

Dear Captive Community,

As you know, the ADOI has been committed to providing high quality service to our Captive Community since 2002. We currently have 117 licensed captive insurance companies, 102 of which are active captive insurers. Despite severe budget constraints and a hiring freeze, we continue to do more with less. Our immediate challenge is to prioritize and balance the needs of ongoing financial solvency surveillance of our existing captives with our desire to license new captive insurers. In an effort to balance priorities, meet regulatory obligations and maximize resources, we thought some information on our pre-application process would be helpful.

Before requesting a pre-application meeting, please call us to briefly discuss your proposed captive insurer. As part of our initial evaluation process, we will then likely request a synopsis of the business plan and the parent company's financial statements. Please allow us a minimum of two to three weeks to review your preliminary submission before expecting one of three responses:

1. A request to participate in a pre-application meeting;
2. A request to submit an application with the understanding that we will request an application meeting if we find it necessary based on the content of the application; or,
3. A notification that we decline to accept the application.

The Director wants to ensure that only the highest quality applicants become licensed Arizona captive insurers and that we primarily focus our resources on keeping our captive industry robust, solvent and well-managed. High-quality applicants and quality, well-prepared, complete applications make our job and your job easier. No question the quality of captive applications has consistently improved over the past several years, but we cannot overemphasize that incomplete applications cause delay for the applicants and make prompt licensure extremely difficult for the department. "Complete" applications take priority and, as always, ADOI will render its licensing decision within 30 days of receipt of a "complete" application.

We remain committed to maintaining a welcoming and well-regulated environment for captive insurers and believe these new procedures will allow us to continue to provide high quality service to the captive community. Please share this information with your colleagues and clients. Thank you for your continued cooperation and support of Arizona as a top domicile in the U.S.

Sincerely,

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