



North Carolina Department of Insurance

Financial Analysis & Receivership Division

Special Entities Section

1203 Mail Service Center

Raleigh, NC 27699-1203

Submit to: SpecialEntitiesSubmissions@ncdoi.gov

Application for Continuing Care Retirement Community License (Step #3 - Preliminary Certificate)

To the Commissioner of Insurance of the State of North Carolina:

In accordance with Chapter 58 Article 64 of the North Carolina General Statutes,

Name of Applicant

hereby makes application to the Commissioner of Insurance of the State of North Carolina for a Preliminary Certificate for the facility (to be) known as:

Name of Facility

And located at:

Address

City

County

It is understood that the licensing process in North Carolina involves a series of steps, and only upon the completion of all the steps, will a permanent license be issued. It is further understood that the application submitted herewith is for a Preliminary Certificate, which, upon issuance, gives an applicant the authority to purchase or construct a continuing care retirement community or to renovate or develop structures not already licensed as a continuing care retirement community.

PART I – GENERAL INTERROGATORIES

1. Applicant Information:

Legal Name of Applicant: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Phone Number: _____ Website: _____

Federal Tax Identification Number: _____ Tax - Status: For-Profit Not-For Profit

Type of Legal Entity: _____ Fiscal Year-End (MM/DD): _____

Name of Chief Executive Officer or Equivalent: _____

2. Person to whom all correspondence and inquiries pertaining to this application are to be directed:

Name: _____

Title: _____

Company: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Phone Number: _____ Fax Number: _____

E-mail Address: _____

3. Facility Information:

Name of Facility: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Phone Number: _____ Website: _____

Toll-Free Number: _____

PART II - EXHIBITS

All exhibits listed below must be submitted. If the exhibit(s) are not applicable or available, submit an explanation in place of the required exhibit(s) stating the reason(s) why they are not available or applicable.

Submit the following exhibits:

- Exhibit I - An explanation of any significant differences between actual costs and projected costs contained in the Start-Up Certificate Application.
- Exhibit II - An updated Disclosure Statement.
- Exhibit III - A copy of the applicant's current unaudited interim financial statements. The statements shall be prepared on the same basis as the annual audited financial statements. *(This can be the copy required to be included in the disclosure statement referred to in Exhibit II).*
- Exhibit IV - A signed affidavit from a duly authorized officer, principal, general partner, or trustee of the applicant, certifying that the applicant has signed binding agreements for at least 50 percent of the new units, and has reserved those units with a deposit equal to at least 10 percent of the entrance fee or by a non-refundable deposit equal to the periodic fee for at least two months if the facility has no entrance fee.
- Exhibit V - A copy of any material contract entered into or to be entered into by the applicant, for example; a management agreement, lease, development agreement, etc. that has not yet been submitted to the Department.
- Exhibit VI - For all sources of project funds, provide updates to the information disclosed in the Step 2 application:
1. Details on any long-term financing for the purchase or construction of the facility including interest rate, repayment terms, loan covenants, and assets pledged.
 2. Details of any other funding sources that the provider anticipates using to fund any start-up losses or to provide reserve funds to assure full performance of the obligations of the provider under contracts for the provision of continuing care
 3. A description of any equity capital to be received.
 4. A copy, if applicable, of the official statement used in connection with any bonds issued for the project.
- Exhibit VII - If there has been any material change to the information contained within the Application for a Start-Up Certificate which has not yet been filed with the Commissioner, submit a description and an explanation of the material change(s).

PART III - ATTESTATION OF APPLICANT

Under the penalties of perjury, I attest that I have reviewed this application and accompanying information, and to the best of my knowledge and belief it is true, correct and complete. I on behalf of

(Name of Applicant(s))

hereby accept in good faith the terms and obligations of the Insurance Laws of the State of North Carolina, presently existing, or enacted in the future, as a part of the consideration for a Preliminary Certificate, and that said Applicant has neither directly nor indirectly violated any of the provisions of the said Insurance Laws and of all acts amendatory or supplementary thereto. It is also understood that said Certificate may be revoked as provided for in said laws.

It is further agreed that the Applicant will keep the North Carolina Department of Insurance informed of any material changes regarding the applicant, the proposed continuing care retirement community, or to any of the information contained within this application.

I as a duly authorized officer, principal, general partner, or trustee, am authorized to make and sign this statement on behalf of the Applicant.

Date: _____

Signature: _____

Name (type or print): _____

Title: _____

***** General Instructions *****

Application for Continuing Care Retirement Community License (Step #3 - Preliminary Certificate)

I. Governing Law and Rules:

Continuing care providers in North Carolina are regulated pursuant to Chapter 58, Article 64 of the North Carolina General Statutes, and Title 11, Subchapter 11H of the North Carolina Administrative Code.

II. General:

- A. Please complete the application in its entirety. Each question must be answered or contain a “N/A”, “none” or “not applicable” where appropriate. An application containing unanswered questions will be considered incomplete.
- B. If the space provided on the application is insufficient for a full and complete response to any question, and additional space is necessary, a separate page, cross-referenced to the specific item or question asked may be submitted with the application.

III. Processing and Review:

- A. The completed application is to be submitted to:

SpecialEntitiesSubmissions@ncdoi.gov

- B. Questions or inquiries are to be directed to:

*North Carolina Department of Insurance
Financial Analysis & Receivership Division
Special Entities Section
1203 Mail Service Center
Raleigh, NC 27699-1203
(919) 807-6178 or (919) 807-6612
SpecialEntitiesSubmissions@ncdoi.gov*

- C. Within 10 business days following the receipt of an application in proper form, the Department shall issue a “Notice of Filing” to the applicant.

- D. Within 90 days of the “Notice of Filing”, the Department shall either approve the application and consider the application complete and having met the requirements of N.C.G.S. §58-64, or notify the applicant that its application is incomplete or inadequate.
1. An application shall be considered having met the requirements of N.C.G.S. §58-64 if:
 - a. The application is complete;
 - b. The signed affidavit from a duly authorized officer, principal, general partner, or trustee of the applicant, indicates that the applicant has signed binding agreements for at least 50 percent of the new units, and has reserved those units with a deposit equal to at least 10 percent of the entrance fee or by a non-refundable deposit equal to the periodic fee for at least two months if the facility has no entrance fee.
 - c. The unaudited financial statements demonstrate the financial soundness of the applicant; and
 - d. The applicant is not in violation of any applicable provisions of Chapter 58 of the North Carolina General Statutes.
 2. If the application is determined by the Department to not meet the requirements of N.C.G.S. §58-64, the Department shall identify the deficiencies in the application, and shall give the applicant 30 days within which to correct the deficiencies.
 - a. If the deficiencies are not corrected within the time allowed, the Department may enter an order rejecting the application. The order shall include the findings of fact upon which the order is based, and will not become effective until 20 days after the end of the 30-day period.
 - b. During the 20-day period, the applicant may petition for reconsideration and will be entitled to a hearing.

IV. Acquisitions and Mergers:

In accordance with N.C.G.S. §58-64-15, Start-Up Certificates, Preliminary Certificates, and Permanent Licenses are non-transferable. In the event of a proposed acquisition, merger, or change in control, the provider is to contact the North Carolina Department of Insurance for further instructions.

V. Required Report Filings:

- A. After the issuance of a Preliminary Certificate, a provider must continue to submit to the Department the following within 150 days following the end of each fiscal year:
 1. A revised disclosure statement setting forth current information required by N.C.G.S. §58-64-20.
 - a. Where a provider owns or operates more than one facility, a consolidated financial statement is acceptable for the entire corporate entity in order to meet the requirements of N.C.G.S. § 58-64-20(a)(10), provided a separate balance sheet, statement of operations, and a statement of cash flows is submitted for each facility operated in North Carolina.

- b. If a provider owns or operates more than one facility in the State of North Carolina and files separate audited financial statements for each facility, a consolidated financial statement must also be submitted for the entire corporate entity in order to meet the requirements of N.C.G.S. § 58-64-20(a)(10).
2. An annual filing fee of \$1,000.00.
- B. Unless otherwise specified by the Department, each Preliminary Certificate holder must submit periodic sales, development and financial reports, not less than quarterly, in a form prescribed by the Department.
 - C. Failure to file any required report, in an acceptable form and by the applicable due date, could result in an administrative fine or such other action(s) as deemed appropriate by the Department.