

**Business Entity Application for Insurance License**

LIC 441-11 Rev 03/2019

<b>1. Business Entity Types</b> (Check one only)		<b>Department Use Only</b>  License _____	
<input type="checkbox"/> Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Liability Company		<input type="checkbox"/> Limited Liability Partnership/Limited Partnership <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> Unincorporated Association	
<b>2. License Type</b>  <input type="checkbox"/> Life-Only Agent (LO) <input type="checkbox"/> Variable Contract Authority (VC) <input type="checkbox"/> Accident and Health Agent (AH) <input type="checkbox"/> Property Broker-Agent (PR) <input type="checkbox"/> Casualty Broker-Agent (CA) <input type="checkbox"/> Personal Lines Broker-Agent (PL) <input type="checkbox"/> Limited Line Automobile Insurance Agent (AU) <input type="checkbox"/> Credit Insurance Agent (CI)		<input type="checkbox"/> Motor Club Agent (MC) <input type="checkbox"/> Self-Service Storage Agent (SS) <input type="checkbox"/> Portable Electronics Insurance Agent (PE) <input type="checkbox"/> Surplus Line Broker (SL) <input type="checkbox"/> Special Lines' Surplus Line Broker (SP) <input type="checkbox"/> Life & Disability Analyst (LA) <input type="checkbox"/> Cargo Shipper's Agent (CS) <input type="checkbox"/> Vehicle Service Contract Provider VS <input type="checkbox"/> Rental Car Agent (RC) <input type="checkbox"/> Travel Insurance Agent (TA)	
<b>3. Business Entity Name</b> _____			
<b>4. Federal Employer Identification Number</b> _____		<b>5. Name Approval Confirmation #</b> _____	
<b>6. State of Incorporation</b> _____			
<b>7. Business address (PO Box <b>not</b> acceptable)</b> _____			
<b>8. Business phone number</b> (     )     _____		<b>9. Business fax number</b> (     )     _____	
<b>10. Business E-mail Address and Business Entity Website Address</b> _____			
<b>11. Mailing Address (PO Box is acceptable)</b> _____			
<b>12. Fictitious names</b> <b>a.</b> Does the business entity intend to use a fictitious (DBA) name? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, list such name: (This name must be approved by the Department prior to use.) _____ <b>b.</b> Is the business entity now or has it ever used any name other than shown? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, list names, dates and reason(s) used: _____			
<b>13. Business Entity Information:</b> Is this business entity engaged in any business or activity other than insurance? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, answer the following: <b>a.</b> What is the nature of this other business or activity? _____ <b>b.</b> What percentage of the business entity's net income will be derived from this other business or activity? _____ <b>Important:</b> Business entity applicants engaged in business other than insurance are cautioned to review the laws governing such other business to ensure that the transacting of insurance is not incompatible under such laws.			
<b>14. Is the business entity an insurer?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No			
<b>15. Does the Business Entity hold an insurance license and is the Business Entity adding a line of authority?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No Or has the Business Entity ever held an insurance license as a resident in any state, including the state of California? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, complete the following: (attach a separate sheet if needed)			
<b>Type of License and License Number</b>	<b>State or Province</b>	<b>Date License Held</b>	<b>Is License In Force?</b>

**16. Life-Only Agent License Applicants only:**

Does the business entity intend to act as a Variable Contract Agent? ☐ Yes ☐ No

Any business entity intending to act as a Variable Contract Agent must have at least one Designated/Responsible Licensed Producer authorized as a Variable Contract Agent.

**17. Designated/Responsible Licensed Producer (s)**

Identify all Designated/Responsible Licensed Producers\* (Attach a separate sheet if needed)

Name \_\_\_\_\_ SSN\*\* \_\_\_\_\_ License # \_\_\_\_\_

Name \_\_\_\_\_ SSN\*\* \_\_\_\_\_ License # \_\_\_\_\_

Name \_\_\_\_\_ SSN\*\* \_\_\_\_\_ License # \_\_\_\_\_

Name \_\_\_\_\_ SSN\*\* \_\_\_\_\_ License # \_\_\_\_\_

**\*Note:** If you are not a current California licensee (resident or non-resident), a separate application form 441-9 must be completed by each person name above.

**18. Business Entity Disclosure:** Identify all partners, members, officers, directors, managers, controlling persons and any shareholders owning 10% or more interest in the business entity. (Attach separate sheet if more space is needed)

Name \_\_\_\_\_ Title \_\_\_\_\_ SSN/FEIN\*\* \_\_\_\_\_ % of ownership \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_ SSN/FEIN\*\* \_\_\_\_\_ % of ownership \_\_\_\_\_

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Name \_\_\_\_\_ Title \_\_\_\_\_ SSN/FEIN\*\* \_\_\_\_\_ % of ownership \_\_\_\_\_

**19. Controlling Person(s):** (Attach separate sheet if more space is needed)

A "Controlling Person" as defined in section 1668.5 (b) is the following: If you are listing a individual, corporation, partnership, limited liability company, limited partnership, holding company or trust in section #18, then you must identify the Controlling Person or Persons, including the president, chief executive officer, chairman of the board, those people that own 10% or more of the stock and any other person who directly or indirectly possess the power to control the affairs of the business entity.

Name \_\_\_\_\_ Title \_\_\_\_\_ SSN/FEIN\*\* \_\_\_\_\_ % of ownership \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_ SSN/FEIN\*\* \_\_\_\_\_ % of ownership \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_ SSN/FEIN\*\* \_\_\_\_\_ % of ownership \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_ SSN/FEIN\*\* \_\_\_\_\_ % of ownership \_\_\_\_\_

**\*\*Disclosure of your U. S. social security number is mandatory pursuant to; Cal. Family Code, §17520(d); the Federal Tax Reform Act of 1976 (42 U.S.C. §405(c)(2)(C)(i)) and the Federal Welfare Reform Act of 1996 (42 U.S.C. §666). If you fail to disclose your social security number, your application will not be reviewed. An individual has a right of access to certain records containing personal information pertaining to that individual. Individuals may obtain information regarding the location of their records by contacting the Bureau Chief, Producer Licensing Bureau, California Department of Insurance by telephone (800-967-9331) or by mail to the following address: 320 Capitol Mall, Sacramento CA 95814.**

**20. Surplus Line and/or Special Lines' Surplus Line Applicants only:** Notification of your filing for a Surplus Line Brokers' license will be forwarded to the Surplus Line Association of California, who will notify you as to their filing rules (California Code of Regulations, Title 10, Section 2172).

List names of all insurers not admitted to California with whom arrangements have been made to accept or who are considering the acceptance of surplus line business offered by the business entity:

**Surplus Line or Special Lines' Surplus Lines Business Entity Endorsement Authorization**

List name of each person applying to transact under the authority of this license type.

Name \_\_\_\_\_ SSN\*\* \_\_\_\_\_ License # \_\_\_\_\_

Name \_\_\_\_\_ SSN\*\* \_\_\_\_\_ License # \_\_\_\_\_

Name \_\_\_\_\_ SSN\*\* \_\_\_\_\_ License # \_\_\_\_\_

**Background Questions**

**If you fail to fully disclose any information that is required or if you make a false statement, your application may be denied.**

Federal law (18 U.S.C. 1033) prohibits anyone who has been convicted of a felony involving dishonesty or a breach of trust or who has been convicted of **any** violation of 18 U.S.C. 1033 and 1034 from engaging in the business of insurance unless they have obtained the written consent of the Insurance Commissioner. It is a violation of this statute to engage in the business of insurance without the Commissioner's written consent. Further, it is a criminal offense for any person to willfully employ, or willfully permit, such "prohibited persons" to engage in the business of insurance without the required written consent.

A "Prohibited Person" may be an officer, director or employee of an insurance agency or an insurance company, an agent, solicitor, broker, consultant, third party administrator, managing general agent, or subcontractor representing an insurance agency or insurance company who engages in or transacts the business of insurance. If you have a "Prohibited Person" in your organization that meets this criteria and has been convicted of a felony involving dishonesty or a breach of trust or a violation of 18 U.S.C. 1033 and 1034, then the "Prohibited Person" must obtain written consent **prior to filing this application**.

**DO NOT SUBMIT THIS APPLICATION UNTIL THE PROHIBITED PERSON HAS FILED FOR WRITTEN CONSENT FROM THE COMMISSIONER.** If they have received consent, a copy of their consent letter must be attached to this application. If you are applying for a non-resident license, attach a copy of the written consent letter issued by their home state. Instructions to apply for the written consent are available on the CDI's Web site at [www.insurance.ca.gov](http://www.insurance.ca.gov).

21. Has the business entity or any of its partners, members, controlling persons, officers, directors, managers, or any shareholders owning 10% or more interest in the business entity, ever been convicted of, or is the business entity or, any partner, member, controlling person officer, director, manager or any shareholders owning 10% or more interest in the business entity currently charged with, committing a crime, whether or not adjudication was withheld?..... ☐ Yes ☐ No

"Crime" includes a felony, a misdemeanor or military offense. "Convicted" includes, but is not limited to, having been found guilty by a verdict of a judge or jury, having entered a plea of nolo contendere, no contest, having had any charge expunged, dismissed or plea withdrawn pursuant to Penal Code Section 1203.4, or having been given probation, a suspended sentence or a fine. You may exclude traffic citations and juvenile offenses tried in juvenile court. You should answer "yes" if you have been convicted of a felony or a misdemeanor including driving offenses such as, but not limited to reckless driving, driving under the influence and driving with a suspended license, whether or not you spent any time in jail, and whether or not you believe the conviction has been removed from your record.

If you answer yes, you must attach to this application:

- a written statement with original signature explaining the circumstances of each incident,
- a certified copy of the charging document, and a certified copy of the official document which demonstrates the resolution of the charges or any final judgment.

\*Disclosure of your U. S. social security number is mandatory pursuant to; Cal. Family Code, §17520(d); the Federal Tax Reform Act of 1976 (42 U.S.C. §405(c)(2)(C)(i)) and the Federal Welfare Reform Act of 1996 (42 U.S.C. §666). If you fail to disclose your social security number, your application will not be reviewed. An individual has a right of access to certain records containing personal information pertaining to that individual. Individuals may obtain information regarding the location of their records by contacting the Bureau Chief, Producer Licensing Bureau, California Department of Insurance by telephone (800-967-9331) or by mail to the following address: 320 Capitol Mall, Sacramento CA 95814.

**Background Information continued**

If you fail to fully disclose any information that is required or if you make a false statement, your application may be denied.

**22.** Has the business entity or any of its partners, members, controlling persons, officers, directors, managers or any shareholders owning 10% or more interest in the business entity, ever been involved in an administrative proceeding regarding any professional or occupational license?

☐ Yes ☐ No

“Involved” means having a license censured, suspended, revoked, canceled, terminated or, being assessed a fine, placed on probation or surrendering a license to resolve an administrative action. “Involved” also means being named as a party to an administrative or arbitration proceeding which is related to a professional or occupational license. “Involved” also means having a license application denied or the act of withdrawing an application to avoid a denial. You may exclude terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.

If you answer yes, you must attach to this application:

- a. a written statement with original signature identifying the type of license and explaining the circumstances of incident; and
- b. a certified copy of the Notice of Hearing or other document that states the charges and allegations; and,
- c. a certified copy of the official document which demonstrates the resolution of the charges or any final judgment.

**23.** Has any demand been made or judgment rendered against the business entity or any of its partners, members, controlling persons, officers, directors, managers or any shareholders owning 10% or more interest in the business entity for overdue monies by an insurer, insured or producer, or have you ever been subject to a bankruptcy proceeding?

☐ Yes ☐ No

If you answer “yes,” submit a statement summarizing the details of the indebtedness and arrangements for repayment.

**24.** Has the business entity or any of its partners, members, controlling persons, officers, directors, managers or any shareholders owning 10% or more interest in the business entity, ever been notified by any jurisdiction to which you are applying of any delinquent tax obligation that is not the subject of a repayment agreement?

☐ Yes ☐ No

If you answer yes, identify the jurisdiction(s): \_\_\_\_\_

**25.** Has the business entity or any of its partners, members, controlling persons, officers, directors, managers or any shareholders owning 10% or more interest in the business entity, been a party to, or ever been found liable in any lawsuit or arbitration proceeding involving allegations of fraud, misappropriation or conversion of funds, misrepresentation or breach of fiduciary duty?

☐ Yes ☐ No

If you answer yes, you must attach to this application:

- a. a written statement with original signature summarizing the details of each incident; and
- b. a copy of the Petition, Complaint or other document that commenced the lawsuit or arbitration; and,
- c. a copy of the official document which demonstrates the resolution of the charges or any final judgment.

**26.** Has the business entity or any of its partners, members, controlling persons, officers, directors, managers or any shareholders owning 10% or more interest in the business entity, ever had an insurance agency contract or any other business relationship with an insurance company terminated for any alleged misconduct?

☐ Yes ☐ No

If you answer yes, you must attach to this application:

- a. a written statement with original signature summarizing the details of each incident and explaining why you feel this incident should not prevent you from receiving an insurance license; and, b. copies of all relevant documents.

### Important Notice for Limited Liability Companies:

Section 1647.5(c) of the California Insurance Code (CIC) requires each Limited Liability Company, at the time of licensing pursuant to this chapter and, with respect to surplus line brokers, Chapter 6, and at all times during which the company holds an active license, is required to file with the Insurance Commissioner an annual confirmation demonstrating continuing compliance with the financial security requirements of Section 1647.5 CIC. This annual confirmation is typically satisfied by submitting proof of errors and omissions liability insurance coverage. The aggregate dollar amount of errors and omissions coverage can be in the form of cash, bonds, bank certificates of deposit, U.S. Treasury obligations, etc., held to provide security for claims against the Limited Liability Company. (The amount required over the minimum of \$500,000 is at least \$100,000 multiplied by the number of licensees rendering professional services on behalf of the company; however, the maximum amount is not required to exceed \$5,000,000.00.)

For the purposes of satisfying this requirement, you are required to provide **one** of the following:

1. Complete and return the enclosed Certificate of Coverage (Form LIC CC1) signed by a representative of the insurance company providing the errors and omissions policy (Form LIC CC1 is available from the departmental website at [www.insurance.ca.gov](http://www.insurance.ca.gov)); or,
2. If assets other than the errors and omissions liability insurance are being used to satisfy the security requirements, provide verification from the bank or escrow holder listing the type of asset and the current dollar amount.

#### Applicant's Certification:

I (we) certify (or declare) under penalty of perjury that:

- a. the named business entity intends actively and in good faith to carry on an insurance business with the general public;
- b. the business entity's articles of incorporation or articles of organization or association or partnership agreement, as the case may be, do not forbid it to act in the capacity for which this application is being made;
- c. the holding of the license hereby applied for is not incompatible with the laws, rules or regulations of any federal, state, county or municipal government for which it performs work (if any) by which it is licensed (if any);
- d. if the license is granted, only those natural persons so authorized will transact insurance under each license;
- e. (Surplus Line and Special Lines' applicants only) - we apply for a license pursuant to the provisions of Chapter 6, Part 2, Division 1 of the Insurance Code of the State of California permitting the solicitation, negotiation and subject to the provision of said Chapter, the effecting of insurance to be procured from or placed with insurers not authorized to transact insurance business in this State.

Further, I (we) certify (or declare) under penalty of perjury that I (we) have read the foregoing application and know the contents thereof and that each statement therein made is full, true and correct. I (we) understand that pursuant to Sections 1668 (h) and 1738 of the Insurance Code, any false statements may subject my application to denial and may subject my license(s) to suspension or revocation. Further, pursuant to Insurance Code Sections 1703 and 1733, I (we) authorize disclosure to the Insurance Commissioner of all financial institution records of any fiduciary accounts for the duration of this license.

#### **IMPORTANT NOTICE**

Signature(s) \_\_\_\_\_ Title \_\_\_\_\_

\_\_\_\_\_  
(type name) \_\_\_\_\_ (type title) and title)

If organization is a partnership, each partner must sign this application.

\_\_\_\_\_  
Title \_\_\_\_\_

\_\_\_\_\_  
(type name) \_\_\_\_\_ (type title) and title)

If organization is a corporation, an officer having authority to bind the organization must sign.

\_\_\_\_\_  
Title \_\_\_\_\_

\_\_\_\_\_  
(type name) \_\_\_\_\_ (type title) and title)

If organization is a limited liability company, an officer, member or manager having authority to bind the organization must sign.



Date Executed \_\_\_\_\_, at \_\_\_\_\_, \_\_\_\_\_  
(month, day, year) (city) (state)

If organization is a nonprofit corporation or unincorporated association, all members must sign.

All fees are filing fees and are not refundable or transferable, whether or not the application is acted upon or the examination taken.

## Instructions for completing Business Entity application

Re: "Business Entity type": Corporation- if already incorporated, attach a copy of your Certificate of Good Standing. If corporation has been formed as a result of a merger, submit a copy of your approved merger papers.

Re: "Limited Liability Company" - attach a copy of your approved articles of organization. Additional requirements are listed on page 4. This documentation must be submitted with your application.

Re: "Business Entity Name": The true business entity name must be entered. Include commas, hyphens, ampersands, etc. This name is subject to disapproval by the Insurance Commissioner.

Re: "Fictitious Name": If you intend to transact insurance in a name other than the true business entity name, enter such fictitious name. This name is subject to disapproval by the Insurance Commissioner.

Re: "Designated/Responsible Licensed Producer": You must list all licensed producers intending to transact on behalf of the business entity. All unlicensed producers intending to transact on behalf of the business entity must complete form 441-9.

Re: "Controlling Person": Insurance Code Section 1668.5(b), in part, defines a "controlling person" as a person who possesses the power to direct or cause the direction of the management and policies of the business entity.

Re: "Background Information": If the answer is "yes" to any of these questions, you must submit required documentation.

Re: "Applicant's Certification": Partnership - each partner of the partnership must sign. Corporation Limited Liability Company or Association - an officer having authority to bind the Corporation or Association must sign.

A) Licenses are issued for a two-year term, which begins the date the first license is issued to the business entity and ends the last day of that calendar month two years later. Subsequent licenses are issued for the balance of the established license term.

B) Fees: Filing fees are required for each business entity application submitted, except that Surplus Line or Special Lines' fees may vary - see below:

**Surplus and Special Surplus Lines Filing fees:** \$1,296 (two year term), the fee for an individual surplus line broker that has a \$50,000 bond on file.

Direct questions regarding this filing to the Producer Licensing Bureau in Sacramento, (916) 492-3069.

All fees are filing fees and are not refundable, whether or not the application is acted upon or an examination taken. Mail application with fees to: Department of Insurance, P.O. Box 1139, Sacramento, CA 95812-1139.

**Notice: Information Collection and Access** Section 31(e) of the California Business and Professional Code allows the State Board of Equalization and the Franchise Tax Board to share taxpayer information and requires the licensee to pay his or her state tax obligation. Section 31 also states that the license may be suspended if the state tax obligation is not paid.

Section 1798.17 of the California Civil Code requires the following information to be provided when collecting information from individuals to determine compliance with the group and corporate practice provisions of the law, and to establish positive identification, to match the names of the certified list provided by the Department of Child Support Services to applicants and licensees, and of responding to requests for this information made by child support agencies.

Agency: Department of Insurance, Address: 320 Capitol Mall, Sacramento, Ca 95814-4309, Telephone: (800) 967-9331.

Title of official responsible for information maintenance: Chief, Producer Licensing Bureau

Authority which authorizes the maintenance of the information: California Insurance Code, Chapters 5, 6, 7, 8-Part 2, Division 1

The consequences, if any, of not providing all or part of the requested information: It is mandatory that you provide all information requested. Omission of any item of requested information will result in the application being rejected as incomplete.

The principal purposes for which the information is to be used: The information requested will be used to determine qualifications for licensure or certification, to determine compliance with the group and corporate practice provisions of the law and to establish positive identification.

Each individual has the right to review files maintained on them by the agency, unless the information is classified as confidential under section 1798.3(a) of the California Civil Code.