



## **REQUIREMENTS FOR ORGANIZING AND LICENSING** **A VIRGINIA LEGAL SERVICES PLAN**

In order for potential applicants to gain an understanding of the licensing process, the Bureau recommends that all parties interested in forming a legal services plan to contact this office prior to filing an actual application. **A personal meeting with Bureau staff is strongly encouraged. Please call (804) 371-9636 to schedule an appointment with the appropriate representatives.**

The applicant should prepare and file Articles of Incorporation with the Clerk's Office, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218, (804) 371-9733. Pay necessary fees and secure a Certificate of Incorporation. Information pertaining to this process may be obtained at [www.scc.virginia.gov/clk](http://www.scc.virginia.gov/clk).

After specific plans have been made for staffing and future operations, an application for license should be submitted to the Bureau of Insurance, State Corporation Commission, P. O. Box 1157, Richmond, VA 23218, by filing the following:

1. Initial Application for License in Virginia. The enclosed form must be properly executed and completed in duplicate.
2. Non-refundable application fee of \$500 payable to the Treasurer of Virginia. (§38.2-4413).
3. Copy of the Certificate of Incorporation and Articles of Incorporation.
4. Copy of the Bylaws, certified by the corporate secretary.
5. A properly executed biographical affidavit for each officer and director using the standard NAIC form. Affidavits must be current and shall not be signed by the affiant more than one year prior to the date the application is filed. In addition, each affidavit must be certified by an independent third party that has conducted a comprehensive review of the affiant's background and has certified that the biographical affidavit has no inaccurate or conflicting information and no material omissions. An independent third party is one that has no affiliation with the license applicant and is in the business of providing background checks or investigations, such as DAC, Equifax, Owens Online or Proudfoot. The form can be accessed through the NAIC website at [http://www.naic.org/industry\\_ucaa.htm](http://www.naic.org/industry_ucaa.htm).

6. Projected balance sheets and income statements by quarter for the first three years of operation. Fully document all important assumptions, including but not limited to premium rates; levels of enrollment; utilization rates, attorney compensation and other factors determining legal expenses; administrative expenses; and future sources of financing. **Note: projections and/or rates must be based on reasonable assumptions and certified as to their reasonableness and/or sufficiency by an independent actuary satisfactory to the Commission.** The applicant must demonstrate an ability to adequately finance its operations and to meet its contractual obligations to all subscribers and that the organization has otherwise complied with all the requirements of law. At minimum, the projections must demonstrate that the applicant can establish and maintain a net worth of not less than \$35,000 on a statutory basis.
7. Written description of proposed method of operation and manner of doing business including:
  - (a) A detailed discussion of the applicant's functional areas, including but not limited to: underwriting, marketing (products, sale efforts, geographical areas to be served, delivery systems), accounting and control, and investments. There should also be a discussion of the background and expertise of staff and general management.
  - (b) A full and complete discussion of present and future sources of funding needed to meet contractual obligations.
  - (c) Include any other documented report concerning the financial condition and/or method of operation of applicant done by an outside party.
  - (d) A full ownership profile of the applicant. This should include disclosure of the applicant's parent, subsidiary, and affiliate relationships, with specific attention given to aspects of control and respective ownership rights.
8. Copies of any management agreements, service contracts or cost-sharing arrangements with other entities or persons.
9. Copies of all provider agreements to render legal services. The contracts must comply with the provisions of §38.2-4404.
10. Copies of each subscriber contract, endorsement, or member application form which the plan proposes to use in Virginia. The contracts must comply with the provisions of §38.2-4411.
11. Description of fidelity bonds and insurance policies obtained in order to protect the legal plan and/or its subscribers.

**COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION, BUREAU OF INSURANCE  
RICHMOND, VIRGINIA 23219  
APPLICATION FOR LICENSE IN VIRGINIA**

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(Name of Plan)

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(NAIC Number)

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(FEIN number)

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(Address)

hereby applies for a Virginia license to operate a plan issuing contracts for future

- Hospitalization Services
- Medical Services
- Surgical Services
- Dental Services
- Optometric Services
- Legal Services

Number of subscribers as of January 1 of the current year \_\_\_\_\_

Names and addresses of all hospitals, physicians, dentists, optometrists or attorneys participating in plan:

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Geographical area requested by plan:

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(Date)

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(Signature of Officer)

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(Title)