

Alaska Premium Finance Company Application - Checklist

GENERAL INSTRUCTIONS- To ensure there are no delays in the review of your application:

Complete applications on enclosed forms. Processing of the application begins upon receipt of required documents and fees, an incomplete application delays processing.

All required forms, attached for your convenience, listed below:

- ❖ *Alaska Company Uniform Application*
- ❖ *Alaska Premium Finance Affidavit*
- ❖ *MU2 Form*
- ❖ *State Regulatory Questionnaire*
- ❖ *Alaska Premium Finance Act Bond*

Please complete as a fill-in document, **we no longer accept hand-written documents**. Legible photocopies with original signatures are acceptable. All forms are to be fully completed. Insert "N/A" or "NOT Applicable" where appropriate. When space is insufficient, use a separate page. Information on inserted pages must reference appropriate questions by letter and number. The applicant provides, under oath, the application, supplemental pages, and other related information; filing at the address noted below.

ALASKA AUTHORITY

Alaska Statute 06.01.025 Records of the Department

- (a) Information in the records of the department obtained through the administration of this title is confidential, is not subject to subpoena, and may be revealed only with the consent of the department.

You are responsible for reviewing the **Premium Financing Act ([AS 06.40](#))** and **accompanying regulation ([3 AAC 07](#))** to ensure familiarity and compliance.

FEES

LICENSE TYPE	APPLICATION Fee	LICENSING FEE
Premium Finance Company (AS 06.40.010)	\$500.00 as partial payment of investigation expenses (non-refundable) *	\$200.00 (non-refundable) \$200.00 for each additional location (non-refundable)

**Investigation expenses incurred by the department in processing the application for licensure shall be charged to and paid by the applicant under AS 06.01.010. Those costs will be billed separately upon the completion of the investigation.*

Please note you will receive an invoice for investigative fees related to the issuance of a new license.

For U.S. Postal Service:

State of Alaska, Department of Commerce, Community & Economic Development
Division of Banking & Securities
PO Box 110807, Juneau, AK 99811-0807

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Complete ALL sections of the application and supplemental information. Be sure the application is signed and dated (unsigned applications are returned). Make a copy for your files.

An application to establish a premium finance company shall be submitted to the Division of Banking and Securities. It is preferred the application be submitted electronically to: loanentity.licensing@alaska.gov

- Application Procedure to License a Premium Finance Company.
 - Application Form - Click the paperclip icon on the left-hand panel and select the *Alaska Uniform Company Application*.
 - Alaska Affidavit Form- To complete, click the paperclip icon on the left-hand panel and select the *Alaska Premium Finance Affidavit*. Include supporting documentation for question #6b, if applicable.
 - Business License/Entity Registration: Enter your State of Alaska Business License and/or Entity Registration Number on the Business License/Entity Registration line, in accordance with [AS 43.70.020](#). DBSC will use this number to verify that you have completed two prerequisite items:
 - State of Alaska Business License
 - Domestic Business. If the applicant organized or formed inside Alaska, submit a copy of the current Alaska business license.
 - Sole Proprietorship. If the applicant is a sole proprietor, whether foreign or domestic, submit a copy of the current Alaska business license. You must register trade names ("DBA") on your business license as well.
 - The Alaska Division of Corporations, Business, and Professional Licensing issues [Business Licenses](#). (907) 465-2550
 - Registration with the State of Alaska
 - Domestic Business. If your company is not a sole proprietorship, you must register the company with the Alaska [Division of Corporations, Business, and Professional Licensing](#) (907) 465-2550
 - Foreign Corporation. If your company formed or incorporated outside the state of Alaska, you must register the company as a [Foreign Corporation](#) with the Alaska Division of Corporations, Business, and Professional Licensing, (907) 465-2550
- Company Business Documents
 - Business Plan: Submit a business plan detailing collection and transmission of the monies, records collection and retention, and use of authorized delegates / additional locations if applicable. Include the specific products and services you intend to offer under this license.
 - Formation Document: Submit a certified copy of one of the following:
 - The Corporate Charter or Articles of Incorporation (if a corporation)
 - The Articles of Organization and Operating Agreement (if a LLC)
 - The Partnership Agreement (if a partnership of any form)
 - Organizational Chart: Submit an organizational chart if applicant is owned by another entity or entities or person, or has subsidiaries or affiliated entities.

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- Management Chart: Submit an organizational chart showing the applicant's divisions, officers, and managers.
- Certificate of Good Standing: Submit a certificate issued by the state in which the corporation, limited liability company (LLC) or partnership organized or formed, demonstrating that the corporation or LLC exists or is authorized to do business in the state. The certificate must be no more than 60 days prior to the filing of an application.
- MU2 Form: Provide for each individual listed in 3(A), and each individual listed in 3(B) of the *Alaska Company Uniform Application*, if applicable. To complete, click the paperclip icon on the left-hand panel and select the *MU2 Form*.
 - Residential History- Give a complete address history for the past 10 years, starting with current address.
 - Employment History- Provide a complete employment history for the past 10 years. Account for all time including full & part-time employments, self-employment, military service, and homemaking. Also, include periods such as unemployed, full-time student, extended travel, etc. Indicate by "YES" or "NO" whether this employment was *financial service-related* business.
- Bankruptcy/Receivership Information
- Licensing History- List of all premium finance company licenses currently held, applied for, denied, or revoked
 - Copies of all regulatory actions, state or federal
 - Submit a list of states currently licensed in. The applicant must send a State Regulatory Questionnaire to each state currently licensed in. If you are in need of additional questionnaires, click the paperclip icon on the left-hand panel and select *State Regulatory Questionnaire*.
- Litigation
 - Brief synopsis of all pending litigation
 - List of all closed litigation for 10 years prior to date application submitted
- Premium Finance Company Locations
 - List all states where company is currently engaged in the Premium Financing business.
 - If applicant is an affiliate or subsidiary, indicate the name, location, nature of business, manner or purpose of affiliation, and period of existence as such.
 - If any Alaska accounts are originated or serviced at an office other than what is on the application, state the nature of business conducted, location, phone number and fax number for the office.
 - Provide days of operation and business hours.
- Surety Bond- Submit an original surety bond in the amount of \$5,000.00 furnished by a surety company authorized to conduct business in Alaska. The name of the principal insured on the bond must match exactly the Full Legal Name of applicant and applicant DBA ([AS 06.40.030](#)). The bond should cover from the date of the application to January 1 of the following year. To complete, click the paperclip on the left-hand panel and select the *Premium Finance Act Surety Bond Form*.
- Financial Information - Financial statements must be prepared in accordance with Generally Accepted Accounting Principles and must include a Balance Sheet (statement of assets and liabilities), Income Statement and Profit and Loss Statement.

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- Submit a current financial statement as of the most recent quarter end for the applicant business (or personal financial statements for sole proprietorship).
- Submit a copy of your most recent audited financial statement and, if available, audited financial statements for the prior two years.
- If a newly formed business, also provide documentation supporting the method and source of capitalization (where the funding for your business comes from).
- If applicant is a wholly owned subsidiary of another corporation, may submit either the parent's consolidated audited financial statement of the current year and prior two years, or the parent's Form 10K reports filed with the United States Securities & Exchange Commission for the prior three years in lieu of the financial statements.
- Records and Reports
 - Submit a policy for maintaining books and records per [AS 06.40.100](#).
 - Submit a copy of the proposed premium finance agreements ([AS 06.40.110](#)) and all forms that would be used in administering the Alaska agreements, i.e., such as late payment notices, cancellation notices, account cards, receipts, etc.
 - Indicate if applicant provides financing for personal policies, commercial policies, or both.
 - Indicate whether monthly payments are made at the beginning or end of the period.
 - Explain how interest is being calculated (e.g. on a 360 or 365-day basis).
 - Discuss the length of notice period, how notices of intent to cancel and the notice of cancellation is sent to the borrower and insurance agent per [AS 06.40.140](#)(b) & (c).
 - Specify charges and fees associated with a premium finance agreement transaction per [AS 06.40.120](#)
 - Furnish a copy of the proposed schedule of rates to be used in calculating interest rate.
 - State if the company has a deficiency balance charge.
 - Provide a discussion of how unearned premiums are returned ([AS 06.40.150](#)).
 - Provide the company's policy on offering a borrower/insured an option to separate the financing of the premiums for one insurance policy from a premium finance agreement ([AS 06.40.130](#)(b)).
- Advertising
 - Please submit samples of advertising that will be used (as described in the business plan) per [AS 06.40.090](#).
 - If institution is located outside the state of Alaska, please explain how the business plans to engage with Alaska consumers and if employees will only work from the assigned home office location.
- Disclosure Questions: Provide an explanation for any "Yes" response (4(E) of the *Alaska Company Uniform Application*). Submit a copy of the letter of explanation and any applicable orders or supporting documents to the Division (*including certified court records, judgments, and charging documents as well as release documents for judgments, liens and bankruptcies and copies of regulatory orders and agreements*).