

FORMING A CAPTIVE

The process of incorporating a captive insurer in Oklahoma and applying for a license from the Oklahoma Insurance Department will involve the following steps:

1. *Your approved manager will arrange a meeting with the Company and the Oklahoma Insurance Department's captive staff to discuss the proposed captive and obtain initial reactions from the Department.*
2. *Prepare documents necessary for organization. The services of a local lawyer may be desirable.*
3. *Prepare documents necessary for application to the Department (available on our website).*

Submit one copy of all materials in numbers (2) and (3) above to the Oklahoma Insurance Department for review. Include a \$200.00 review fee and a \$300.00 license fee.

TYPES OF CAPTIVES

Association captive insurance company - a captive insurance company that insures risks of the member organizations of the association and their affiliated companies

Branch captive insurance company - an alien captive insurance company licensed by the Insurance Commissioner to transact the business of insurance in this state through a business unit with a principal place of business in this state. A branch captive insurance company must be a pure captive insurance company with respect to operations in this state, unless otherwise permitted by the Insurance Commissioner

Industrial insured captive insurance company - a company that insures risks of the industrial insureds that comprise the industrial insured group and their affiliated companies

Pure captive insurance company - a company that insures risks of its parent, affiliated companies of its parent and any controlled unaffiliated business, or a combination thereof

Special purpose captive insurance company - a captive insurance company that is formed or licensed under the Oklahoma Captive Insurance Company Act that does not meet the definition of any other type of captive insurance company defined in this section and is designated as a special purpose captive insurance company by the Commissioner

Sponsored captive insurance company - a captive insurance company:

- a. in which the minimum capital and surplus required by applicable law is provided by one or more sponsors,
- b. that is formed or licensed under the Oklahoma Captive Insurance Company Act,
- c. that insures the risks of its participants only through separate participant contracts, and
- d. that funds its liability to each participant through one or more protected cells and segregates the assets of each protected cell from the assets of other protected cells and from the assets of the sponsored captive insurance company's general account