD AN ADDITIONAL SHEET IF MORE SPACE IS NEEDED.)

NAME OF PERSON	ADDRESS	SOCIAL SECURITY #
_____	_____	_____
_____	_____	_____

SECTION B (DISCLOSURE):

1. CAREFULLY READ THE QUESTIONS BELOW AND CHECK EITHER "TRUE" OR "FALSE." A "FALSE" RESPONSE REQUIRES DETAILED EXPLANATION. SEE INSTRUCTIONS.

- A. TRUE FALSE THE PRIMARY ACTIVITY OF THIS PURCHASING GROUP IS THE PURCHASE OF LIABILITY INSURANCE ON A PURCHASING GROUP BASIS (SEE INSTRUCTIONS FOR DEFINITION OF "LIABILITY").
- B. TRUE FALSE THE PURCHASING GROUP PURCHASES LIABILITY INSURANCE ONLY FOR ITS MEMBERS AND ONLY TO COVER THEIR SIMILAR OR RELATED LIABILITY EXPOSURE TO WHICH THE PURCHASING GROUP MEMBERS ARE EXPOSED BY VIRTUE OF ANY RELATED, SIMILAR, OR COMMON BUSINESS, TRADE, PRODUCT, SERVICES, PREMISES OR OPERATIONS.
- C. TRUE FALSE THE PURCHASING GROUP INTENDS TO PURCHASE LIABILITY INSURANCE FOR ARIZONA RESIDENT MEMBERS OF THE PURCHASING GROUP FROM INSURERS, SURPLUS LINES INSURERS, OR RISK RETENTION GROUPS WHICH HAVE BEEN ADMITTED, QUALIFIED OR REGISTERED IN ARIZONA IN ACCORDANCE WITH THE ARIZONA REVISED STATUTES, TITLE 20 (THE INSURANCE CODE).
- D. TRUE FALSE THE PURCHASING GROUP AGREES THAT IT MUST OBTAIN INSURANCE FROM AN ADMITTED INSURER, NON-ADMITTED/APPROVED (SURPLUS LINES) INSURER, AND/OR A RISK RETENTION GROUP REGISTERED IN THIS STATE. THE PURCHASING GROUP FURTHER AGREES THAT IF COVERAGE IS PROVIDED FOR ARIZONA RESIDENT MEMBERS BY NONADMITTED/APPROVED (SURPLUS LINES) INSURERS AND/OR A RISK RETENTION GROUP REGISTERED IN THIS STATE THAT IT WILL INFORM EACH OF THE MEMBERS OF THE PURCHASING GROUP THAT THE RISK IS NOT PROTECTED BY AN INSURANCE INSOLVENCY GUARANTY FUND IN THIS STATE AND THAT THE RISK RETENTION GROUP OR THE INSURER MAY NOT BE SUBJECT TO ALL THE INSURANCE LAWS AND RULES OF THIS STATE.
- E. TRUE FALSE THE PURCHASING GROUP HAS DESIGNATED THE ARIZONA DIRECTOR OF INSURANCE AS ITS AGENT SOLELY FOR THE PURPOSE OF RECEIVING SERVICE OF LEGAL DOCUMENTS OR PROCESS.
- F. TRUE FALSE THE PURCHASING GROUP WILL PROMPTLY SUBMIT TO THE ARIZONA INSURANCE DIRECTOR ANY REVISION TO THIS APPLICATION, TO INCLUDE BUT NOT LIMITED TO, CHANGES IN BROKER(S), AGENT(S), DIRECTORS AND OFFICERS, ADDRESSEES, ETC?

2. CAREFULLY READ THE QUESTIONS BELOW AND CHECK EITHER "YES" OR "NO." FOR PURPOSES OF THIS APPLICATION, "CONVICTED" INCLUDES HAVING BEEN CONVICTED OF OR PLED GUILTY OR NO CONTEST TO ANY FELONY, MISDEMEANOR OR OPEN-ENDED OFFENSE. ANSWER "YES" IF ANY CONVICTION WAS DISMISSED, EXPUNGED, VACATED, PARDONED, APPEALED, SET ASIDE OR REVERSED; OR CIVIL RIGHTS WERE RESTORED; OR A PLEA WAS WITHDRAWN; OR PROBATION WAS RECEIVED; OR A SUSPENDED SENTENCE OR A FINE WAS ISSUED. (SEE INSTRUCTIONS.)

HAS THE APPLICANT OR ANY PRINCIPAL, PARTNER, OFFICER, DIRECTOR OR CONTROLLING STOCKHOLDER THEREOF, OR ANY AGENT OR BROKER REPRESENTING THE APPLICANT, REGARDLESS OF HOW MINOR THE INFRACTION, EVER BEEN:

- A. YES NO SERVED WITH A CRIMINAL SUMMONS, ARRESTED, TAKEN INTO CUSTODY, INDICTED, CHARGED WITH, TRIED FOR, PLED GUILTY AND/OR NOLO CONTENDERE TO, CONVICTED OF OR BEEN THE SUBJECT OF AN ACTION OR INVESTIGATION CONCERNING THE COMMISSION OF ANY FELONY OR MISDEMEANOR?
- B. YES NO THE SUBJECT OF HAVING HIS OR HER INSURANCE LICENSE DENIED, SUSPENDED, REVOKED OR THE SUBJECT OF AN INVESTIGATION IN ANY STATE OR PROVINCE?
- C. YES NO BEEN THE SUBJECT OF AN ORDER IN ANY ADMINISTRATIVE HEARING IN ANY JURISDICTION FOR ANY REASON?
- D. YES NO ASSOCIATED WITH ANY INSURER AGENCY, COMPANY OR OTHER ENTITY (WHETHER INSURANCE RELATED OR NOT) PROVIDED WITH A CONSENT ORDER AND/OR AGREEMENT, OR BEEN THE SUBJECT OF AN ORDER IN ANY ADMINISTRATIVE HEARING; OR PLACED IN RECEIVERSHIP, IN SUPERVISION OR CONSERVATOR SHIP IN ANY JURISDICTION FOR ANY REASON?
- E. YES NO THE SUBJECT OF AN ADMINISTRATIVE PROCEEDING BY ANY FEDERAL OR STATE GOVERNMENT REGULATORY AGENCY?
- F. YES NO PERMITTED TO CHANGE A PLEA OF GUILTY AFTER CONVICTION OF A CRIME OR HAD A JUDGMENT OR GUILTY VERDICT VACATED, SET ASIDE OR EXPUNGED, OR HAD CIVIL RIGHTS RESTORED FOLLOWING A CONVICTION?
- G. YES NO SUBJECT TO HAVING ANY PROFESSIONAL, VOCATIONAL OR BUSINESS LICENSE, INCLUDING AN INSURANCE LICENSE, DENIED, SUSPENDED, REVOKED OR RESTRICTED, OR HAS THE APPLICANT OR INDIVIDUAL WITHDRAWN AN APPLICATION OR SURRENDERED ANY LICENSE TO AVOID ANY SUCH ACTION?
- H. YES NO THE SUBJECT OF CRIMINAL, CIVIL, ADMINISTRATIVE OR OTHER JUDICIAL OR QUASI-JUDICIAL PROCEEDINGS OF ANY KIND WHICH MAY BE CURRENTLY PENDING IN ANY JURISDICTION?

SECTION B CONTINUED (DISCLOSURE):

I. HAS THERE BEEN ANY JUDGMENT, ORDER OR OTHER DETERMINATION MADE AGAINST APPLICANT OR AN EMPLOYEE, OF OFFICER, DIRECTOR OR PARTNER THERE OF IN ANY CRIMINAL, CIVIL, ADMINISTRATIVE OR OTHER JUDICIAL OR QUASI-JUDICIAL PROCEEDING OF ANY KIND IN ANY JURISDICTION BASED ON **ANY OF THE FOLLOWING**:

- 1) ____ YES ____ NO MISAPPROPRIATION, CONVERSION OR THE WITHHOLDING OF MONIES?
- 2) ____ YES ____ NO A FINDING THAT CONDUCT UNDER ANY INSURANCE LICENSE THAT LICENSEE WAS INCOMPETENT OR A SOURCE OF INJURY AND LOSS TO ANYONE?
- 3) ____ YES ____ NO A FINDING OF DISHONESTY IN BUSINESS OR FINANCIAL MATTERS?
- 4) ____ YES ____ NO A CONVICTION OF FRAUD OR MISREPRESENTATION?
- 5) ____ YES ____ NO ANY CAUSE ARISING OUT OF AN INSURANCE TRANSACTION?

SECTION C (RESOLUTION FORM):

I HEREBY CERTIFY THAT THE FOLLOWING RESOLUTION ADOPTED BY THE ENTIRE BOARD OF DIRECTORS OF _____ (NAME OF PURCHASING GROUP) AT A MEETING HELD BY THE BOARD OF DIRECTORS OF THE PURCHASING GROUP ON THE _____ DAY OF _____, 20 ____.

"RESOLVED THAT THE PRESIDENT AND THE SECRETARY OF THIS PURCHASING GROUP ARE AS LISTED BELOW AND THAT THEY ARE HEREBY AUTHORIZED TO EXECUTE AND SIGN, FOR AND ON BEHALF OF THIS PURCHASING GROUP, THIS APPLICATION FOR REGISTRATION ON BEHALF OF THE CORPORATION, ASSOCIATION OR SOCIETY.

I HEREBY CERTIFY THAT THE ABOVE STATEMENT IS A TRUE AND CORRECT RESOLUTION OF THE BOARD OF DIRECTORS OF _____ (NAME OF PURCHASING GROUP).

BY: _____ (PRESIDENT: SIGNATURE)

_____ (TYPED/PRINTED FULL NAME)

BY: _____ (SECRETARY: SIGNATURE)

_____ (TYPED/PRINTED FULL NAME)

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____, 20 ____

(SIGNATURE OF NOTARY PUBLIC)

(MY COMMISSION EXPIRES)

**INSTRUCTIONS FOR COMPLETING THE PURCHASING GROUP'S
APPLICATION FOR REGISTRATION**

READ THESE INSTRUCTIONS BEFORE COMPLETING APPLICATION AND ANY OTHER FORM

NOTE: DO NOT LEAVE ANY SPACES BLANK. INCOMPLETE SUBMISSIONS WILL BE RETURNED BY THE ARIZONA DEPARTMENT OF INSURANCE ("ADOI") TO THE PURCHASING GROUP ("THE APPLICANT") AND NOT FURTHER CONSIDERATION GIVEN TO THE SUBMISSION. **FOLLOW ALL INSTRUCTIONS, COMPLETE THE ENTIRE APPLICATION, AND CHECK ALL ENTRIES CAREFULLY.**

1. COMPLETING THE APPLICATION -- IF MORE SPACE IS REQUIRED, ADD AN ADDITIONAL SHEET:

A. NAME: IF "YES" WAS THE ANSWER TO SECTION A, QUESTION 2, STATE THE EXACT OTHER NAME(S) TO BE USED.

B. SECTION B QUESTIONS: "FALSE" OR "YES: RESPONSES TO SECTION B QUESTIONS REQUIRE THE APPLICANT TO SUBMIT A WRITTEN, SIGNED AND NOTARIZED STATEMENT EXPLAINING IN DETAIL ALL INCIDENTS AND/OR CIRCUMSTANCES INCLUDING NAMES, DATES, STATE TAKING ACTION, AND ANY OTHER RELEVANT FACTS. **CERTIFIED** COPIES OF ALL INDICTMENTS, COMPLAINTS, PLEA AGREEMENTS, ORDERS OF CONVICTION, NOTICES OF HEARING OR TRIAL, SENTENCING ORDERS AND ANY OTHER INFORMATION RELATING TO THE MATTER ARE TO BE PROVIDED. IF CERTIFIED COPIES ARE NOT AVAILABLE, APPLICANT **MUST** PROVIDE A LETTER FROM THE PERTINENT COURT OR REGULATORY OFFICIAL INVOLVED STATING THE RECORDS **ARE NOT AVAILABLE** AND WHY. AS TO CONVICTIONS, THE STATEMENT SHOULD INCLUDE WHETHER A FELONY, A MISDEMEANOR, OPEN-ENDED CHARGE, ETC.; THE NAME AND THE LOCALITY OF THE COURT(S) INVOLVED, IF ANY; AND THE DISPOSITION OF THE MATTER(S), ETC.

C. SECTION D: THE CONSENT AND AGREEMENT FOR SERVICE OF PROCESS UNDER THE LAWS OF ARIZONA: THE CONSENT AND AGREEMENT FOR SERVICE OF PROCESS UNDER THE LAWS OF ARIZONA MUST BE ACCOMPANIED BY THE RESOLUTION (SEE SECTION C) OF THE BOARD OF DIRECTORS OF THE APPLICANT AUTHORIZING THE PRESIDENT AND SECRETARY TO EXECUTE THE SAME FOR AND ON BEHALF OF THE APPLICANT.

D. SECTION E: THE SIGNATURES OF THE PRESIDENT AND SECRETARY OF THE APPLICANT MUST BE NOTARIZED.

2. ADDITIONAL INFORMATION:

APPLICATION AND RELATED ATTACHMENTS: THE APPLICATION AND ANY ATTACHMENTS THERETO MUST BE SUBMITTED TO THE ADOI BEFORE THE PURCHASING GROUP'S DESIGNATED INSURER(S) OFFERS INSURANCE TO ARIZONA RESIDENT MEMBERS PER 15 USC 3903(d)(1)(A), (B), (C) AND (D) OF THE 1986 FEDERAL LIABILITY RISK RETENTION ACT (THE "ACT") AND PURSUANT TO THE ARIZONA REVISED STATUTES, SECTION 20-2407. ONCE THE PURCHASING GROUP APPLICATION IS ACCEPTED, A CONFIRMATION LETTER WILL BE SENT TO THE RISK PURCHASING GROUP.

LICENSURE OR PURCHASING GROUP REPRESENTATIVES; ANY PERSON ACTING, OR OFFERING TO ACT, AS AN AGENT OR BROKER FOR A PURCHASING GROUP, WHICH PURCHASES COVERAGE FOR ITS MEMBERS, LOCATED WITHIN ARIZONA, SHALL BEFORE COMMENCING ANY SUCH ACTIVITY, OBTAIN A LICENSE FROM THE ADOI. THE RESIDENT REQUIREMENTS SHALL BE WAIVED FOR ANY AGENT AND/OR BROKER LICENSE ISSUED UNDER THE ACT.

REQUIREMENTS BEFORE ACTING AS A RISK PURCHASING GROUP IN ARIZONA: THE FILING OF THE APPLICATION AND MEETING OF ANY OTHER REQUIREMENTS, THE LICENSURE OF AGENTS AND/OR BROKERS WHO WILL REPRESENT THE PURCHASING GROUP IN ARIZONA, AND THE RECEIPT BY THE PURCHASING GROUP OF THE ADOI'S NOTIFICATION OF THE PURCHASING GROUP'S REGISTRATION IN ARIZONA ARE PREREQUISITES TO THE TRANSACTION OF ANY INSURANCE IN ARIZONA UNDER THE LIABILITY RISK RETENTION ACT OF 1986.

"LIABILITY IS DEFINED BY 15 USC 3901(B) AND BY (A.R.S. 20-2401.5):

"LIABILITY" IS DEFINED BY A.R.S. 20-2401.5 AS FOLLOWS (SEE USC 3901.B FOR FEDERAL DEFINITION):

A) MEANS LEGAL LIABILITY FOR DAMAGES, INCLUDING COSTS OF DEFENSE, LEGAL COSTS AND FEES AND OTHER CLAIMS EXPENSES, BECAUSE OF INJURIES TO OTHER PERSONS, DAMAGE TO THEIR PROPERTY OR OTHER DAMAGE OR LOSS TO OTHER PERSONS RESULTING FROM OR ARISING OUT OF EITHER:

- 1) A BUSINESS WHETHER FOR PROFIT OR NONPROFIT, TRADE PRODUCT, SERVICES, INCLUDING PROFESSIONAL SERVICES, PREMISES OR OPERATIONS.
- 2) AN ACTIVITY OF A STATE OR LOCAL GOVERNMENT, OR AN AGENCY OR POLITICAL SUBDIVISIONS OF THE STATE.

B) DOES NOT INCLUDE PERSONAL RISK LIABILITY AND AN EMPLOYER'S LIABILITY WITH RESPECT TO ITS EMPLOYEES OTHER THAN LEGAL LIABILITY UNDER THE FEDERAL EMPLOYERS' LIABILITY ACT (45 UNITED STATES CODE, SECTION 51).