

Appendix

APPLICATION A APPLICATION FOR CHARITABLE ANNUITY PERMIT

TO THE INSURANCE COMMISSIONER OF THE STATE OF ARKANSAS:

The undersigned, being desirous of receiving gifts of money and/or property in the State of Arkansas conditioned upon or in return for its agreement to pay an annuity to the donor or his nominee, hereby makes application for a “special” permit as specified in Ark. Code Ann. 23-63-201(d) and Arkansas Rule 90. This form shall be notarized and sworn to as true by an individual authorized to bind the corporation or association and returned to the above address, ATTN: Finance Division.

NOTE: *WHENEVER AN ADDRESS IS REQUESTED, PLEASE LIST ACTUAL PHYSICAL ADDRESSES AS WELL AS MAILING ADDRESSES. PLEASE ATTACH ADDITIONAL SHEETS WHERE NECESSARY.*

1. List the name, address, and phone number of the applicant organization, each Officer of the organization, each member of the organization’s board of directors, board of trustees, or other individuals holding equivalent positions in the organization.
2. If applicable, please provide a corporate organizational chart, which should include all parents, subsidiaries, and affiliates of the organization applying for the special permit.
3. Provide and attach hereto a certified copy of the certificate of incorporation, articles of association, or equivalent document.
4. As evidence that applicant organization (including its predecessor corporation or association) is operating and has operated in the past as a non-profit corporation or association engaged solely in bona fide charitable, religious, missionary, educational, or philanthropic activities, please provide one (1) of the following:
 - (a) Copies of any documents which any state Department of Revenue or its equivalent has required the applicant organization to file pursuant to its status as a tax exempt entity for each of the previous five (5) years; or
 - (b) Copies of documentation from the Internal Revenue Service that the applicant organization has a current exemption from Federal income tax pursuant to 501(c)(3) of the Internal Revenue Code; or

- (c) Copies of Internal Revenue Service Form 990 or any other annual submissions that the IRS may have required by virtue of the organization's tax exempt status for each of the last previous five (5) years; or
 - (d) Other proof that the organization has been operating as a duly organized domestic or foreign nonstock corporation or association conducted without profit.
5. If applicant organization has not existed in its own right for at least five (5) years, please provide evidence in narrative or documentary form that the applicant organization is affiliated with a corporation or association (as described above) that has been in operation for such a period and that there is readily available to the applicant organization an adequate level of management expertise and provide information requested in Number 4, *supra*, for any affiliate.
 6. Provide a copy of the applicant organization's schedule of annuity rates computed on the basis for the annuity standard adopted by it for calculating its reserves, or a statement certifying that it adopts and will adhere to the annuity rates as published by the Committee on Gift Annuities of Dallas, Texas. If, at any time in the future, the applicant organization should alter this schedule of rates, it is required to inform the Commissioner in writing and submit a copy of the alternative schedule for approval.
 7. If the applicant organization adopts rates other than those published by the Committee on Gift Annuities, will the rates to be charged on new contracts be sufficient at all ages, to return a residuum to the organization upon death of the annuitants or survivor annuitants of at least 50% of the original gift or consideration? (Yes/No). _____. Please explain. _____

 8. Provide copies of each current form of agreement to be issued to annuitants in the State of Arkansas. [These forms should be completed in "John Doe" fashion and be assigned form numbers to differentiate the various types of agreements to be used.]
 9. Provide complete, audited financial reports of the applicant organization and/or its parent organization for the last five (5) fiscal years, prepared by an independent Certified Public Accountant in accordance with generally accepted accounting principles depicting the financial status of the applicant or qualified affiliate as of the most recently completed fiscal year.
 10. Indicate where in the audited financial statements it indicates that the following requirements have been met:
 - a) The admitted assets of the applicant are segregated as separate and distinct funds for the purpose of annuity benefits which may not, without exception, be applied towards the payment of other debts or obligations of the organization. _____
 - b) The amount of charitable gift annuity assets. _____
 - c) The amount of charitable gift annuity reserves liability. _____
 - d) If the previous items are not specifically disclosed in the audited financial statement, please provide the information in a document certified by the applicant's directors.
 11. Provide a certified copy of a resolution of the board of directors or board of trustees requiring segregation of assets for annuity benefits in accordance with Ark. Code Ann. § 23-63-201.

Note: See attached specimen of proposed resolution satisfactory to this Department.

12. Are such segregated assets held for the protection of ALL annuitants of the organization?
(Yes/No). _____. If no, please explain. _____

13. Indicate the investment standard being adopted by the applicant as described in Section 10 (C)(2). If applicant is organized under the laws of another state, provide state and state law under which its investments are governed.
14. In order to show compliance with Section 10 (C)(3) provide a copy of the custodian agreement which meets the standards of Ark. Code Ann. § 23-69-134(b)(4).
15. Indicate the reserve standard being adopted by the applicant as described in Section 10 (A)(1). If applicant is organized under the laws of another state, provide state and state law under which its reserves are governed.

Dated _____

(Name of organization)

S E A L

By _____
President

By _____
Treasurer

STATE OF _____)
) SS
COUNTY OF _____)

_____ and _____ being fully
severally sworn, each for himself, deposes and says that the said _____
is the President and the said _____ is the Treasurer of the
_____ that he signed the foregoing application by

order of the board of trustees/directors; that he has read the application and knows the contents thereof
and the statements contained therein and the such application and the data submitted to the Actuary as the
basis of his certificate of valuation are true and complete to the best of his knowledge, information and
belief.

President

Treasurer

Subscribed and sworn to before me this _____ day of _____, 20__.

Notary Public

My Commission Expires:

Certificate of the Valuation of the
Annuity Liabilities of the

as of _____

STATE OF _____)
) SS
COUNTY OF _____)

_____ Actuary, for the _____

_____ deposes and says:

That the amount of the annuity reserve of \$ _____ shown in the financial report herewith submitted has been correctly computed based upon the schedules and other valuation data submitted to him; that the bases used in the valuation are shown below and that such bases satisfy the minimum requirements of the Arkansas Insurance Laws.

Annuity Table of Mortality	Rate of Interest	Assumed Issue of Annuity Contracts	Years of Of Reserve	Amount Reinsurance Annuity Reserve	Deduct Annuity Reserve	Net
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
				Total	_____	_____

Actuary (Signature)

Actuary (Printed Name)

Subscribed and sworn to before me this _____ day of _____, 20__.

Notary Public

My Commission Expires:

PROPOSED
FORM OF RESOLUTION TO BE PASSED BY
CHARITABLE ANNUITY SOCIETIES RELATING TO
THE APPLICATION FOR A SPECIAL PERMIT AND
THE SEGREGATION OF ANNUITY RESERVES FUNDS

WHEREAS, Ark. Code Ann. 23-63-201 and Arkansas Rule 90, provides, among other things in respect to the exemption of Arkansas cities, towns, municipalities, or counties, or two (2) or more such entities acting pursuant to an Interlocal Cooperation Agreement authorized under Arkansas Code §§ 25-20-101 et. seq. (“municipality”) , and of Charitable Annuity Societies that are duly organized domestic or foreign nonstock corporations or associations conducted without profit (“corporation”), from certain provisions of the Insurance Law of the State of Arkansas that meeting the necessary prerequisites of the law, shall segregate from its assets as separate and distinct funds, independent from all other funds of such corporation or municipality and shall not apply said assets for the payment of the debts and obligations of the corporation or municipality or for any purpose other than the annuity benefits therein specified, and,

WHEREAS, this Section provides for the issuance of a special permit the Insurance Commissioner of the State of Arkansas for the purposes therein mentioned.

Now, therefore, be it RESOLVED that in order to meet the aforesaid requirements of the law and for the purpose of obtaining a special permit from the Insurance Commissioner of the State of Arkansas there shall be set aside and maintained assets of the corporation or municipality as a separate and distinct fund independent of all other funds of the corporation, which segregated funds shall not be applicable for the payment of the debts and obligations of the corporation or municipality or for any purpose other than the annuity benefits herein referred to and which fund shall be known as “.....” (use a name that will clearly designate it as the reserve account contemplated by this subsection).

Any assets heretofore segregated and held as separate funds on account of annuity benefits shall be merged with the aforesaid segregated assets to the extent required in order to comply with the provisions of Ark. Code Ann. § 23-63-201.

ANNUAL STATEMENT B
ANNUAL STATEMENT FOR CHARITABLE ANNUITY PERMIT HOLDERS

Filed with the Insurance Department of the State of Arkansas

By

Name of Permit Holder

Address of Permit Holder

Date: _____, (Year) _____

Name, Title, Address and telephone number of Individuals to whom Notices and Correspondence Concerning This Statement Should be Addressed:

ITEM 1. IDENTITY OF PERMIT HOLDER

Furnish the exact name of each duly organized domestic or foreign nonstock corporation or association conducted without profit or Arkansas city, town, municipality, or county, or two (2) or more such entities acting pursuant to an Interlocal Cooperation Agreement authorized under Arkansas Code §§ 25-20-101 et.seq. (collectively, "permit holder") the home office address and principal executive offices of each.

ITEM 2. ORGANIZATIONAL CHART

Furnish a chart or listing clearly presenting the identities of and interrelationships among all affiliated persons within the corporation or municipality holding the permit.

ITEM 3. DIRECTORS

As to each new director of the corporation or municipality, list:

- (a) Name;
- (b) Home office address;
- (c) Principal executive office address;
- (d) The title of the person;

ITEM 4. CHANGES IN RATES/FORMS

If the rates or forms have changed during the year, furnish a copy of the new rates that are being used as well as a copy of any form that has been changed or added. Additionally, indicate if any form has been retired by the organization in relation to the charitable annuity program.

ITEM 5. AUDITED FINANCIAL STATEMENTS

(a) Financial statements and exhibits should be attached to this Statement as an appendix, but list under this item the financial statements and exhibits so attached.

(b) The financial statements shall include the annual financial statements as of the end of the person's latest fiscal year.

If at the time of the initial registration, the annual financial statements for the latest fiscal year are not available, annual statements for the previous fiscal year may be filed and similar financial information shall be filed for any subsequent period to the extent such information is available. Such financial statements may be prepared on either an individual basis, or unless the Commissioner otherwise requires, on a consolidated basis if such consolidated statements are prepared in the usual course of business.

Unless the Commissioner otherwise permits, the annual financial statements shall be accompanied by the certificate of an independent public accountant to the effect that the statements present fairly the financial position of the permit holder and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law.

ITEM 6. MANNER IN WHICH ASSETS ARE INVESTED

Indicate the investment standard being followed by the applicant as described in Rule 90, Section 10 (C)(2). If the permit holder is organized under the laws of another state, provide state and state law under which its investments are governed. If the permit holder is holding securities in accordance with Rule 90, Section 10 (C)(2)(b) file the following information:

(a) A description of the permit holder's investment philosophy for charitable gift annuities and how the investments of the permit holder are designed to meet future charitable gift annuity obligations;

(b) A report from the permit holder identifying the members of the investment committee charged with making investment decisions regarding charitable gift annuity assets, including a description of each committee member's investment expertise; and

(c) A certification of the permit holder's directors that attests that its investments and investment transactions match the organization's philosophy and meet the standards of the prudent investor rule stated in §§ 24-2-610 - 24-2-619.

ITEM 7. MANNER IN WHICH RESERVES ARE CALCULATED

Indicate the reserve standard being adopted by the applicant as described in Rule 90, Section 10 (A)(1). If the permit holder is organized under the laws of another state, provide state and state law under which its reserves are governed. An actuarial certification attesting to the accurateness of this calculation must be appended thereto.

ITEM 10. SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of Ark. Code Ann. §23-63-213 _____ the Permit Holder has caused this annual statement to be duly signed on its behalf in the City of _____ and State of _____ on the _____ day of _____, (Year)_____.

(SEAL)

Name of Permit Holder

BY _____
(Name) (Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that (s)he has duly executed the attached registration statement dated _____, (Year)_____, for and on behalf of (Name of Permit Holder) _____; that (s)he is the (Title of Officer)_____ of such permit holder and that (s)he is authorized to execute and file such instrument. Deponent further says that (s)he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature) _____

(Type or print name beneath) _____