

**ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE  
RENUMBERING AND AMENDING, AMENDING, REPEALING AND CREATING AND  
CREATING A RULE**

**To renumber and amend** Ins 40.13;

**To amend** Ins 40.01, 40.05, 40.11, 40.12, 40.14, 40.15, 40.19, and Forms A, B, C, and D of the appendix to Ins 40;

**To repeal and recreate** Ins 40.02, 40.03, 40.04, 40.13, and Form E of the appendix to Ins 40;

**To create** Ins 16.01(4) (d), 40.01(4m), 40.025, 40.20, and Forms F and AA of the appendix to Ins 40, Wis. Adm. Code,

**Relating to** holding company reporting requirements for insurers and affecting small business.

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**ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE (OCI)**

**1. Statutes interpreted:**

ss. 600.01, 601.45, 601.48(1),(2), 617.11(1), 617.12(2), 617.21(1)(d), (2)(a),(b), 617.215, and 601.48(1),(2).

**2. Statutory authority:**

ss. 227.11(2)(a), 601.41 (3), 601.45, 617.11(1), 617.12(2), 617.21(1)(d), (2)(a),(b), 617.215(3), 601.48(1),(2) and 601.45(1), Stats.

**3. Explanation of OCI's authority to promulgate the proposed rule under these statutes:**

The statutory authority for these rules are ss. 227.11 (2) (a) and 601.41 (3), Wis. Stat., which provide for the commissioner's rule making authority in general, and specifically, ss. 617.11 (1), 617.12 (2), 617.21 (1) (d), (2) (a) (b), 617.215 (3), 601.48 (1) (2) and 601.45 (1), Wis. Stats. Section 617.11 (1), Wis. Stat., provides that an insurer shall report "information concerning the insurer and its affiliates that the commissioner requires by rule" and "the commissioner may promulgate rules prescribing the timing of reports under this subsection, including, but not limited to, requiring periodic reporting and the form and procedure for filing reports." Section 617.12 (2), Wis. Stat., requires that commissioner to promulgate rules regarding the filing of an enterprise risk report. Section 617.21 (1) (d), Wis. Stat., provides that regarding transactions with affiliates, the transaction must comply "with any other standard that the commissioner prescribes by rule." Section 617.21 (2) (a), Wis. Stat., provides that "the commissioner may promulgate rules requiring a domestic insurer, a person attempting to acquire or having control of a domestic insurer and affiliates of a domestic insurer to report a transaction or a group or series of transactions" that are material and involve a domestic insurer or an affiliate. Section 617.21 (2) (b), Wis. Stat., provides that transactions with affiliates may not be entered into unless the transaction is reported "to the commissioner in

the form and by the date before the effective date of the transaction that are prescribed by the commissioner by rule.” Section 601.48, Wis. Stat., states that the commissioner may participate in the activities and affairs of “organizations so far as it will, in the judgment of the commissioner, enhance the purposes of chs. 600 to 655” and the commissioner “may exchange information and data and consult with other persons in order to improve and carry out insurance regulation.” Section 601.45 (1), Wis. Stat., provides that the reasonable costs of examination “shall be paid by examinees . . . either on the basis of a system of billing for actual salaries and expenses of examiners and other apportionable expenses, including office overhead, or by a system of regular annual billings to cover the costs relating to a group of companies, or a combination of such systems, as the commissioner may by rule prescribe.” Section 617.215 (3), Wis. Stat., states that insurers that are the subject of a supervisory college “shall pay the reasonable expenses related to the commissioner's participation in supervisory colleges, including reasonable travel expenses. The commissioner may impose a regular assessment on insurers to cover the expenses.”

**4. Related statutes or rules:**

None

**5. The plain language analysis and summary of the proposed rule:**

The objective of the proposed rule is to modify the reporting requirements for licensed insurers that are a part of an insurance holding company system. Wisconsin's current rule generally follows the National Association of Insurance Commissioners (“NAIC”) Insurance Holding Company System Regulatory Model Act (Model Act) and Insurance Holding Company System Model Regulation (Model Regulation). The NAIC recently made changes to its Model Act and Model Regulation to modernize the regulation by better addressing transactions involving complex insurance holding company organizations and insurers licensed in multiple jurisdictions. Wisconsin must adopt certain of those changes in substantively the same form as the NAIC Model Act and Model Regulation if the Wisconsin Office of the Commissioner of Insurance (OCI) is to remain a state insurance regulatory agency that is accredited by the NAIC. It is a goal of the OCI and a benefit to domestic insurers for OCI to maintain its accreditation because as an NAIC accredited state, domestic insurers are only subject to certain filing requirements with OCI and financial examination by OCI. Without accreditation, domestic insurers could be subject to financial examination and filing requirements for all jurisdictions in which they operate. This could include examination from all 51 U.S. jurisdictions for some insurers. Without accreditation, the cost of doing business for Wisconsin's domestic insurance industry would increase because their regulation by other states would increase. In order to maintain accreditation, OCI must adopt certain standard regulations developed by the NAIC. In addition, the changes are similar to those adopted or that will be adopted in other states and work to promote uniformity for insurance holding company systems operating across multiple states.

The proposed changes to the rule include the development of a preacquisition notice to be filed in acquisitions involving insurers. The rule also requires the annual filing of a confidential enterprise risk report by insurers who are part of a holding company group. The enterprise risk report identifies the material risks within the insurance holding company system that could pose enterprise risk to the insurer. The proposed rule also includes small modifications and

clarifications to current reporting requirements. Finally, the rule implements assessments to insurers who are subject to a supervisory college.

**6. Summary of and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:**

There are no federal regulations which address these activities.

**7. Comparison of similar rules in adjacent states as found by OCI:**

Adjacent states have substantially similar provision which may be found at the citations listed below.

**Illinois:** 215 Ill Comp. Stat. §§ 5/131.1-131.30

**Iowa:** Iowa Code ch. 521A

**Michigan:** Mich. Comp. Laws §§ 500.1301-1379

**Minnesota:** Minn. Stat. ch. 60D

**8. A summary of the factual data and analytical methodologies that OCI used in support of the proposed rule and how any related findings support the regulatory approach chosen for the proposed rule:**

OCI based this rule on the model law and regulations that were adopted by the NAIC and that have been enacted or are in the process of being enacted by all 51 jurisdictions in the United States and Puerto Rico.

**9. Any analysis and supporting documentation that OCI used in support of OCI's determination of the rule's effect on small businesses under s. 227.114:**

See the attached Private Sector Fiscal Analysis.

**10. A description of the Effect on Small Business:**

This rule will have little or no effect on small businesses. The enterprise risk report filing must only be made by companies who register as a holding company. The vast majority of companies who have a holding company system would not qualify as a small business. Small insurers, such as town mutual insurers, who also have a captive insurance agency do register as holding companies and would have to file the enterprise risk report. However, because the substance of the enterprise risk reports scales with the complexity of the organization, the effect on small insurers should be minimal and will not require additional resources to comply.

**11. Agency contact person:**

A copy of the full text of the proposed rule changes, analysis and fiscal estimate may be obtained from the Web site at:

**<http://oci.wi.gov/ocirules.htm>**

or by contacting Inger Williams, OCI Services Section, at:

Phone: (608) 264-8110

Email: [inger.williams@wisconsin.gov](mailto:inger.williams@wisconsin.gov)

Address: 125 South Webster St – 2<sup>nd</sup> Floor, Madison WI 53703-3474  
Mail: PO Box 7873, Madison, WI 53707-7873

**12. Place where comments are to be submitted and deadline for submission:**

The deadline for submitting comments is 4:00 p.m. on the 14<sup>th</sup> day after the date for the hearing stated in the Notice of Hearing.

Mailing address:

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Legal Unit - OCI Rule Comment for Rule Ins  
Office of the Commissioner of Insurance  
PO Box 7873  
Madison WI 53707-7873

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richard.wicka@wisconsin.gov

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**The rule changes are:**

**SECTION 1. Ins 16.01 (6) (d) is created to read:**

**Ins 16.01 (6) (d)** Domestic insurers that are members of a holding company system that may be the subject of a supervisory college shall be billed according to the formula in par. (a) adjusted for the additional expense associated with the reasonable expense of the commissioner's participation in supervisory colleges. This adjustment may be in addition to any adjustment under par. (b). However, total billing to all domestic insurers shall not exceed the estimated cost of administering the insurer examinations program, as determined according to sub. (4) in any one year.

**SECTION 2. Ins 40.01 (4m) is created to read:**

**Ins 40.01 (4m)** "Enterprise risk" has the meaning provided under s. 617.12(1), Stats.

**SECTION 3. Ins 40.01 (7) is amended to read:**

**Ins 40.01 (7)** "Insurer" has the meaning provided under s. 600.03 (27), Stats., except that it does not include agencies, authorities or instrumentalities of the United States, its possessions and territories, the Commonwealth of Puerto Rico, the District of Columbia, or a state or political subdivision of a state.

**SECTION 4. Ins 40.02 is repealed and recreated to read:**

**Ins 40.02 Acquisition of control of or merger with domestic insurer or divestiture of the shares of a domestic insurer. (1) FILING REQUIREMENTS.** (a) Except as provided under par. (b), no person, other than the insurer, may:

1. Make a tender offer for, request or invitation for, tenders of, divestiture of, or enter into any agreement to exchange securities for, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if after the consummation of the offer, request, invitation, agreement or acquisition, the person would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of the insurer; or
2. Enter into an agreement to merge with or otherwise to acquire or attempt to acquire control of a domestic insurer or any person having control of a domestic insurer.

(b) A person is not subject to par. (a), only if:

1. The person first files the information required under sub. (2) and, if applicable, the person files a pre-acquisition notification, which shall contain the information set forth in s. Ins 40.025 with the commissioner and sends a copy of the information to the domestic insurer; and
2. The offer, request, invitation, agreement or acquisition has been approved by the commissioner under ss. 611.72, 611.73, 612.21, 612.22, 613.72, or 614.73, and 617.21, Stats.

(c) Any controlling person of a domestic insurer seeking to divest its controlling interest in the domestic insurer, in any manner, shall file with the commissioner, with a copy to the insurer, confidential notice of its proposed divestiture at least 30 days prior to the cessation of control. The commissioner shall determine those instances in which the party or parties seeking to divest or to acquire a controlling interest in an insurer, will be required to file for and obtain approval of the transaction. The information shall remain confidential until the conclusion of the transaction unless the commissioner, in his or her discretion determines that confidential treatment will interfere with enforcement of this section. If the statement referred to in sub. (2) is otherwise filed, this paragraph shall not apply.

(d) For purposes of this section “domestic insurer” includes any person having control of a domestic insurer. This section does not apply to a person who is a securities broker holding, in the usual and customary securities broker’s function, less than 20% of the voting securities of an insurer or of any person which controls an insurer.

**(2) CONTENT OF STATEMENT.** Except as provided under sub. (5), a person required to file under sub. (1) shall file the following information, using form A in the appendix to this chapter, in a sworn statement:

(a) For each acquiring person:

1. The acquiring person’s name and address;
2. If the acquiring person is an individual, his or her principal occupation and all offices and positions held during the past 5 years, any conviction of crimes other than traffic violations not involving death or injury during the past 10 years and all relevant information regarding any occupational license or registration; and

3. If the acquiring person is not an individual, a report of the nature of its business operations during the past 5 years or for the lesser period that the acquiring person and any predecessors of the acquiring person have been in existence, if shorter, an informative description of the business intended to be done by the acquiring person and the acquiring person's subsidiaries, and a list of all individuals who are or who have been selected to become directors or executive officers of the acquiring person, or who perform or will perform functions similar to those positions. The list shall include for each individual the information required by subds. 1. and 2.

(b) The source, nature and amount of the consideration used or to be used in effecting the merger or other acquisition of control, a description of any transaction from which funds were or are to be obtained for that purpose, including any pledge of the insurer's stock, or the stock of any of its subsidiaries or affiliates which control the insurer, the criteria used in determining the nature and amount of consideration and the identity of persons furnishing the consideration.

(c) Fully audited financial information as to the earnings and financial condition of each acquiring person for the preceding 5 fiscal years of each acquiring person or for the period the acquiring person and any predecessors of the acquiring person have been in existence, if shorter, and similar unaudited information as of a date not earlier than 90 days prior to the filing of the statement.

(d) Any plans or proposals which any acquiring person is considering to liquidate, to sell assets of, or to merge or consolidate the insurer or to make any other material change in the insurer's business or corporate structure or management.

(e) The number of shares of any security which each acquiring person proposes to acquire; the terms of the offer, request, invitation, agreement or acquisition; and a statement as to the method by which the fairness of the proposal was determined.

(f) The amount of each class of any security which is beneficially owned or concerning which there is a right to acquire beneficial ownership by any acquiring person.

(g) A full description of any contracts, arrangements or understandings with respect to any security in which any acquiring person is involved, including, but not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. The description shall identify the persons with whom the contracts, arrangements or understandings have been entered into.

(h) A description of the purchase of any security of the entity to be acquired during the 12 calendar months preceding the filing of the statement by any acquiring person, including the dates of purchase, names of the purchasers and consideration paid or agreed to be paid.

(i) A description of any recommendations to purchase any security made during the 12 calendar months preceding the filing of the statement by any acquiring person, or by anyone at the suggestion of the acquiring person.

(j) Copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire or exchange any securities, and, if distributed, of additional soliciting material relating to those offers, requests, invitations or agreements.

(k) The term of any agreement, contract or understanding made with or proposed to be made with any broker-dealer as to solicitation of securities for tender, and the amount of any fees, commissions or other compensation to be paid to broker-dealers relating to the solicitation.

(L) An agreement by the person required to file the statement referred to in sub. (1) that it will provide the annual report specified in s. Ins 40.03 (9) for so long as control exists.

(m) An acknowledgement by the person required to file the statement referred to in sub. (1) that the person and all subsidiaries within its control in the insurance holding company system will provide information to the commissioner upon request as necessary to evaluate enterprise risk to the insurer.

**(2M) VIOLATIONS.** Whenever it appears to the commissioner that any person has committed a violation of this chapter which prevents the full understanding of the enterprise risk to the insurer by affiliates or by the insurance holding company system, the violation may serve as an independent basis for disapproving dividends or distributions and for placing the insurer under summary orders in accordance with s. 645.21, Stats.

**(3) PARTNERS AND STOCKHOLDERS.** If the person required to file under sub. (1) is a partnership, limited partnership, syndicate or other group, the commissioner may require that the information required under sub. (2) be given with respect to each partner of the partnership or limited partnership, each member of the syndicate or group, and each person who controls the partner or member. If any partner, member or person is a corporation or the person required to file under sub. (1) is a corporation, the commissioner may require that the information required under sub. (2) be given with respect to the corporation, each officer and director of the corporation, and each person who is directly or indirectly the beneficial owner of more than 10% of the outstanding voting securities of the corporation.

**(4) MATERIAL CHANGES.** A person required to file under sub. (1) shall file an amendment to the filing if any material change occurs in the facts set forth in a statement previously filed with the commissioner. The person shall include in the amendment a description of the change and copies of all documents and other material relevant to the change. The amendment shall be filed with the commissioner and sent to the insurer within 2 business days after the person learns of the change.

**(5) ALTERNATIVE FILING MATERIALS.** If any offer, request, invitation, agreement or acquisition is proposed to be made by means of a registration statement under the Securities Act of 1933 or in circumstances requiring the disclosure of information under the Securities Exchange Act of 1934, or under a state law requiring similar registration or disclosure, the person required to file information under sub. (1) may utilize those documents to furnish the information required to be filed under sub. (2).

**(6) CONSOLIDATED HEARING.** If an applicant requests a hearing on a consolidated basis under ss. 611.72 or 611.73, Stats., and the commissioner approves a hearing on a consolidated basis, in addition to filing the form A with the commissioner, the applicant shall file a copy of form A with the National Association of Insurance Commissioners in electronic form.

**SECTION 5. Ins 40.025 is created to read:**

**Ins 40.025 Acquisitions Involving Insurers Not Otherwise Covered. (1)**

DEFINITION. In this section, “acquisition” means any agreement, arrangement or activity the consummation of which results in a person acquiring directly or indirectly the control of another person, and includes the acquisition of voting securities, the acquisition of assets, bulk reinsurance and mergers.

(2) SCOPE. This section shall apply to any acquisition in which there is a change in control of an insurer authorized to do business in this state, except for the following:

(a) A purchase of securities solely for investment purposes so long as the securities are not used by voting or otherwise to cause or attempt to cause the substantial lessening of competition in any insurance market in this state. If a purchase of securities results in a presumption of control under s. 600.03 (13), Stats, it is not solely for investment purposes unless the commissioner of the insurer’s state of domicile accepts a disclaimer of control or affirmatively finds that control does not exist and the disclaimer action or affirmative finding is communicated by the domiciliary commissioner to the commissioner of this state.

(b) The acquisition of a person by another person when both persons are neither directly nor through affiliates primarily engaged in the business of insurance, if pre-acquisition notification is filed with the commissioner in accordance with sub. (3) 30 days prior to the proposed effective date of the acquisition. However, such pre-acquisition notification is not required if the acquisition would be otherwise excluded under sub. (2).

(c) The acquisition of already affiliated persons.

(d) An acquisition if, as an immediate result of the acquisition any of the following apply:

1. In no market would the combined market share of the involved insurers exceed 5% of the total market, or
2. There would be no increase in any market share, or
3. In no market would the combined market share of the involved insurers exceed 12% of the total market and the market share would not increase by more than 2% of the total market. For the purpose of par. (d), a market means direct written insurance premium in this state for a line of business as contained in the annual statement required under s. Ins 50.20 (1).

(e) An acquisition for which a pre-acquisition notification would be required pursuant to this section due solely to the resulting effect on the ocean marine insurance line of business.

(f) An acquisition of an insurer whose domiciliary commissioner affirmatively finds that the insurer is in failing condition; there is a lack of feasible alternative to improving such condition; the public benefits of improving the insurer’s condition through the acquisition exceed the public benefits that would arise from not lessening competition; and the findings are communicated by the domiciliary commissioner to the commissioner of this state.



**(3) PRE-ACQUISITION NOTIFICATION.** Any person seeking a merger or acquisition, that is not otherwise exempted under sub. (2), that results in a change of control of an insurer authorized to do business in this state shall file a pre-acquisition notification in a sworn statement using form E in the appendix to this chapter. The person being acquired may file the pre-acquisition notification.

(a) The commissioner may require such additional material and information as deemed necessary to determine whether the proposed acquisition, if consummated, would violate the competitive standard of sub. (4). The required information may include an opinion of an economist as to the competitive impact of the acquisition in this state accompanied by a summary of the education and experience of such person indicating his or her ability to render an informed opinion.

(b) The waiting period required in this subsection shall begin on the date of receipt of the commissioner of a pre-acquisition notification and shall end on the earlier of the thirtieth day after the date of receipt, or termination of the waiting period by the commissioner. Prior to the end of the waiting period, the commissioner on a one-time basis may require the submission of additional needed information relevant to the proposed acquisition, in which event the waiting period shall end on the earlier of the thirtieth day after receipt of the additional information by the commissioner or termination of the waiting period by the commissioner.

**(4) COMPETITIVE STANDARD.** (a) The commissioner may disapprove an acquisition if there is substantial evidence that the effect of the acquisition may be to substantially lessen competition in any line of insurance in this state or tend to create a monopoly or if the insurer fails to file adequate information in compliance with sub. (3). In this subsection, a highly concentrated market is one in which the share of the 4 largest insurers is 75% or more of the market. Percentages not shown in the tables in this subsection are interpolated proportionately to the percentages that are shown. If more than 2 insurers are involved, exceeding the total of the two columns in the table is prima facie evidence of violation of the competitive standard in this subsection. For the purpose of this item, the insurer with the largest share of the market shall be deemed to be Insurer A.

(b) In determining whether a proposed acquisition would violate the competitive standard of par. (a) of this subsection, the commissioner shall consider the following:

1. Any acquisition covered under sub. (2) involving 2 or more insurers competing in the same market is prima facie evidence of violation of the competitive standards if:

a. The market is highly concentrated and the involved insurers possess the following shares of the market:

Insurer A	Insurer B
4%	4% or more
10%	2% or more
15% or more	1% or more

b. Or, the market is not highly concentrated and the involved insurers possess the following shares of the market:

Insurer A	Insurer B
5%	5% or more
10%	4% or more
15%	3% or more
19% or more	1% or more

2. There is a significant trend toward increased concentration when the aggregate market share of any grouping of the largest insurers in the market, from the 2 largest to the 8 largest, has increased by 7% or more of the market over a period of time extending from any base year 5 to 10 years prior to the acquisition up to the time of the acquisition. Any acquisition or merger covered under sub. (2) involving two (2) or more insurers competing in the same market is prima facie evidence of violation of the competitive standard in par. (a) of this subsection if:

a. There is a significant trend toward increased concentration in the market.

b. One of the insurers involved is one of the insurers in a grouping of large insurers showing the requisite increase in the market share; and

c. Another involved insurer's market is 2% or more.

3. For the purposes of this subsection:

a. The term "insurer" includes any company or group of companies under common management, ownership or control;

b. The term "market" means the relevant product and geographical markets. In determining the relevant product and geographical markets, the commissioner shall give due consideration to, among other things, the definitions or guidelines, if any, promulgated by the National Association of Insurance Commissioners and to information, if any, submitted by parties to the acquisition. In the absence of sufficient information to the contrary, the relevant product market is assumed to be the direct written insurance premium for a line of business, such line being that used in the annual statement required to be filed by insurers doing business in this state, and the relevant geographical market is assumed to be this state;

c. The burden of showing prima facie evidence of violation of the competitive standard rests upon the commissioner.

4. Even if an acquisition is not prima facie violative of the competitive standard under par. (a), the commissioner may establish the requisite anticompetitive effect based upon other substantial evidence. Even if an acquisition is prima facie violative of the competitive standard under par. (a), a party may establish the absence of the requisite anticompetitive effect based upon other substantial evidence. Relevant factors in making a determination under this subparagraph include, but are not limited to, the following: market shares, volatility of ranking of market leaders, number of competitors, concentration, trend of concentration in the industry, and ease of entry and exit into the market.

(c) The commissioner may approve the acquisition if the public benefits of the acquisition exceed the public benefits which would arise from not lessening competition.

## **SECTION 6. Ins 40.03 is repealed and recreated to read:**

**Ins 40.03 Registration. (1) REGISTRATION.** (a) Except as provided under par. (b), every insurer which is authorized to do business in this state and which is a member of an insurance holding company system, and every person having or attempting to acquire control of such an insurer, shall register with the commissioner.

(b) This subsection does not apply to a person, foreign insurer or alien insurer which is exempt from registration under s. 617.11 (2), Stats., unless otherwise ordered by the commissioner. An insurer may register on behalf of a person having or attempting to acquire control of the insurer or on behalf of an insurer which is an affiliate of the insurer. Lack of knowledge that an insurer has not registered on behalf of the person or affiliate or that the registration is incomplete or inaccurate is not a defense for the person or affiliate.

**(2) TIME FOR FILING.** Any person which is subject to registration under this section shall register within 15 days after it becomes subject to registration, and annually by June 1 of each subsequent year for the immediately preceding calendar year, unless the commissioner for good cause shown extends the time for registration, and then within the extended time.

**(3) INFORMATION AND FORM REQUIRED.** Every person subject to registration shall file the registration statement with the commissioner on the forms and in a format prescribed under s. Ins 40.15, and it shall contain the following information which is current on the date of filing:

(a) The capital structure, general financial condition, ownership and management of the insurer and any person having control of the insurer;

(b) The identity and relationship of every member of the insurance holding company system except affiliates whose total assets are less than the lesser of .5% of the total assets of the ultimate controlling person or \$10 million;

(c) The following agreements in force, and transactions currently outstanding or which have occurred during the immediately preceding calendar year between the insurer and its affiliates:

1. Loans, extensions of credit, other investments, or purchases, sales or exchanges of securities of the affiliates by the insurer or of the insurer by its affiliates;

2. Purchases, sales or exchange of assets;

3. Transactions not in the ordinary course of business;

4. Guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the insurer's assets to liability, other than insurance contracts entered into in the ordinary course of the insurer's business;

5. All management agreements, exclusive agent agreements, service contracts and all cost-sharing arrangements;

6. Reinsurance agreements;

7. Dividends and other distributions to shareholders; and

8. Consolidated tax allocation agreements.

(d) Any pledge of the insurer's stock, including stock of any subsidiary or affiliate having control of the insurer, for a loan made to any member of the insurance holding company system;

(e) If requested by the commissioner, the insurer shall include financial statements, as prepared in the ordinary course of its business, of or within an insurance holding company system, including all affiliates. Financial statements may include, but are not limited to, annual audited financial statements filed with the U.S. Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. An insurer required to file financial statements pursuant to this paragraph may satisfy the request by providing the commissioner with the most recently filed parent corporation financial statements that have been filed with the Securities and Exchange Commission;

(f) Other matters concerning transactions between registered insurers and any affiliates as may be included from time to time in any registration forms adopted or approved by the commissioner;

(g) Statements that the insurer's board of directors oversees corporate governance and internal controls and that the insurer's officers or senior management have approved, implemented, and continue to maintain and monitor corporate governance and internal control procedures;

(h) Any other information required by the commissioner by rule or regulation.

**(4) SUMMARY OF CHANGES TO REGISTRATION STATEMENT.** All registration statements shall contain a summary on form C contained in the appendix to this chapter outlining all items in the current registration statement representing changes from the prior registration statement.

**(5) MATERIALITY.** No information need be disclosed on the registration statement required under this section if the information is not material for the purposes of this section. Any transaction related to a management, exclusive agency or similar agreement or which is a service contract or cost-sharing arrangement is a material transaction. Any other transaction subject to sub. (3) is a material transaction if it involves or exposes to risk in a single transaction or group or series of related transactions an amount which is more than .5% of the insurer's admitted assets as of the 31st day of December of the immediately preceding calendar year, unless the commissioner by order provides otherwise.

**(6) AFFILIATE TO PROVIDE INFORMATION.** A person within an insurance holding company system which includes an insurer subject to registration shall provide to the insurer any information which is reasonably necessary to enable the insurer to comply with this chapter and ch. 617, Stats. The person shall provide complete and accurate information.

**(7) CONSOLIDATED FILING.** The commissioner may require or allow 2 or more insurers which are affiliates subject to registration to file a consolidated registration statement.

**(8) DISCLAIMER.** Any person may file with the commissioner a disclaimer of affiliation with any authorized insurer or a disclaimer may be filed by the insurer or any member of an insurance holding company system. The disclaimer shall fully disclose all material relationships and bases for affiliation between the person and the insurer as well as the basis for disclaiming affiliation. A disclaimer of affiliation shall be deemed to have been granted unless the commissioner, within 30 days following receipt of a complete disclaimer, notifies the filing party the disclaimer is disallowed. In the event of disallowance, the disclaiming party may request an administrative hearing, which shall be granted. The disclaiming party shall be relieved of its duty to

register under this section if approval of the disclaimer has been granted by the commissioner, or if the disclaimer is deemed to have been approved.

**(9) ENTERPRISE RISK FILING.** (a) Except as provided in par. (c), the ultimate controlling person of every insurer subject to registration shall file an annual enterprise risk report on form F in the appendix of this chapter. The report shall, to the best of the ultimate controlling person's knowledge and belief, identify the material risks within the insurance holding company system that could pose enterprise risk to the insurer. The report shall be filed with the lead state commissioner of the insurance holding company system as determined by the procedures within the Financial Analysis Handbook adopted by the National Association of Insurance Commissioners. The time for filing the first enterprise risk report shall be June 1, 2015, or 30 days after the effective date of this rule, whichever date is later. Thereafter, the enterprise risk report shall be filed annually by June 1 for the immediately preceding calendar year. An applicant for an acquisition of control of an insurer under s. Ins 40.02 shall file an enterprise risk report within fifteen (15) days after the end of the month in which the acquisition of control occurs.

(b) Sections 19.31 to 19.37, Stats., do not apply to an insurer's annual enterprise risk report or to any information submitted to the commissioner in connection with an insurer's annual enterprise risk report and the report shall not be subject to subpoena, discovery or be admissible in evidence in any private civil action. The commissioner shall only share an insurer's annual enterprise risk report, and any information requested by the commissioner in connection with an insurer's annual enterprise risk report, with commissioners of states having statutes or regulations substantially similar to this subsection and who have agreed in writing not to disclose such information.

(c) The commissioner may grant a waiver from the requirements in par. (a) if the ultimate controlling person demonstrates that compliance with par. (a) would impose an undue financial or organizational hardship on the ultimate controlling person. The commissioner may order an ultimate controlling person otherwise exempted under this paragraph to file an enterprise risk report if an insurer subject to registration is not in compliance with applicable risk-based capital or compulsory and security surplus requirements or is otherwise in hazardous condition as determined by the commissioner.

#### **SECTION 7. Ins 40.04 is repealed and recreated to read:**

**Ins 40.04 Standards for transactions within an insurance holding company system. (1) TRANSACTIONS WITHIN AN INSURANCE HOLDING COMPANY SYSTEM.** An insurer, or affiliate of an insurer, which is required to register under s. Ins 40.03 may not enter directly or indirectly into a transaction between the insurer and the affiliate unless the insurer and affiliate:

(a) Comply with s. 617.21 (1), Stats., and sub. (6);

(b) Expenses incurred and payment received for the transaction are allocated to the insurer in conformity with customary insurance accounting practices consistently applied; and

(c) The books, accounts and records of each party to the transaction clearly and accurately disclose the nature and details of the transaction including the accounting

information which is necessary to support the reasonableness of the charges or fees to the respective parties.

**(2) TRANSACTIONS REQUIRED TO BE REPORTED AND SUBJECT TO DISAPPROVAL.**

A domestic insurer, and a person attempting to acquire control of a domestic insurer, or an affiliate of a domestic insurer, which directly or indirectly is involved in or benefits from, a transaction, shall report, under s. 617.21 (2), Stats., each of the following transactions, including amendments or modifications of transactions previously filed pursuant to this section, which are subject to any materiality standards contained in pars. (a) through (f), to the commissioner in writing at least 30 days before the domestic insurer enters into the transaction, unless the commissioner in writing approves a shorter period. The notice for amendments or modifications shall include the reasons for the change and the financial impact on the domestic insurer. Informal notice shall be reported to the commissioner within 30 days after termination of a previously filed agreement, if termination is other than according to the terms of the agreement as filed, and the commissioner shall determine the type of filing required, if any. Transactions required to be reported and subject to disapproval include each of the following:

(a) Sales, purchases, exchanges, loans, extensions of credit, guarantees, or investments involving the domestic insurer and an affiliate or a person attempting to acquire control of the domestic insurer if the transactions are equal to or exceed the lesser of 2% of the domestic insurer's admitted assets or 10% of policyholder surplus as of the 31st day of December of the immediately preceding calendar year. All guarantees which are unlimited or not quantifiable as to amount are subject to the reporting requirements of this subsection;

(b) Loans or extensions of credit or guarantees to any person who is not an affiliate, where the domestic insurer makes loans, extensions of credit or guarantees with the agreement or understanding that the proceeds of the transactions or benefit of the guarantees, in whole or in significant part, directly or indirectly, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in, any affiliate of the domestic insurer making the loans, extensions of credit, or guarantee, or any person attempting to acquire control of the insurer, if the transactions are equal to or exceed the lesser of 2% of the domestic insurer's admitted assets or 10% of policyholder surplus as of the 31st day of December of the immediately preceding calendar year. All guarantees which are unlimited or not quantifiable as to amount are subject to the reporting requirements of this subsection;

(c) Reinsurance agreements, including reinsurance pooling arrangements, or modifications to reinsurance agreements, which involve a domestic insurer and either an affiliate or a person attempting to acquire control of the domestic insurer in which the reinsurance premium, the projected reinsurance premium or a change in the insurer's liabilities in any of the next three years equals or exceeds 5% of the insurer's policyholder surplus, as of the 31st day of December of the immediately preceding calendar year, including, but not limited to, those agreements which may require as consideration the transfer of assets from an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and nonaffiliate that any portion of the assets will be transferred to one or more affiliates of the insurer;

(d) All management agreements, exclusive agency agreements, service contracts, tax allocation agreements or cost-sharing arrangements which involve a domestic insurer and either an affiliate or a person attempting to acquire control of the domestic insurer. All agreements under this paragraph entered into after the effective date of this rule shall, at a minimum and as applicable, contain all of the following:

1. Identify the person providing services and the nature of such services.
2. Set forth the methods to allocate costs.
3. Require timely settlement, not less frequently than on a quarterly basis, and compliance with the requirements in the Accounting Practices and Procedures Manual.
4. Prohibit advancement of funds by the insurer to the affiliate except to pay for services defined in the agreement. This subdivision does not prohibit loans or capital transactions that involve a domestic insurer and an affiliate that are otherwise permitted by statute or rule.
5. State that the insurer will maintain oversight for functions provided to the insurer by the affiliate and that the insurer will monitor services annually for quality assurance.
6. Define books and records of the insurer to include all books and records developed or maintained under or related to the agreement.
7. Specify that all books and records of the insurer are and remain the property of the insurer and are subject to control of the insurer.
8. State that all funds and invested assets of the insurer are the exclusive property of the insurer, held for the benefit of the insurer and are subject to the control of the insurer.
9. Include standards for termination of the agreement with and without cause.
10. Include provisions for indemnification of the insurer in the event of gross negligence or willful misconduct on the part of the affiliate providing the services.
11. Specify that, if the insurer is placed in delinquency proceedings or seized by the commissioner under ch. 645, Stats.:
  - a. All of the rights of the insurer under the agreement extend to the receiver or commissioner.
  - b. All books and records will immediately be made available to the receiver or the commissioner, and shall be turned over to the receiver or commissioner immediately upon the receiver or the commissioner's request.
12. Specify that the affiliate has no automatic right to terminate the agreement if the insurer is placed in receivership pursuant to ch. 645, Stats.
13. Specify that the affiliate will continue to maintain any systems, programs, or other infrastructure notwithstanding a delinquency proceeding or seizure by the commissioner under chapter 645, Stats., and will make them available to the receiver, for so long as the affiliate continues to receive timely payment for services.
  - (e) A transaction not in the ordinary course of business which involves a domestic insurer and either an affiliate of, or a person attempting to acquire control of, a domestic insurer and which involves or exposes to risk an amount equal to or exceeding the lesser of 2% of the domestic insurer's admitted assets or 10% of

policyholder surplus as of the 31st day of December of the immediately preceding calendar year; and

(f) Any material transactions which the commissioner requires to be reported by order.

**(3) ILLEGAL TRANSACTIONS NOT AUTHORIZED.** This section does not authorize or permit any transaction which would be otherwise contrary to law.

**(4) GROUP OR SERIES OF RELATED TRANSACTIONS.** For the purpose of applying sub. (2), a group or series of related transactions shall be treated as if they are a single transaction.

**(5) SUBTERFUGE PROHIBITED.** A domestic insurer, person attempting to acquire control of a domestic insurer, person having control of a domestic insurer or affiliate of a domestic insurer may not enter into transactions which are part of a group or series of transactions if the purpose of those separate transactions is to attempt to avoid a threshold amount under this chapter.

**(6) DISAPPROVAL.** Transactions subject to reporting under sub. (2) may be disapproved by the commissioner under s. 617.21 (3), Stats. No person may enter into or assent to a transaction that is disapproved by the commissioner or which is subject to reporting under sub. (2) but not reported.

**(7) INSURER MAY REPORT ON BEHALF OF AFFILIATE OR PERSON ATTEMPTING TO ACQUIRE CONTROL.** A domestic insurer may file a report under sub. (2) on behalf of its affiliate or of the person attempting to acquire control of the insurer. Lack of knowledge that an insurer has not reported on behalf of the affiliate or person or that the report is incomplete or inaccurate is not a defense for the affiliate or person attempting to acquire control of the insurer.

**SECTION 8. Ins 40.05 is amended to read:**

**Ins 40.05 Privileged information.** The information required to be filed with the commissioner under s. Ins 40.02 and Ins 40.025, is required under s. 601.42, Stats., ~~and the commissioner may keep it confidential under~~ is subject to s. 601.465, Stats.

**SECTION 9. Ins 40.11 (1) is amended to read:**

**Ins 40.11 Instructions. (1) GENERAL.** Forms A, B, C, ~~and D, E and F~~ contained in the appendix to this chapter are intended to be guides in the preparation of the statements required by subch. I of this chapter. They are not intended to be blank forms which are to be filled in. The statements filed shall contain the numbers and captions of all items, but the text of the items may be omitted provided the answers are prepared in such a manner as to indicate clearly the scope and coverage of the items. All instructions, whether appearing under the items of the form or elsewhere therein, are to be omitted. Unless expressly provided otherwise, if any item is inapplicable or the answer is in the negative, an appropriate statement to that effect shall be made.

**SECTION 10. Ins 40.11 (2) (a) is amended to read:**

**(2) FILING FORMAT AND PROCEDURE.** (a) One complete copy of each statement, including exhibits and all other papers and documents filed as a part of the statement, shall be filed with the commissioner. ~~A copy of form C shall be filed in each state in~~



which an insurer is authorized to do business, if the commissioner of that state has notified the insurer of its request in writing, in which case the insurer has 15 days from receipt of the notice to file such form. At least one of the copies shall be manually signed in the manner prescribed on the form. Unsigned copies shall be conformed. If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of the power of attorney or other authority shall also be filed with the statement.

**SECTION 11. Ins 40.12 (1) is amended to read:**

**Ins 40.12 Forms—incorporation by reference, summaries and omissions. (1)**

INCORPORATION BY REFERENCE. Information required by any item of form A, form B ~~or~~, form D, form E or form F may be incorporated by reference in answer or partial answer to any other item. Information contained in any financial statement, annual report, proxy statement, statement filed with a governmental authority, or any other document may be incorporated by reference in answer or partial answer to any item of form A, form B ~~or~~, form D, Form E or form F provided the document or paper is filed as an exhibit to the statement. Excerpts of documents may be filed as exhibits if the documents are extensive. Documents currently on file with the commissioner which were filed within 3 years need not be attached as exhibits. References to information contained in exhibits or in documents already on file shall clearly identify the material and shall specifically indicate that the material is to be incorporated by reference in answer to the item. Matter shall not be incorporated by reference in any case where the incorporation would render the statement incomplete, unclear or confusing.

**SECTION 12. INS 40.13 (title) is amended to read:**

**Ins 40.13 Forms—~~information unknown or unavailable and extension of time to furnish.~~**

**SECTION 13. INS 40.13 (1) is repealed.**

**SECTION 14. INS 40.13 (2) and (3) are renumbered (1) and (2), and, as renumbered, Ins 40.13 (1) (intro) is amended to read:**

EXTENSION. If it is impractical to furnish any required information, document or report at the time it is required to be filed, the person required to file ~~may~~shall file with the commissioner a separate document:

**SECTION 15. Ins 40.14 is amended to read:**

**Ins 40.14 Forms—additional information and exhibits. (1) SUPPLEMENTAL INFORMATION.** In addition to the information expressly required to be included in form A, form B, form C ~~and~~, form D, form E and form F contained in the appendix to this chapter, the person required to file shall add the further material information, if any, which is necessary to make the information contained in the statements accompanying the forms not misleading. The person filing may also file such exhibits as it may desire in addition to those expressly required by the statement. Those exhibits shall be so marked as to indicate clearly the subject matters to which they refer.

**(2) CHANGES.** Changes to forms A, B, C, ~~or~~ D, E, or F shall be submitted as required under ss. Ins 40.02 (4), 40.04 (2) and 40.13 (~~2~~1) and shall include on the top of the

cover page the phrase: "Change No. to" and indicate the date of the change and not the date of the original filing.

**SECTION 16. Ins 40.15 is amended to read:**

**Ins 40.15 Registration form.** A person required to file a registration statement under this chapter shall furnish the required information on form B and on form C contained in the appendix to this chapter. ~~An insurer shall file a copy of form C in each state in which the insurer is authorized to do business, if requested by the commissioner of that state.~~

**SECTION 17. Ins 40.19 is amended to read:**

**Ins 40.19 Consent to jurisdiction.** Any person required to file consent to jurisdiction under s. 617.11 (5), Stats., shall do so using form ~~B~~ AA contained in the appendix to this chapter.

**SECTION 18. Ins 40.20 is created to read:**

**Ins 40.20 Enterprise Risk Report.** The ultimate controlling person of an insurer required to file an enterprise risk report pursuant to s. Ins 40.03 (9), shall furnish the required information on Form F in the appendix.

**SECTION 19. Form A in the appendix of Ins ch. 40 is amended to read:**

**FORM A  
STATEMENT REGARDING THE ACQUISITION OF  
CONTROL OF OR MERGER WITH A  
DOMESTIC INSURER**

Filed with the Office of the Commissioner of Insurance,  
State of Wisconsin

\_\_\_\_\_  
Name of Domestic Insurer

By

\_\_\_\_\_  
Name of Acquiring Person (Applicant)

Filed with the insurance department of \_\_\_\_\_  
(state of domicile of insurer being acquired)

Date: \_\_\_\_\_, \_\_\_\_\_

Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

**ITEM 1. INSURER AND METHOD OF ACQUISITION**

State the name and address of the domestic insurer to which this application relates and briefly describe how control is to be acquired.

## **ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT**

(a) State the name and address of the applicant seeking to acquire control over the insurer.

(b) If the applicant is not an individual, state the nature of its business operations for the past 5 years or for such lesser period as such person and any predecessors thereof shall have been in existence. Briefly describe the business intended to be done by the applicant and the applicant's subsidiaries.

(c) Furnish a chart or listing clearly presenting the identities of the interrelationships among the applicant and all affiliates of the applicant. ~~No affiliate need be identified if its total assets are equal to less than .5% of the total assets of the ultimate controlling person of the applicant.~~ Indicate in such chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant or by any other such person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing, indicate the type of organization (e.g., corporation, trust, partnership) and the state of domicile. If court proceedings involving a reorganization or liquidation are pending with respect to any such person, indicate which person, and set forth the title of the court, nature of proceedings and the date when commenced.

## **ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT**

State On the biographical affidavit, include a third party background check and state the following with respect to (1) the applicant if the applicant is an individual or (2) all persons who are directors, executive officers or owners of 10% or more of the voting securities of the applicant if the applicant is not an individual.

(a) Name and business address;

(b) Present principal business activity, occupation or employment including position and office held and the name, principal business and address of any corporation or other organization in which such employment is carried on;

(c) Material occupations, positions, offices or employment during the last 5 years, giving the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on; if any such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency, indicate such fact, the current status of such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection with the license or registration whether pending or concluded.

(d) Whether or not such person has ever been convicted in a criminal proceeding (excluding traffic violations not involving death or injury) during the last 10 years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case.

#### **ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION**

(a) Describe the nature, source and amount of funds or other considerations used, or to be used, in effecting the merger or other acquisition of control. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding or trading securities, furnish a description of the transaction, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, and copies of all agreements, promissory notes and security arrangements relating thereto.

(b) Explain the criteria used in determining the nature and amount of such consideration.

#### **ITEM 5. APPLICANT'S FUTURE PLANS FOR THE INSURER**

Describe any plans or proposals which the applicant may have to declare an extraordinary dividend, to liquidate the insurer, to sell the insurer's assets to or merge it with any person or persons or to make any other material change in its business operations or corporate structure or management.

#### **ITEM 6. VOTING SECURITIES TO BE ACQUIRED**

State the number of shares of the insurer's voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire; and the terms of the offer, request, invitation, agreement or acquisition; and a statement as to the method by which the fairness of the proposal was arrived at.

#### **ITEM 7. OWNERSHIP OF VOTING SECURITIES**

State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates or any person listed in Item 3.

#### **ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER**

Give a full description of any contracts, arrangements or understandings with respect to any voting security of the insurer in which the applicant, its affiliates or any person listed in Item 3 is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Such description shall identify the persons with whom the contracts, arrangements or understandings have been entered into.

#### **ITEM 9. RECENT PURCHASES OF VOTING SECURITIES**

Describe any purchases of any voting securities of the insurer by the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement. Include in the description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefor. State whether any shares so purchased are hypothecated.

## **ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE**

Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement.

## **ITEM 11. AGREEMENTS WITH BROKER-DEALERS**

Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.

## **ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS**

(a) ~~Attach~~ Pursuant to s. 601.42, Stat., financial statements, ~~and~~ exhibits, and three-year financial projections of the insurer(s) shall 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 of the persons identified in Item 2 (c) for the preceding 5 fiscal years (or for such lesser period as such applicant and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of such person's last fiscal year, if the information is available. The statements may be prepared either on an individual basis or, unless the commissioner otherwise requires, on a consolidated basis if consolidated statements are prepared in the usual course of business.

The annual financial statements of the applicant shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the applicant and the results of its operations for the person's last fiscal year, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the applicant is an insurer which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the annual statement of the person filed with the insurance department of the person's state of domicile and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of the state.

(c) File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory or management contracts concerning the insurer, annual reports to the stockholders of the insurer and the applicant for the last 2 fiscal years, and any additional documents or papers required by form A or ss. Ins 40.11 and 40.13, Wis. Adm. Code.

**ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT**

Applicant agrees to provide, to the best of its knowledge and belief, the information required by form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

**ITEM 13. ITEM 14. SIGNATURE AND CERTIFICATION**

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of ch. Ins 40, Wis. Adm. Code, \_\_\_\_\_ has caused this application to be duly signed on its behalf in the city of \_\_\_\_\_ and state of \_\_\_\_\_ on the day of \_\_\_\_\_,

(SEAL)

Name of Applicant

BY \_\_\_\_\_  
(Name) (Title)

Attest:

\_\_\_\_\_  
(Signature of Officer)

\_\_\_\_\_  
(Title)

The undersigned deposes and says that (s)he has duly executed the attached application dated \_\_\_\_\_, for and on behalf of \_\_\_\_\_; that (s)he is the of such company and

\_\_\_\_\_  
(Name of Applicant)

that (s)he is authorized to execute and file such instrument.

Deponent further says that (s)he is familiar with the 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)

Subscribed and sworn to this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Notary Public  
My commission expires on \_\_\_\_\_

**SECTION 1. Form B in the appendix of Ins ch. 40 is amended to read:**

**FORM B  
INSURANCE HOLDING COMPANY SYSTEM  
ANNUAL REGISTRATION STATEMENT**

Filed with the Office of the Commissioner of Insurance,  
State of Wisconsin  
By

\_\_\_\_\_  
Name of Registrant

On behalf of following insurers

Name:                      Address:

Date: \_\_\_\_\_, \_\_\_\_\_

Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

**ITEM 1. IDENTITY AND CONTROL OF REGISTRANT**

Furnish the exact name of each insurer registering or being registered (hereinafter called "the Registrant"), the home office address and principal executive offices of each; the date on which each registrant became part of the insurance holding company system; and the method(s) by which control of each registrant was acquired and is maintained.

**ITEM 2. ORGANIZATIONAL CHART**

Furnish a chart or listing clearly presenting the identities of and interrelationships among all affiliate persons within the insurance holding company system. ~~No affiliate need be shown if the affiliate's total assets are equal to or less than .5% of the total assets of the ultimate controlling person within the insurance holding company system unless it has assets valued at or exceeding \$10,000,000.~~ The chart or listing should show the percentage of each class of voting securities of each affiliate which is owned, directly or indirectly, by another affiliate. If control of any person within the system is maintained other than by the ownership or control of voting securities, indicate the basis of control. As to each person specified in the chart or listing indicate the type of organization (e.g.,—corporation, trust, partnership) and the state of domicile.

**ITEM 3. THE ULTIMATE CONTROLLING PERSON**

As to the ultimate controlling person in the insurance holding company system furnish the following information:

(a) Name;

(b) Home office address;

(c) Principal executive office address;

(d) The organizational structure of the person, i.e., corporation, partnership, individual, trust, etc.;

(e) The principal business of the person;

(f) The name and address of any person who holds or owns 10% or more of any class of voting security, the class of such security, the number of shares held of record or known to be beneficially owned, and the percentage of class so held or owned;

(g) If court proceedings involving a reorganization or liquidation are pending, indicate the title and location of the court, the nature of proceedings and the date when commenced.

#### **ITEM 4. BIOGRAPHICAL INFORMATION**

~~Furnish~~ If the ultimate controlling person is a corporation, an organization, a limited liability company, or other legal entity, furnish the following information for the directors and executive officers of the ultimate controlling person: the individual's name and address, his or her principal occupation and all offices and positions held during the past 5 years, and any conviction of crimes other than traffic violations not involving death or injury. If the ultimate controlling person is an individual, furnish the individual's name and address, his or her principal occupation and all offices and positions held during the past 5 years, and any conviction of crimes other than traffic violations not involving death or injury.

#### **ITEM 5. TRANSACTIONS AND AGREEMENTS**

Briefly describe the following agreements in force, and transactions currently outstanding or which have occurred during the last calendar year between the registrant and its affiliates:

(a) Loans, other investments, or purchases, sales or exchanges of securities of the affiliates by the Registrant or of the Registrant by its affiliates;

(b) Purchases, sales, extensions of credit or exchanges of assets;

(c) Transactions not in the ordinary course of business;

(d) Guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the Registrant's assets to liability, other than insurance contracts entered into in the ordinary course of the registrant's business;

(e) All management agreements, exclusive agency agreements, service contracts and all cost-sharing arrangements;

(f) Reinsurance agreements;

(g) Dividends and other distributions to shareholders;

(h) Consolidated tax allocation agreements; and



(i) Any pledge of the Registrant's stock or of the stock of any subsidiary or affiliate having control of the insurer, for a loan made to any member of the insurance holding company system.

No information need be disclosed if the information is not material according to s. Ins 40.03 (5), Wis. Adm. Code.

Sales, purchases, exchanges, loans or extensions of credit, investments or guarantees involving .5% or less of the registrant's admitted assets as of the 31st day of December next preceding shall not be deemed material.

Note: Commissioner may by order provide otherwise.

The description shall be in a manner as to permit the proper evaluation thereof by the commissioner, and shall include at least the following: the nature and purpose of the transaction, the nature and amounts of any payments or transfers of assets between the parties, the identity of all parties to the transaction, and relationship of the affiliates of the registrant.

## **ITEM 6. LITIGATION OR ADMINISTRATIVE PROCEEDINGS**

Briefly describe any litigation or administrative proceedings of the following types, either then pending or concluded within the preceding fiscal year, to which the ultimate controlling person or any of its directors or executive officers is or was a party or of which the property of any such person is or was the subject; give the names of the parties and the court or agency in which the litigation or proceeding was held or is pending:

(a) Criminal prosecutions or administrative proceedings by any government agency or authority which may be relevant to the trustworthiness of any party thereto; and

(b) Proceedings which may have a material effect upon the solvency or capital structure of the ultimate controlling person including, but not necessarily limited to, bankruptcy, receivership or other corporate reorganizations.

## **ITEM 7. STATEMENT REGARDING GROUP OR SERIES OF TRANSACTIONS**

Furnish a statement that transactions entered into since the filing of the prior year's annual registration statement are neither part of a group or series of related or like transactions nor made for the purpose of avoiding regulatory threshold amounts and the review that might otherwise occur. Groups or series of related transactions shall be treated as single transactions.

## **ITEM 8. FINANCIAL STATEMENTS AND EXHIBITS**

(a) Attach financial statements and exhibits to this statement as an appendix, and list under this item the financial statements and exhibits so attached.

(b) TheIf the ultimate controlling person is a corporation, an organization, a limited liability company, or other legal entity, the financial statements shall include the annual financial statements of the ultimate controlling person in the insurance holding company system as of the end of the person's immediately preceding fiscal year.

If at the time of the initial registration, the annual financial statements for the immediately preceding 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 either on an individual basis or unless the commissioner otherwise requires, on a consolidated basis if consolidated statements are prepared in the usual course of business.

Other than with respect to the foregoing, such financial statement shall be filed in a standard form and format adopted by the National Association of Insurance Commissioners unless an alternative form is accepted by the Commissioner. Documentation and financial statements filed with the Securities and Exchange Commission or audited GAAP financial statements shall be deemed to be an appropriate form and format.

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 ultimate controlling person 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. If the ultimate controlling person is an insurer which is actively engaged in the business of insurance, the annual financial statements need not be certified, provided they are based on the annual statement of the insurer filed with the insurance department of the insurer's state of domicile and are in accordance with requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of that state.

Any ultimate controlling person who is an individual may file personal financial statements that are reviewed rather than audited by an independent public accountant. The review shall be conducted in accordance with standards for review of personal financial statements published in the *Personal Financial Statements Guide* by the American Institute of Certified Public Accountants. Personal financial statements shall be accompanied by the independent public accountant's Standard Review Report stating that the accountant is not aware of any material modifications that should be made to the financial statements in order for the statements to be in conformity with generally accepted accounting principles.

(c) Exhibits shall include copies of the last annual reports to shareholders of the ultimate controlling person, proxy material used by the ultimate controlling person, and any additional documents or papers required by form B or ch. Ins 40, Wis. Adm. Code.

## **ITEM 9. FORM C REQUIRED**

A form C, Summary of Changes to Registration Statement, must be prepared and filed with this form B.

## **ITEM 10. SIGNATURE AND CERTIFICATION**

Signature and certification required as follows:

---

SIGNATURE

Pursuant to the requirements of ch. Ins 40, Wis. Adm. Code, Registrant has caused this annual registration statement to be duly signed on its behalf in the city of \_\_\_\_\_ and state of \_\_\_\_\_ on the day of \_\_\_\_\_, \_\_\_\_\_.

(SEAL) \_\_\_\_\_  
Name of Registrant

BY \_\_\_\_\_  
(Name) (Title)

Attest:

\_\_\_\_\_  
(Signature of Officer)

\_\_\_\_\_  
(Title)

The undersigned deposes and says that (s)he has duly executed the attached annual registration statement dated \_\_\_\_\_, \_\_\_\_\_ for and on behalf of \_\_\_\_\_ ;

(Name of Registrant)  
that (s)he is the \_\_\_\_\_ and that (s)he is authorized to  
(Title of Officer)

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)

\_\_\_\_\_

Subscribed and sworn to this day of \_\_\_\_\_, \_\_\_\_\_.

Notary Public  
My commission expires on \_\_\_\_\_

**SECTION 2. Form C (title) in the appendix of Ins ch. 40 is amended to read:**

**FORM C  
SUMMARY OF CHANGES TO REGISTRATION STATEMENT**

**SECTION 3. Form D in the appendix is amended to read:**

**FORM D  
PRIOR NOTICE OF A TRANSACTION**

Filed with the office of the commissioner of insurance,  
state of Wisconsin  
By

\_\_\_\_\_  
Name of Registrant

On behalf of following insurers

Name: Address:

Date: \_\_\_\_\_, \_\_\_\_\_

Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

### **ITEM 1. IDENTITY OF PARTIES TO TRANSACTION**

Furnish the following information for each of the parties to the transaction covered under s. 617.21 (2), Stats., and s. Ins 40.04 (2), Wis. Adm. Code:

- (a) Name;
- (b) Home office address;
- (c) Principal executive office address;
- (d) The organizational structure, i.e., corporation, partnership, individual, trust, etc.;
- (e) A description of the nature of the parties' business operations;
- (f) Relationship, if any, of other parties to the transaction to the insurer filing the notice, including any ownership or debtor/creditor interest by any other parties to the transaction in the insurer seeking approval, or by the insurer filing the notice for the affiliates;
- (g) Where the transaction is with a non-affiliate, the name(s) of the affiliate(s) which will receive, in whole or in substantial part, the proceeds of the transaction.

### **ITEM 2. DESCRIPTION OF THE TRANSACTION**

Furnish the following information for each transaction for which notice is being given:

- (a) A statement as to whether notice is being given under s. Ins 40.04 (2) (a), (b), (c), (d), (e) or (f);
- (b) A statement of the nature of the transaction; and
- (c) A statement of how the transaction meets the "fair and reasonable" standard of s. 617.21, Stats.; and
- ~~(e)~~ (d) The proposed effective date of the transaction.

### **ITEM 3. SALES, PURCHASES, EXCHANGES, LOANS, EXTENSIONS OF CREDIT, GUARANTEES OR INVESTMENTS**

Furnish a brief description of the amount and source of funds, securities, property or other consideration for the sale, purchase, exchange, loan, extension of credit, guarantee, or investment. Describe any provision for purchase of the insurer filing notice, by any party to the transaction, or by any affiliate of the insurer filing notice. Give a description of the terms of any securities being received, if any, and a description of any other agreements relating to the transaction such as contracts or agreements for services, consulting agreements and the like. If the transaction involves other than cash, furnish a description of the consideration, its cost and its fair market value, together with an explanation of the basis for evaluation.

If the transaction involves a loan, extension of credit or a guarantee, furnish a description of the maximum amount which the insurer will be obligated to make available under such loan, extension of credit or guarantee, the date on which the credit or guarantee will terminate, and any provisions for the accrual of or deferral of interest.

If the transaction involves an investment, guarantee or other arrangement, state the time period during which the investment, guarantee or other arrangement will remain in effect, together with any provisions for extensions or renewals of such investments, guarantees or arrangements. Furnish a brief statement as to the effect of the transaction upon the insurer's policyholder surplus.

No notice need be given if the maximum amount which can at any time be outstanding or for which the insurer can be legally obligated under the loan, extension of credit or guarantee is less than (a) in the case of nonlife insurers, the lesser of 2% of the insurer's admitted assets or 10% of policyholder surplus or (b) in the case of life insurers, the lesser of 2% of the insurer's admitted assets or 10% of policyholder surplus, each as of the 31st day of December of the immediately preceding calendar year.

### **ITEM 4. LOANS, EXTENSIONS OF CREDIT, OR GUARANTEES TO OR FOR A NONAFFILIATE**

If the transaction involves a loan, extension of credit, or guarantee to any person who is not an affiliate, furnish a brief description of the agreement or understanding whereby the proceeds of the proposed transaction, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase the assets of, or to make investments in, any affiliate of the insurer making such loans, extensions of credit, or guarantee. Specify in what manner the proceeds are to be used to loan to, extend credit to, purchase assets of or make investments in any affiliate. Describe the amount and source of funds, securities, property or other consideration for the loan or extension of credit and, if the transaction is one involving consideration other than cash, describe its cost and its fair market value together with an explanation of the basis for evaluation. Furnish a brief statement as to the effect of the transaction upon the insurer's policyholder surplus.

No notice need be given if the loan or extension of credit is one which equals less than the lesser of 2% of the insurer's admitted assets or 10% of policyholder surplus as of the 31st day of December of the immediately preceding calendar year.

### **ITEM 5. REINSURANCE**

If the transaction is a reinsurance agreement or modification thereto, or a reinsurance pooling agreement or modification thereto as described by in s. Ins 40.04 (2) (c), furnish a description of the known and estimated amount of liability to be ceded or assumed in each calendar year, the period of time during which the agreement will be in effect, and a statement whether an agreement or understanding exists between the insurer and nonaffiliate to the effect that any portion of the assets constituting the consideration for the agreement will be transferred to one or more of the insurer's affiliates. Furnish a brief description of the consideration involved in the transaction and a brief statement as to the effect of the transaction upon the insurer's policyholder surplus.

No notice need be given for reinsurance agreements or modifications thereto if the reinsurance premium or the change in the insurer's liabilities, or the projected reinsurance premium or change in the insurer's liabilities in any of the next three years, in connection with the reinsurance agreement or modification thereto is less than 5% of the insurer's policyholder surplus, as of the 31st day of December of the immediately preceding calendar year. Notice shall be given for all reinsurance pooling agreements including modifications thereto.

#### **ITEM 6. MANAGEMENT AGREEMENTS, SERVICE AGREEMENTS AND COST-SHARING ARRANGEMENTS**

For management and service agreements, furnish:

(a) A brief description of the managerial responsibilities, or services to be performed;

(b) A brief description of the agreement, including a statement of its duration, together with brief descriptions of the basis for compensation and the terms under which payment or compensation is to be made.

For cost-sharing arrangements, furnish:

(a) A brief description of the purpose of the agreement;

(b) A description of the period of time during which the agreement is to be in effect;

(c) A brief description of each party's expenses or costs covered by the agreement;

(d) A brief description of the accounting basis to be used in calculating each party's costs under the agreement;

(e) A brief statement as to the effect of the transaction upon the insurer's policyholder surplus;

(f) A statement regarding the cost allocation methods that specifies whether proposed charges are based on "cost or market." If market based, rationale for using market instead of cost, including justification for the company's determination that amounts are fair and reasonable; and

(g) A statement regarding compliance with the NAIC Accounting Practices and Procedure Manual regarding expense allocation.

**ITEM 7. TRANSACTIONS NOT IN THE ORDINARY COURSE OF BUSINESS**

Provide a brief but complete description of any transaction not in the ordinary course of business.

**ITEM 8. OTHER TRANSACTIONS REPORTABLE UNDER AN ORDER**

Provide a brief but complete description of any transaction reportable under an order.

**ITEM 9. SIGNATURE AND CERTIFICATION**

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of ch. Ins 40, Wis. Adm. Code, \_\_\_\_\_ has caused this notice to be duly signed on its behalf in the city of \_\_\_\_\_ and state of \_\_\_\_\_ on the day of \_\_\_\_\_, \_\_\_\_\_.

(SEAL) \_\_\_\_\_  
Name of Registrant

BY \_\_\_\_\_  
(Name) (Title)

Attest:

\_\_\_\_\_  
(Signature of Officer)

\_\_\_\_\_  
(Title)

The undersigned deposes and says that (s)he has duly executed the attached notice dated \_\_\_\_\_, \_\_\_\_\_, for and on behalf of \_\_\_\_\_; and that s(he) is the \_\_\_\_\_ and that s(he) is authorized to  
(Name of Registrant) (Title of Officer)  
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)

Subscribed and sworn to this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Notary Public  
My commission expires \_\_\_\_\_

**SECTION 4. Form E in the appendix is repealed and recreated to read:**

**FORM E  
PRE-ACQUISITION NOTIFICATION FORM  
REGARDING THE POTENTIAL COMPETITIVE IMPACT  
OF A PROPOSED MERGER OR ACQUISITION BY A  
NON-DOMICILIARY INSURER DOING BUSINESS IN THIS  
STATE OR BY A DOMESTIC INSURER**

Filed with the Office of the Commissioner of Insurance,  
State of Wisconsin

---

Name of Applicant

---

Name of Other Person  
Involved in Merger or  
Acquisition

Dated: \_\_\_\_\_, 20 \_\_\_\_\_

Name, title, address and telephone number of person completing this statement:

**ITEM 1. NAME AND ADDRESS**

State the names and addresses of the persons who hereby provide notice of their involvement in a pending acquisition or change in corporate control.

**ITEM 2. NAME AND ADDRESSES OF AFFILIATED COMPANIES**

State the names and addresses of the persons affiliated with those listed in Item 1. Describe their affiliations.

**ITEM 3. NATURE AND PURPOSE OF THE PROPOSED MERGER OR ACQUISITION**

State the nature and purpose of the proposed merger or acquisition.

**ITEM 4. NATURE OF BUSINESS**

State the nature of the business performed by each of the persons identified in response to Item 1 and Item 2.

**ITEM 5. MARKET AND MARKET SHARE**

State specifically what market and market share in each relevant insurance market the persons identified in Item 1 and Item 2 currently enjoy in this state. Provide historical market and market share data for each person identified in Item 1 and Item 2 for the past five years and identify the source of such data. Provide a determination as to whether the proposed acquisition or merger, if consummated, would violate the competitive standards of the state as stated in s. Ins 40.025 (4) Wis. Adm. Code. If the proposed acquisition or merger would violate competitive standards,



provide justification of why the acquisition or merger would not substantially lessen competition or create a monopoly in the state.

For purposes of this question, market means direct written insurance premium in this state for a line of business as contained in the annual statement required to be filed by insurers licensed to do business in this state.

**SECTION 5. Form F of the appendix is created to read:**

**FORM F  
ENTERPRISE RISK REPORT**

Filed with the Office of the Commissioner of Insurance,  
State of Wisconsin

By

\_\_\_\_\_  
Name of Registrant/Applicant

On behalf of/related to the following insurers

\_\_\_\_\_  
Name Address

Date: \_\_\_\_\_,

Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

**ITEM 1. ENTERPRISE RISK**

The Registrant/Applicant, to the best of its knowledge and belief, shall provide information regarding the following areas that could produce enterprise risk as defined in s. Ins 40.01 (4m), Wis. Adm. Code, provided such information is not disclosed in the Insurance Holding Company System Annual Registration Statement filed on behalf of itself or another insurer for which it is the ultimate controlling person:

(a) Any material developments regarding strategy, internal audit findings, compliance or risk management affecting the insurance holding company system;

(b) Acquisition or disposal of insurance entities and reallocating of existing financial or insurance entities within the insurance holding company system;

(c) Any changes of shareholders of the insurance holding company system exceeding ten percent (10%) or more of voting securities;

(d) Developments in various investigations, regulatory activities or litigation that may have a significant bearing or impact on the insurance holding company system;

(e) Business plan of the insurance holding company system and summarized strategies for the next 12 months;

(f) Identification of material concerns of the insurance holding company system raised by supervisory college, if any, in last year;

(g) Identification of insurance holding company system capital resources and material distribution patterns;

(h) Identification of any negative movement, or discussions with rating agencies which may have caused, or may cause, potential negative movement in the credit ratings and individual insurer financial strength ratings assessment of the insurance holding company system (including both the rating score and outlook);

(i) Information on corporate or parental guarantees throughout the holding company and the expected source of liquidity should such guarantees be called upon; and

(j) Identification of any material activity or development of the insurance holding company system that, in the opinion of senior management, could adversely affect the insurance holding company system.

The Registrant/Applicant may attach the appropriate form most recently filed with the U.S. Securities and Exchange Commission, provided the Registrant/Applicant includes specific references to those areas listed in Item 1 for which the form provides responsive information. If the Registrant/Applicant is not domiciled in the U.S., it may attach its most recent public audited financial statement filed in its country of domicile, provided the Registrant/Applicant includes specific references to those areas listed in Item 1 for which the financial statement provides responsive information.

## **ITEM 2. OBLIGATION TO REPORT**

If the Registrant/Applicant has not disclosed any information pursuant to Item 1, the Registrant/Applicant shall include a statement affirming that, to the best of its knowledge and belief, it has not identified enterprise risk subject to disclosure pursuant to Item 1.

### **SECTION 6. Form AA of the appendix is created to read:**

#### **FORM AA CONSENT TO JURISDICTION STATEMENT**

Filed with the office of the commissioner of insurance,  
of the state of Wisconsin  
BY

\_\_\_\_\_  
Name of Affiliate

\_\_\_\_\_  
On Behalf of the Following Insurers

Name

Address

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_, 20\_\_

Name, Title, Address and Telephone Number of Individual to Whom Notices and Correspondence Concerning this Statement Should be Addressed:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

CONSENT TO JURISDICTION

The, (I), \_\_\_\_\_, an affiliate of \_\_\_\_\_, an insurer  
(Affiliate) (Insurer)

authorized to do business in the state of Wisconsin, pursuant to the requirements of ch. 617, Stats., do hereby consent to the jurisdiction of the Commissioner of Insurance and the courts of the state of Wisconsin.

SIGNATURE

\_\_\_\_\_ has caused this statement to be duly signed

(Name of Affiliate)

on its behalf in the city of \_\_\_\_\_ and state of \_\_\_\_\_

on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
(Name of Affiliate)

(SEAL)

BY \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

Attest:

\_\_\_\_\_  
(Signature of Officer)

\_\_\_\_\_  
(Title)

CERTIFICATION

The undersigned deposes and says that he or she has duly executed the attached statement dated \_\_\_\_\_, 20 \_\_\_\_ , for and on behalf of \_\_\_\_\_ that he or she is the \_\_\_\_\_

(Name of Affiliate)

(Title of Officer)

of such company, and that he or she is authorized to execute and file such instrument. Deponent further says that he or she is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his or her knowledge and belief.

(Signature) \_\_\_\_\_

(Type or print name beneath) \_\_\_\_\_

Subscribed and sworn to this \_\_\_\_\_ day of \_\_\_\_\_,

Notary Public

My commission expires \_\_\_\_\_

**SECTION 7. EFFECTIVE DATE.** This rule shall take effect on the first day of the month after publication in the Wisconsin Administrative Register, as provided in s. 227.22 (2) (intro.), Stats.

Dated at Madison, Wisconsin, this 8th day of July, 2015.