State of Washington - Office of the Insurance Commissioner

**PO Box 40255 Olympia, WA 98504-0255**



 **Qualifying for Issuance of Charitable Gift Annuities**

Included is the information to apply for a Certificate of Exemption permitting an organization to issue charitable gift annuities in the state of Washington. Application review and processing time is dependent upon the completeness of the application and the absence of irregularities. Applications are processed on a “first in, first out” basis.

**Do not issue any annuities, solicit, or accept any applications until you receive a Certificate of Exemption. Penalties for non-compliance can be severe.** Under the Washington Insurance Code, only a licensed life insurance company may legally solicit, offer, or issue an annuity contract to a Washington resident, other than entities specifically exempted from this requirement under Chapter 48.38 RCW. Additionally, annuities are considered as “securities” by the WA Department of Financial Institutions, so illegal issuance is also a violation of securities law.

Issuing charitable gift annuities imposes many legal, financial and reporting requirements on your organization. You need to be familiar with Chapter 48.38 RCW *(recently revised in 2010)* and all of its requirements. Specifically included in this Chapter are annual reporting requirements including an Actuarial Certification, establishment and maintenance of a special reserve fund, and pre-approval and content requirements for all proposed contract forms. These requirements can be disproportionately burdensome and will cost money. Additionally, you and/or your affiliates may be examined by OIC insurance examiners prior to Certificate issuance or at any time following. Finally, be aware that once an organization issues an initial contract to a Washington resident, the organization is obligated to maintain its registration until no in-force annuity contract obligation remains. *Please be certain that your organization is fully willing and able to take on this responsibility before making application.*

**Questions?**

For all questions or requests for additional information, please contact a [Company Licensing Specialist](https://www.insurance.wa.gov/for-insurers/secure-forms/contact-company-supervision/) (choose the “Company applications” category), or phone: 360-725-7200.

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Application for a Certificate of Exemption to Issue Charitable Gift Annuities

*To apply for a Certificate of Exemption under Chapter 48.38 RCW to issue Charitable Gift Annuities in Washington State, please provide the following information. Your application will be reviewed promptly against all Washington requirements.*

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| **I. Applicant Basic Information** |
| 1. List the exact name of the Applicant entity as stated in its corporate documents. |
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| 2. Does the applicant operate under any other name? If yes, explain. |
|       |
| 3. Provide the original State of Domicile and Organization Date for the Applicant. |
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| 4. Give the complete physical address of the Applicant. |
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| 5. Give the complete mailing address of the Applicant, if different. If same as in #4, respond “same.” |
|       |
| 6. Give the name of the contact person for the Applicant, along with the direct telephone number (with extension), fax number, and email address for this person.  |
|       |
| 7. Give the name, title, email and direct phone number of the person who will be responsible for the submission of the Annual Report, should the Certificate be granted. *Additionally provide the name and contact information of the intended Report preparer, if different.* |
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| **II. Applicant Organizational Information** |
| *8. Attach a copy of all documents necessary for this application in the order given.*  [ ]  a) Articles of Incorporation, *with all amendments*[ ]  b) Current By-Laws[ ]  c) Certificate of Good Standing from domiciliary state [ ]  d) Provide a separate listing of the name, address, telephone number, and occupation for each of the directors and officers of the Applicant. *(Please be certain that your list is current!)*[ ]  e) Proof of current United States federal income tax-exempt status [ ]  f) OIC Appointment form naming our Insurance Commissioner as attorney for service of process *(You must use the application form for this purpose.)*[ ]  g) Copies of the Audited Financial Statements for the prior three years. [*All consolidated Statements must contain a (or be accompanied by a certified) supplemental schedule showing the financial activity of the applicant.*][ ]  h) If the Applicant files an IRS Form 990, a copy of the last Form 990 filed.[ ]  i) A brief statement of the history, nature, and purpose of the organization. [ ]  j) A history of your Charitable Gift Annuity program, including any solicitation or issuance of any annuity contracts in Washington. *In the event that any contracts have been issued, submit copies of all in-force and matured contracts issued to any resident of Washington.*[ ]  k) A statement regarding the method of solicitation of the annuities, including a statement regarding commissions or other remuneration paid in conjunction with the issuance of any annuity contract.[ ]  l) A copy of the rate table, along with all marketing materials used, such as offering brochures. [ ]  m) Registration of the applicant with the Washington Secretary of State\**.* \*Chapter 19.09 RCW generally requires registration of charities soliciting in Washington. For more information, please contact the Secretary of State’s Office Charities Division. Charities@sos.wa.gov |

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| **III. Applicant General Interrogatories** |
| Answer “yes” or “no” to each of the following items. |
| 1. The applicant is organized and operated *exclusively* as a nonprofit educational, religious, charitable, or scientific institution;

 Or;  is a non-profit entity organized and operated *exclusively* to aid a nonprofit  educational, religious, charitable, or scientific institution; Or;  is an insurer organized and operated *exclusively* for the purpose of aiding a  nonprofit educational, religious, charitable, or scientific institution. |     |
| 10. Charitable annuity contracts will be issued only for the benefit of the organization. |     |
| 11. The applicant has been qualified to do business in the state of its domicile for a period of at least three years prior to the date of this application. |     |
| 12. The applicant has and will maintain a minimum of $500,000 in unrestricted net assets.  |     |
| 13. The applicant does not and will not offer variable annuities |     |
| 14. A non-refundable filing fee of $25 will be sent concurrently with this application. |     |

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|  **IV. Annuity Contract and Form Requirements** |
| Please acknowledge agreement of the following item. By initialing the box, the organization specifically agrees. |
| *15. Upon issuance of a* ***Certificate of Exemption****, all charitable gift annuity contract forms must be filed electronically through the NAIC SERFF filing system; be filed per instructions and guidelines at:* [*http://www.insurance.wa.gov/for-insurers/*](http://www.insurance.wa.gov/for-insurers/)*; and be* approved *by our Rates and Forms Staff prior to use in Washington.*  |     |

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| **V. Applicant Agreements** |
| Please acknowledge agreement to each of the following items |
| By initialing each box, the organization specifically agrees. |
| 16. To subject itself *and its affiliates* to periodic examination as deemed necessary by the Commissioner. |  |
| 17. To obtain advance approval of *any* policy or contract form to be offered or issued to any resident of the State of Washington. |  |
| 18. To submit annually, within 60 days following the applicant’s fiscal year end,* A completed WA CGA Annual Report for the prior fiscal year;
* A Statement of Actuarial Opinion acceptable to this Office, from a qualified actuary as defined, pertaining to the required annuity reserves of the applicant for the prior fiscal year;

To submit annually by March 1, the required $25 reporting fee.  |  |
| 19. To maintain the reserves required by, and in accordance with,  Chapter 48.38 RCW.  |  |
| 20. To submit a copy of the Applicant’s Audited Financial Statement within 120 days of the end of the Applicant’s fiscal year.  [We will allow an extension to the 120 day requirement for any given year, provided that the Applicant informs us at least 10 days prior to the deadline, of the need for extension and an anticipated filing date for the Statement.] |  |
| 21. If applicable, to submit a copy of IRS Form 990 within 15 days of its filing with the IRS.  |  |

***In making this application to issue Charitable Gift Annuities in the State of Washington, I do hereby swear or affirm that the aforementioned statements and information are true and correct, and that the Applicant will abide by all provisions of Chapter 48.38 RCW.***

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President or Executive Officer

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title

Sworn before me this

\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_

Notary Public, State of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

My Commission Expires \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Appointment of the Insurance Commissioner As Attorney**

**To Receive Legal Process**

*Pursuant to RCW 48.38.010, the undersigned entity (the “Institution”) hereby appoints the Washington State Insurance Commissioner as attorney to receive service of lawful process in any action, suit, or proceeding in any court. This appointment is irrevocable, and binds the Institution and any successor in interest, and shall remain in effect so long as there is in force in Washington any contract made or issued by the Institution, or any obligation arising therefrom.*

*The Institution hereby designates:*

*Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

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*Email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*as the person to whom the Insurance Commissioner shall forward legal process against the Institution. This designation supersedes any previous designation. This designation shall remain in effect until the Commissioner acknowledges that the Institution has designated another person.*

*Signed at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_\_\_, 20\_\_.*

*(City) (State)*

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*Name of Institution*

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*Signature of authorized officer*

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*Printed name of signing officer*

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*Title of signing officer*