

QUESTIONNAIRE

CDI-020 (Rev. 11/2015)

Directions: Each "Yes" or "No" question is to be answered by marking an "X" in the appropriate space. Other answers and additional explanations or details may be provided in writing attached to the affidavit. The affiant should be an executive officer who knows the facts. Please complete this form and file it with the company's application for a certificate of authority.

Answer all questions unless specifically denoted "Not Applicable" (N/A).

I, \_\_\_\_\_, first being duly sworn do depose and say that this affidavit is made and offered in support of the application for \_\_\_\_\_

(Name of Affiant)

of \_\_\_\_\_ (Name of Applicant) \_\_\_\_\_ (City and State of domiciliary office)

that I am an executive officer of the applicant; that I have read the questions and answers herein, and that the answers given are true of my own knowledge, except as to those alleged on information and belief, and as to those I believe the answers to be true.

1. \_\_\_\_\_ I hold the position(s) of \_\_\_\_\_ with the applicant.

2. \_\_\_\_\_ Has the applicant transferred or encumbered a substantial portion of its assets or business, or merged or consolidated with any other company within the last five years?  Yes  No

Has the applicant ever changed its name?  Yes  No

If so, copies of the instruments effecting such transaction certified by Secretary over corporate seal as a true copy of the originals, including any official state regulatory approvals and filing data attached.

3. \_\_\_\_\_ Is applicant presently negotiating for or inviting negotiations for any transaction described last above?  Yes  No

4. \_\_\_\_\_ Has the applicant undergone a change of management or control since the date of its latest annual statement filed in support of this application?  Yes  No

Does the applicant contemplate a change in management or any transaction which would normally result in a change of management within the reasonably foreseeable future?  Yes  No

If the answer to either question is affirmative, a detailed explanation is attached and made a part hereof.

5. \_\_\_\_\_ Is applicant owned or controlled by a holding corporation?  Yes  No

If so, an affidavit by an executive officer of the applicant who knows the facts listing the principal owners (10% or more of the outstanding shares) of such holding corporation by name and residence address, business occupation and business affiliations is attached and made a part hereof. (Autobiographical affidavits will be required of such persons through the applicant if, in the Commissioner's judgment, such information is needed in order to satisfy CIC §717.)

6. \_\_\_\_\_ Is applicant owned, operated or controlled, directly or indirectly, by any other state, or province, district, territory or nation or any governmental subdivision or agency?  Yes  No

If yes, please explain

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## QUESTIONNAIRE

CDI-020 (Rev. 11/2015)

---

7. \_\_\_\_ Has the applicant's certificate of authority to do business in any state been suspended or revoked within the last ten years?  Yes  No

Has its application for admission to any state been denied within the last ten years?  Yes  No

If so, particulars are furnished in writing attached and made a part hereof.

8. \_\_\_\_ Has any person who is presently an officer or director of Applicant, been convicted on, or pleaded guilty or nolo contendere to, an indictment or information in any jurisdiction charging a felony for theft or larceny, mail fraud or of violating any corporate securities statute or any insurance statute?  Yes  No

9. \_\_\_\_ Is applicant presently engaged in a controversy with any state or federal regulatory agency?  
 Yes  No

If so, particulars are furnished in writing attached and made a part hereof.

10. \_\_\_\_ Is applicant a plaintiff or defendant in any legal action other than one arising out of policy claims?  
 Yes  No

If so, a summary of each case and an estimate of company's probable liability, if any, is attached and made a part hereof.

11. \_\_\_\_ Does the applicant purchase investment securities through any investment banking or brokerage house or firm from whom any of Applicant's officers, directors, trustees, investment committeemen or controlling stockholders receive a commission on such purchases?  Yes  No

12. \_\_\_\_ Is applicant presently licensed as an insurance agent or broker, whose association is concurrently operating as a bank, bank holding company, subsidiary or affiliate?  Yes  No

13. \_\_\_\_ Has the applicant, within 18 months last preceding the date of this affidavit, done any of the following:

A. Made a loan to an entity owned or controlled directly or through a holding corporation by one or more of Applicant's officers, directors, trustees or investment committee members, or to any such person?  
 Yes  No

B. Sold or transferred any of its assets or property, real or personal, to any such entity or person?  
 Yes  No

C. Purchased securities, assets or property of any kind from an entity owned or controlled by one or more of Applicant's officers, directors, trustees, or any persons who have authority in the management of Applicant's funds (including a controlling stockholder)?  Yes  No

If the answer to any of the last three questions (A, B or C) is affirmative, did any officer, director, trustee or any person who had authority in the management of Applicant's funds (including a controlling stockholder) receive any money or valuable thing for negotiating, procuring, recommending or aiding in such transaction?  
 Yes  No

14. \_\_\_\_ Will company procure its business through the American agency system, through independent brokers, or through salaried representatives, or by a combination of these? \_\_\_\_\_

**QUESTIONNAIRE**

CDI-020 (Rev. 11/2015)

15. \_\_\_\_\_ Where and how will company recruit its producers? How and by whom will they be trained? What commission rates or salaries will be paid? (Provide answers on addendum and attach sample contract forms of all types used and remuneration schedule, including those for general agents, if any.)

16. \_\_\_\_\_ If admitted, does applicant plan to transact a specialty line or lines in California?

If so, what?

\_\_\_\_\_

17. \_\_\_\_\_ From what source or sources does it expect to obtain such business? (The answer to this and the next following question, if made separately, will be placed in a confidential file at applicant's request.)

\_\_\_\_\_

18. \_\_\_\_\_ If applicant does not have a specialty or captive business, what classes will it transact? Where and how will it obtain such business? What financial, corporate or other connections productive of insurance does the company have in this State? (Provide answer on separate addendum.)

19. \_\_\_\_\_ How, where and by whom will applications be underwritten?

\_\_\_\_\_

20. \_\_\_\_\_ What advertising methods will be used? Will Applicant control producers' and general agents' advertising and, if so, how?

\_\_\_\_\_

21. \_\_\_\_\_ How and by whom will claims be processed and losses adjusted and paid? What relationship, if any, will such adjusters have to the applicant? How will claims adjusting personnel be compensated?

\_\_\_\_\_

22. \_\_\_\_\_ If applicant is one of a group of companies, or if it uses facilities in common with another company or companies, are expenses divided between applicant and others?      Yes      No

If they are prorated, what is the basis of proration?

\_\_\_\_\_

23. \_\_\_\_\_ What total gross premium volume (net or return premiums) does Applicant expect to transact during the present calendar year? \$\_\_\_\_\_

During the next calendar year after the application was (is) filed? \$\_\_\_\_\_

During the second calendar year after the application was (is) filed? \$\_\_\_\_\_

24. \_\_\_\_\_ Does applicant have any reinsurance contracts which in effect provide that applicant will reimburse or indemnify the reinsurer for losses payable thereunder?      Yes      No

## QUESTIONNAIRE

CDI-020 (Rev. 11/2015)

---

25. \_\_\_\_\_ Does applicant pay any representative given discretion as to the settlement or adjustment of claims under life or disability policies, whether in direct negotiation with the claimant or in supervision of the person negotiating, a compensation which is in any way contingent upon the amount of settlement of such claims?  
 Yes  No

26. \_\_\_\_\_ **(All Applicants, Other Than Life)** Does any salaried employee or officer, exclusive of a director, presently have in force a license as an insurance broker issued by the California Department of Insurance? If yes, please identify his/her license and position held with applicant.  Yes  No

### All Life Applicants must respond to the following:

27. \_\_\_\_\_ **(For Life Applicants Only)** Does applicant have outstanding unexercised stock options? If so, to whom and in what number of shares?  Yes  No

If options are outstanding for a number of shares greater than 10% of the number of shares presently issued and outstanding, a copy of the option form and of the plan pursuant to which they were granted are attached.

28. \_\_\_\_\_ **(For Life Applicants Only)** Are any of the applicant's policies being sold in connection with a mutual fund?  
 Yes  No

Is sale of life insurance related or tied to a sale of mutual fund or investment in securities?  Yes  No

If so, supply details including all sales literature which refers to the insurance and mutual fund or other investment plan connection.

29. \_\_\_\_\_ **(For Life Applicants Only)** Has applicant at any time in any jurisdiction while operating under its present management, or at any time within the last six years irrespective of changes in management, taught or permitted its agents to sell insurance by using any of the following devices or representations resembling any of the following: "centers of influence", and "advisory board", a charter or founder's policy, a profit-sharing plan; that only a limited number of a certain policy will be sold in any given geographical area; that "profits" will accrue or be derived from mortality savings, lapses and surrenders, investment earnings, savings in administration; a printed list of several large American or Canadian insurers showing the dollar amounts of "savings", "profits" or "earnings" they have made in such categories.  Yes  No

If the answer is affirmative, supply a complete set of all sales material including the sales manual, all company instructional material, brochures, illustrations, diagrams, literature, "canned" sales talks, copies of the policies which are no longer in use, list of states where such methods were used and the date (by year) when they were used, the approximate amount of insurance originally written in each state on each policy form thusly sold, the amount currently in force, and the lapse ratio on each form year by year and cumulatively in gross to the present date.

30. \_\_\_\_\_ **(For Life Applicants Only)** Does the company pay, directly or indirectly, any commission to any officer, director, actuary, medical director or any other physician charged with the duty of examining risks or applications?

**QUESTIONNAIRE**

CDI-020 (Rev. 11/2015)

Witness my hand this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_.

\_\_\_\_\_  
(Affiant)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Insurer)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_  
(Notary Public)

personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)