

STATE OF WISCONSIN
Department of Financial Institutions
Division of Banking



INSURANCE PREMIUM FINANCE COMPANY LICENSE
APPLICATION INSTRUCTIONS

Purpose: A completed Insurance Premium Finance Company License Application should be submitted to the Department of Financial Institutions – Division of Banking (“division”) for consideration of licensure. Upon the filing of such application the division shall investigate the relevant facts, and if the division finds that the character, general fitness and financial responsibility of the applicant, including key officers, members, partners, or owners, warrant the belief that the business will be operated in compliance with Chapter 138.12, Wis. Stats., the division shall issue a license.

Notice: This form is required under Section 138.12, Wisconsin Statutes. Refusal to provide this information may result in the denial of a license. Personally identifiable information on this form may be matched against tax information, outstanding child and family support data and law enforcement agencies. Failure to complete this application completely and accurately may result in denial or revocation of license, and any other penalties as provided by law.

Each section in the following application instructions identifies the corresponding application page number that it is referring to.

APPLICANT INFORMATION (Pages 1-10)

Print or type the information requested in the spaces provided on pages 1 through 10 of the Insurance Premium Finance Company License Application.

ATTACHMENTS (Page 11)

The following items may need to be submitted with your completed Insurance Premium Finance Company License Application. **Additional information regarding each item is included on pages 2 and 3** of this instruction packet. Please read the instructions to determine which items you will be required to submit.

- A) Financial Statements
- B) Fees
- C) Certificate of Good Standing
- D) Criminal History Report(s)
- E) Officer/Owner Resume(s)
- F) Business Plan

A) Financial Statements

An internally prepared balance sheet and income statement must be submitted for the applicant. Audited financial statements should also be submitted if the applicant is audited by a certified public accountant on an annual basis.

The financial statements that are submitted to the division must:

- be prepared according to Generally Accepted Accounting Principles using accrual basis accounting.
- be for the legal entity that is applying for the license (the parent's financial statements are not acceptable).
- be consolidated if the applicant has subsidiaries.
- show a minimum tangible net worth of \$10,000 and positive net working capital (current assets – current liabilities).
- be dated no more than 90 days prior to the date this application is received by the division.

The following information must be attached to the financial statements:

- an itemization of the “Other Assets” category (if the balance sheet includes an “Other Assets” category)
- documentation that verifies the cash balance listed on the balance sheet (this only needs to be submitted if cash accounts for more than 20% of the total assets)
- an explanation of how the applicant will maintain a tangible net worth of at least \$10,000 at all times (this only needs to be submitted if the applicant's equity is at or near the minimum amount required by the division)

When evaluating a financial statement, the division typically discounts intangible assets; receivables from officers, stockholders, and other related parties; employee advances; receivables over 90 days past due; and any other assets of questionable value.

If the applicant is a sole proprietorship, provide a personal financial statement dated no more than 90 days prior to the date this application is received by the division.

If the applicant is a partnership, each partner must submit a financial statement dated no more than 90 days prior to the date this application is received by the division.

B) Fees

The applicant must submit an **\$800** application fee. The \$800 fee consists of a \$500 annual license fee and a \$300 nonrefundable investigation fee.

Checks must be made payable to the Department of Financial Institutions.

C) Certificate of Good Standing (if applicable)

If the applicant is organized or incorporated in a state other than Wisconsin, provide the division with a certificate of status/certificate of good standing from the state where the applicant is organized or incorporated. The status/certificate should be dated within the previous 90 days and reflect the correct name and the date of organization or incorporation.

D) Criminal History Report

A criminal history report must be submitted for each individual who owns 10% or more of the applicant and for each key officer, key member, or partner of the applicant. Key officers include, but are not limited to, the chief executive officer, chief operating officer, chief financial officer, president, executive or senior vice president (or the highest-level vice president if there is no executive or senior vice president), secretary, and treasurer. The criminal history report must be dated within the previous 90 days and must be obtained from the state

police/Department of Justice located in the owner's/officer's/member's/partner's state of residence. Reports obtained from third-party background check providers will not be accepted.

E) Officer/Owner Resume(s)

Submit a resume for each individual who owns 10% or more of the applicant and for each key officer, key member, or partner of the applicant. The resume should include a summary of educational and employment experiences, the applicable dates of experience, positions held, name of company, and a description of duties.

F) Business Plan

Submit a business plan if the applicant is not yet in operation or a detailed description of the mode of operations if the applicant is currently operating. A business plan should include a description of the applicant's proposed products and services, its management team, and its records.

CHECKLIST (Page 11)

The checklist sets forth common problems the division identifies on Insurance Premium Finance Company License Applications. Please answer each question on the checklist.

AFFIDAVIT (Page 12)

A duly authorized representative for the applicant should complete and sign the affidavit. The representative's signature must be notarized.

WISCONSIN CONSUMER ACT INFORMATION

Pursuant to Section 426.201, Wis. Stats., **a business that makes or solicits consumer credit transactions is required to register with the Bureau of Consumer Affairs ("BCA") of the Department of Financial Institutions within 30 days of commencing business in Wisconsin.** The applicant may need to submit a Wisconsin Consumer Act (WCA) registration form and \$25.00 registration fee to the BCA if this application is approved. The WCA registration form can be found on the Department of Financial Institutions' website, dfi.wi.gov, by selecting Consumer Services and then Wisconsin Consumer Act Forms.

The provisions of the consumer credit forms used by your company must comply with the WCA and Section 138.12 of the Wisconsin Statutes. Sections 421 through 427 of the Wisconsin Statutes are known as the Wisconsin Consumer Act. Although you are not required to submit your consumer credit forms in connection with this application, you may forward your original consumer credit forms plus three copies of each consumer credit form to the BCA and the BCA will review the consumer credit forms for compliance with the WCA. Once the initial WCA registration has been filed with the \$25.00 fee, the service of reviewing your forms is free.

For more information regarding WCA registration contact:

Department of Financial Institutions
Bureau of Consumer Affairs
(608) 264-7969

CORPORATE REGISTRATION

Section 138.12(4)(b), Wis. Stats., sets forth the requirements an insurance premium finance company applicant must meet before their application can be considered for licensure. In part, this statute provides that if an insurance premium finance company is organized as a corporation or a limited liability company (“LLC”) it must be:

- incorporated or organized under the laws of the State of Wisconsin, **or**
- registered to transact business in the state of Wisconsin (if a foreign corporation or foreign LLC).

Applicants can register their corporation/LLC with the Wisconsin Department of Financial Institutions, Division of Corporate and Consumer Services. Additional information about the registration process can be obtained by contacting the Division of Corporate and Consumer Services at 608-261-7577 or by visiting the Department of Financial Institutions’ website, dfi.wi.gov, and selecting Business Services and then General Information.

RETURN APPLICATION MATERIALS TO:

Department of Financial Institutions
Division of Banking

Mailing Address:
PO Box 7876
Madison, Wisconsin 53707-7876

Street Address:
4822 Madison Yards Way
North Tower
Madison, Wisconsin 53705

HOW TO OBTAIN HELP AND ADDITIONAL FORMS

INTERNET

Access the Department of Financial Institutions website at dfi.wi.gov to:

- download applications, instructions, and forms.
- see answers to frequently asked questions.
- see a list of insurance premium finance companies licensed under Section 138.12, Wisconsin Statutes.

TELEPHONE

Licensed Financial Services Section (608) 572-1321
Division of Banking (608) 261-7578

FAX

Division of Banking (608) 267-6889

This document can be made available in alternate formats upon request to qualifying individuals with disabilities.

STATE OF WISCONSIN

Mailing Address:
PO Box 7876
Madison, WI
53707-7876



Courier Address:
4822 Madison Yards Way
North Tower
Madison, WI 53705

dfi.wi.gov

Department of Financial Institutions

Telephone: (608) 261-7578
Fax: (608) 267-6889

INSURANCE PREMIUM FINANCE COMPANY LICENSE APPLICATION

Print or type the information requested in the spaces provided.

APPLICANT INFORMATION

1.

Name of applicant: The "applicant" is the corporation, limited liability company, limited partnership, partnership, or sole proprietorship that is applying for the license. If the applicant uses a trade name or DBA (doing business as) name, include that as well.

2.

Address and phone number of applicant's headquarters office

Street:

Telephone Number:

City:

State:

Zip:

FAX Number:

3.

Mailing address of applicant's headquarters office (if different than above)

Street:

PO Box:

City:

State:

Zip:

4.

Name, title, address, telephone number, and e-mail address of person to whom questions regarding this application should be addressed:

First Name:

Last Name:

Title:

Street:

City:

State:

Zip:

Telephone Number:

E-mail:

5. Provide the applicant's website address, if any:

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6. Indicate whether the applicant intends to originate agreements in Wisconsin where the borrower will be purchasing insurance for business purposes, personal purposes, or both.

Business Purposes

Personal Purposes

Both Business and Personal Purposes

7. List state(s) in which the applicant, and/or entities related to the applicant, currently hold a license to conduct business as an insurance premium finance company. If no licenses are held in other states, complete this area to disclose "None." Attach additional pages as necessary.

State:	License number:	Entity name used to conduct business in the noted state:
Name of state agency:		

State:	License number:	Entity name used to conduct business in the noted state:
Name of state agency:		

8. List state(s), other than Wisconsin, in which the applicant, and/or entities related to the applicant, currently has a pending insurance premium finance company license application. If there are no pending applications, complete this area to disclose "None." Attach additional pages as necessary.

State:	Name that will be used by the premium finance company to conduct business in the noted state:
Name of state agency:	

State:	Name that will be used by the premium finance company to conduct business in the noted state:
Name of state agency:	

9. Indicate the type of organization with an "X."

Corporation

Partnership

Limited Liability Company

Sole Proprietorship

Limited Partnership

Other (Please Specify)

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10. Provide the date and state of Incorporation/Organization.

Date:

State:

11. If the applicant is a corporation, a limited liability company, or a limited partnership, provide the applicant's Federal Employer Identification Number:

If the applicant is a sole proprietorship or a general partnership, provide each owner's Social Security Number:

Note: Pursuant to Section 138.12(3)(d), Wis. Stats., this Department is required to obtain this information from all applicants. The information will be shared with other state agencies for the purpose of matching against tax information and outstanding child and family support data.

12. Has the applicant or any key officer, member, partner, or owner ever been licensed (credentialed) under any other name(s) in this state or any other state? Yes No

If yes, identify the current name of the applicant/individual and identify all other names that the applicant/individual is/was licensed under. Attach additional pages if necessary.

13. Has any key officer, member, partner, or owner ever been issued a professional license by the State of Wisconsin? Examples include an insurance license, a real estate license, or a securities license. Yes No

If yes, identify the name of the individual, the type of license the individual was issued, the agency the license was issued by, and the license number. Attach additional pages if necessary.

First Name of Individual:	Last Name of Individual:	
Type of License:	Agency:	License Number:

First Name of Individual:	Last Name of Individual:	
Type of License:	Agency:	License Number:

14. Is the applicant presently a defendant in any lawsuits that may materially affect the applicant's financial position? Yes No

If yes, provide details including the name of the plaintiff(s), amount(s) sued for, basis for the litigation, and its current status. Attach additional pages if necessary.

15. Name, title, address, telephone number, and e-mail address of person to whom future questions regarding **licensing** matters can be directed if the applicant is issued a Wisconsin insurance premium finance company license.

First Name:		Last Name:		Title:
Street:			City:	
State:	Zip:	Telephone Number:	E-mail:	

16. Name, title, address, telephone number, and e-mail address of person to whom future questions regarding **complaints** can be directed if the applicant is issued a Wisconsin insurance premium finance company license.

First Name:		Last Name:		Title:
Street:			City:	
State:	Zip:	Telephone Number:	E-mail:	

17. Name, title, address, telephone number, and e-mail address of person to whom future questions regarding **examination** issues can be directed if the applicant is issued a Wisconsin insurance premium finance company license.

First Name:		Last Name:		Title:
Street:			City:	
State:	Zip:	Telephone Number:	E-mail:	

PERSONNEL INFORMATION

18. Complete the following chart with personnel information that is relevant to the applicant. Attach additional pages if necessary. You can determine what personnel information you need to provide by reading the following:

Corporation: List all key officers. Also list all stockholders who own 10% or more of the outstanding shares. Key officers include, but are not limited to, the CEO, COO, CFO, president, executive or senior vice president (or the highest level vice president if there is no executive or senior vice president), secretary, and treasurer.

Limited Liability Company (LLC): List all key members. Also list all other members whose interest in the LLC is 10% or more.

Limited Partnership: List all general partners. Also list all limited partners whose interest in the limited partnership is 10% or more.

Partnership: List all partners.

Sole Proprietorship: List proprietor.

First Name:	Last Name:	Birth Date:	
Residence Street Address:	City:	State:	Zip:
<input type="checkbox"/> Mark this box with an "X" if this individual is the <u>only</u> key officer/member/owner of applicant.			
Mark <u>all</u> boxes that apply with an "X":			
<input type="checkbox"/> This individual is a key officer/member/partner of applicant and his/her title is _____.			
<input type="checkbox"/> This individual is an owner of applicant and he/she owns _____ % of applicant.			

First Name:	Last Name:	Birth Date:	
Residence Street Address:	City:	State:	Zip:
Mark <u>all</u> boxes that apply with an "X":			
<input type="checkbox"/> This individual is a key officer/member/partner of applicant and his/her title is _____.			
<input type="checkbox"/> This individual is an owner of applicant and he/she owns _____ % of applicant.			

First Name:	Last Name:	Birth Date:	
Residence Street Address:	City:	State:	Zip:
Mark <u>all</u> boxes that apply with an "X":			
<input type="checkbox"/> This individual is a key officer/member/partner of applicant and his/her title is _____.			
<input type="checkbox"/> This individual is an owner of applicant and he/she owns _____ % of applicant.			

First Name:	Last Name:	Birth Date:	
Residence Street Address:	City:	State:	Zip:
Mark <u>all</u> boxes that apply with an "X":			
<input type="checkbox"/> This individual is a key officer/member/partner of applicant and his/her title is _____.			
<input type="checkbox"/> This individual is an owner of applicant and he/she owns _____ % of applicant.			

First Name:	Last Name:	Birth Date:	
Residence Street Address:	City:	State:	Zip:
Mark <u>all</u> boxes that apply with an "X":			
<input type="checkbox"/> This individual is a key officer/member/partner of applicant and his/her title is _____.			
<input type="checkbox"/> This individual is an owner of applicant and he/she owns _____ % of applicant.			

19. Indicate which key officer positions are currently vacant. (This item only needs to be completed if the applicant is a corporation or an LLC that has key officers).

- | | | |
|--|--|--|
| <input type="checkbox"/> Chief Executive Officer | <input type="checkbox"/> Chief Operating Officer | <input type="checkbox"/> Chief Financial Officer |
| <input type="checkbox"/> President | <input type="checkbox"/> Executive/Senior Vice President | <input type="checkbox"/> Secretary |
| <input type="checkbox"/> Treasurer | <input type="checkbox"/> There are no vacant positions | |

20. Identify all legal entities that directly own 10% or more of the applicant. If any of the owners are a trust, also identify the grantor(s) of the trust. Attach additional pages if necessary.

Entity Name:			
Address:			
City:	State:	Zip:	% Ownership:

Entity Name:			
Address:			
City:	State:	Zip:	% Ownership:

21. Any legal entity that indirectly owns the applicant must be identified. Provide the following information for each owner of any entity listed in item #20 that owns 25% or more of the entity listed in item #20. Continue up the chain of ownership, listing all 25% or more owners at each level of ownership and providing the following information, until a public reporting company or a natural person is reached. If any of the owners are a trust, also identify the grantor(s) of the trust. Attach additional pages if necessary.

Entity Name or First, Middle and Last Name if an Individual:	Title if Individual:		
Address:			
City:	State:	Zip:	% Ownership:

Entity Name or First, Middle and Last Name if an Individual:	Title if Individual:		
Address:			
City:	State:	Zip:	% Ownership:

APPLICANT BACKGROUND INFORMATION QUESTIONNAIRE

22. This questionnaire must be completed by a key officer, member, or partner of the applicant. **These questions pertain to the business identified in item 1 of the application; they do not pertain to the officers, members, or partners of the applicant.**

Mark an "X" in the appropriate box. If you answer "Yes" to any question, give all details on a separate sheet.

If any event or action arises after completing these questions and before action is taken by the division on this application that would cause the applicant to answer "Yes" to any question, the applicant must immediately provide all details in writing to the division.

Do not complete this questionnaire if you are a sole proprietor or general partnership.

Yes No

- a. Has the applicant ever been the subject of disciplinary action including, but not limited to, civil forfeitures, cease and desist orders, injunctions, license suspensions, denials, revocations, warnings, reprimands, enforcement actions, probation, and limitations by any regulatory agency in this state or any other state? Provide details about the disciplinary action, including but not limited to date, regulatory agency, and type of discipline.

- b. Is disciplinary action pending against the applicant in this state or any other state? Provide details, including but not limited to action, regulatory agency, and state.

- c. Has the applicant ever surrendered, resigned, cancelled, or been denied a professional license or other credential in this state or any other state? Provide details, including but not limited to date, credential, and state.

- d. Has the applicant been the subject of derogatory credit (bankruptcy, judgment, tax lien, collections, etc.) within the past 10 years? Provide details, including but not limited to date, circumstances, and court or agency.

- e. Has the applicant been denied credit within the past 10 years? Provide details, including but not limited to entity denying credit and date.

- f. Has the applicant been the subject of any suit, claim, or other civil action in this state or any other state within the last 10 years that was settled or included a ruling or decision not in the applicant's favor? Provide a description of the suit, claim, or other civil action, agency or court, date filed, and outcome.

- g. Is a suit, claim, or other civil action pending in this state or any other state against the applicant? Provide details, including but not limited to a description of the suit, claim, or other civil action, agency or court, date filed, and current status.

- h. Has a bonding company ever denied, paid out on, or revoked a bond for the applicant? Provide a detailed description of the circumstances that led to the bond being denied, paid out on, or revoked, and the date such action occurred.

Initials of individual signing this questionnaire: _____

Yes No

- i. Has the applicant ever been named as a respondent/defendant in a financial services-related consumer-initiated arbitration which is still pending; or resulted in an arbitration award against the applicant; or was settled for any amount? Provide details, including but not limited to a description of why the consumer initiated the arbitration, the date arbitration commenced, and the current status or outcome.

I, , the undersigned, being a key officer, member, or partner
(Print Name)

of hereby certify that each statement and
(Name of Applicant)

representation in the Applicant Background Information Questionnaire is true and correct to the best of my knowledge.

(Signature)

(Title)

(Date)

Note: This Department may independently conduct checks into background, experience and related matters in conjunction with the filing of this application and representations therein. Failure to complete this application completely and accurately may result in denial or revocation of the license, and any other penalties as provided by law.

INDIVIDUAL BACKGROUND INFORMATION QUESTIONNAIRE

23. This questionnaire must be completed by each key officer, member, partner, or owner of the applicant. Key officers include, but are not limited to, the chief executive officer, chief operating officer, chief financial officer, president, executive or senior vice president (or the highest level vice president if there is no executive or senior vice president), secretary, and treasurer.

Mark an "X" in the appropriate box. If you answer "Yes" to any question, give all details on a separate sheet. Copies of this form may be made.

If any event or action arises after completing these questions and before action is taken by the division on this application that would cause the individual to answer "Yes" to any question, the individual must immediately provide all details in writing to the division.

Yes No

- a. Have you ever been convicted of any misdemeanor or felony in this state or any other state? Provide details about the misdemeanor or felony, including but not limited to conviction, conviction date, penalty, and court.

- b. Are there any felony or misdemeanor charges pending against you in this state or any other state? Provide details about the pending charges, including but not limited to charge, date, and court.

- c. Are you on probation or on parole for a conviction? Provide details including the terms of incarceration and, if applicable, list name, address, and telephone number of probation or parole officer.

- d. Have you ever been the subject of disciplinary action including, but not limited to, civil forfeitures, cease and desist orders, injunctions, license suspensions, denials, revocations, warnings, reprimands, enforcement actions, probation, and limitations by any regulatory agency in this state or any other state? Provide details about the disciplinary action, including but not limited to date, regulatory agency, and type of discipline.

- e. Is disciplinary action pending against you in this state or any other state? Provide details, including but not limited to action, regulatory agency, and state.

- f. Have you ever surrendered, resigned, cancelled, or been denied a professional license or other credential in this or any other state? Provide details, including but not limited to date, credential, and state.

- g. Has your employment involuntarily been suspended or terminated in this state or any other state? Provide details about the suspension or termination, including but not limited to name and location of employer, reason, and date.

- h. Have you been the subject of derogatory credit (bankruptcy, judgment, tax lien, collections, etc.) within the past 10 years? Provide details, including but not limited to date, circumstances, and court or agency.

- i. Have you been denied credit within the past 10 years? Provide details, including but not limited to entity denying credit and date.

Initials of individual signing this questionnaire: _____

Yes No

- j. Have you been the subject of any suit, claim, or other civil action in this state or any other state within the last 10 years that was settled or included a ruling or decision not in your favor? Provide a description of the suit, claim, or other civil action, agency or court, date filed, and outcome.
- k. Is a suit, claim, or other civil action pending against you in this state or any other state? Provide details, including but not limited to a description of the suit, claim, or other civil action, agency or court, date filed, and current status.
- l. Have you been the key officer, member, partner, or owner of any company that failed in business or filed bankruptcy while you were a key officer, member, partner, or owner? Provide details, including company name(s), your position with the company, dates, and circumstances.
- m. Have you been the key officer, member, partner, or owner of any company that was the subject of disciplinary action including, but not limited to, civil forfeitures, cease and desist orders, injunctions, license suspensions, denials, revocations, warnings, reprimands, enforcement actions, probation, and limitations by any regulatory agency in this state or any other state while you were a key officer, member, partner, or owner? Provide details about the disciplinary action, including but not limited to company name, date, regulatory agency, and type of discipline.

I, , the undersigned, being a key officer, member, or partner
(Print Name)

of hereby certify that each statement and
(Name of Applicant)

representation in the Individual Background Information Questionnaire is true and correct to the best of my knowledge.

(Signature) (Title) (Date)

Note: This Department may independently conduct checks into background, experience and related matters in conjunction with the filing of this application and representations therein. Failure to complete this application completely and accurately may result in denial or revocation of the license, and any other penalties as provided by law.

ATTACHMENTS

24. Check the box next to the items that you are attaching to your application. Refer to the instructions to determine which items you are required to attach.

- A) **Financial Statement** (refer to page 2 of the instructions)
- B) **Fees** (refer to page 2 of the instructions)
- C) **Certificate of Good Standing** (refer to page 2 of the instructions)
- D) **Criminal History Report(s)** (refer to pages 2 and 3 of the instructions)
- E) **Officer/Owner Resume(s)** (refer to page 3 of the instructions)
- F) **Business Plan** (refer to page 3 of the instructions)

CHECKLIST

25. The following checklist addresses common problems that the division identifies on insurance premium finance company license applications. Please answer each question on the checklist to ensure that you are submitting a complete application.

Yes No N/A

- The division does not allow a trade name (doing business as name) to include a corporate identifier. Examples of corporate identifiers include “Company,” “Co.,” “Corp.,” and “Inc.” If your company will be using a trade name in Wisconsin, have you verified that the trade name does not include a corporate identifier?
- Were all key officers/members identified on pages 5 and 6 of the application?
- Is a Certificate of Good Standing attached to this application if the applicant was incorporated/organized in a state other than Wisconsin? Refer to page 2 of the instructions.
- If you are required to submit a Certificate of Good Standing, was it dated within the previous 90 days? Refer to page 2 of the instructions.
- Have the financial statements been prepared according to generally accepted accounting principles on an accrual basis? Refer to page 2 of the instructions.
- Are the financial statements for the entity that is identified in item #1 of the application? We will NOT accept a financial statement for the applicant’s parent company.

AFFIDAVIT

26. I, _____, the undersigned, being the duly authorized representative of
(Print Name)

_____ hereby certify that each statement and
(Name of Applicant)

representation in this application and in attachments to this application is true and correct to the best of my knowledge.

(Signature)

(Title)

(Date)

SUBSCRIBED AND SWORN TO BEFORE ME
THIS _____ DAY OF _____, _____

(Notary Public)

My Commission Expires: _____

This form is required under Section 138.12, Wisconsin Statutes. Refusal to provide this information may result in the denial of a license. Personally identifiable information on this form may be matched against tax information, outstanding child and family support data and law enforcement agencies. Failure to complete this application completely and accurately may result in denial or revocation of license, and any other penalties as provided by law.

This document can be made available in alternate formats upon request to qualifying individuals with disabilities.