

Chapter Ins 6

GENERAL

- | | | | |
|----------|--|----------|---|
| Ins 6.01 | Foreign company to operate two years before admission | Ins 6.20 | Investments of insurance companies |
| Ins 6.02 | Company to transact a kind of insurance two years before admission | Ins 6.25 | Joint underwriting and joint reinsurance associations |
| Ins 6.03 | Nonresident casualty and fire insurance agents | Ins 6.30 | Instructions for uniform classifications of expenses of fire and marine and casualty and surety insurers |
| Ins 6.04 | Countersignature requirements | Ins 6.31 | Interpretations of the instructions for uniform classifications of expenses of fire and marine and casualty and surety insurers |
| Ins 6.05 | Filing of insurance forms | Ins 6.40 | Proxies, consents and authorizations of domestic stock insurers |
| Ins 6.06 | Termination of insurance contracts | Ins 6.41 | Insider trading of equity securities of domestic stock insurers |
| Ins 6.09 | Prohibited acts by captive agents of lending institutions and others | Ins 6.42 | Initial statement of beneficial ownership of securities |
| Ins 6.10 | Insurance agents advisory council | Ins 6.43 | Statement of changes in beneficial ownership of securities |
| Ins 6.11 | Insurance claim settlement practices | Ins 6.50 | Examination and licensing of insurance agents |
| Ins 6.12 | Qualification of actuaries | Ins 6.51 | Group coverage discontinuance and replacement |
| Ins 6.13 | Public inspection of records and reports | Ins 6.52 | Biographical data relating to company officers and directors |
| Ins 6.17 | Regulation of surplus lines insurance | Ins 6.53 | Insurance consumers advisory council |
| Ins 6.18 | Reporting and payment of tax by unauthorized insurers transacting business in violation of law | | |
| Ins 6.19 | Reporting and taxation of directly placed unauthorized insurance | | |

Ins 6.01 Foreign company to operate two years before admission. Experience has demonstrated that until a company has engaged in the business of insurance for at least 2 years there is not a sufficient basis upon which to form a judgment as to whether its methods and practices in the conduct of its business are such as to safeguard the interests of its policyholders and the people of this state. Therefore, no application of a foreign insurance company or mutual benefit society for a license to transact business in Wisconsin will be considered until it has continuously transacted the business of insurance for at least 2 years immediately prior to the making of such application for license.

Ins 6.02 Company to transact a kind of insurance two years before admission. (1) Experience has demonstrated that until a company has engaged in a kind of insurance or in another kind of insurance of the same class for at least 2 years, there is not a sufficient basis upon which to form a judgment as to whether its methods and practices in the conduct of its business in such kind of insurance or another kind in the same class of insurance, are such as to safeguard the interests of its policyholders and the people of this state. Therefore, no application of a foreign insurance company or mutual benefit society for a license to transact a kind of insurance business in Wisconsin will be considered until it has continuously transacted that kind of insurance, or another kind of insurance in the same class of insurance as that for which it makes such application; for at least 2 years immediately prior to making such application. For the purposes hereof, insurance is divided into kinds of insurance according to the provisions of section 201.04, Wis. Stats., each

subsection setting forth a separate kind, and into classes of insurance upon the basis of and including the said kinds as follows:

(a) Fire insurance includes the kinds in section 201.04 (1), Wis. Stats., (as extended by section 203.28, (2) and (12)).

(b) Life insurance includes the kinds in section 201.04 (3), Wis. Stats., but excluding all insurance on the health of persons other than that authorized in section 206.03, Wis. Stats.

(c) Casualty insurance includes the kinds in section 201.04 (4) through (11), and (13) through (18), Wis. Stats.

(2) Provided, however, that nothing herein shall preclude consideration of an application to transact the kind of insurance in section 201.04 (4), Wis. Stats., if the applicant company has transacted any of the kinds of insurance in sections 201.04 (3), (5), (13), (15), (16) and (18), Wis. Stats., continuously for 2 years immediately prior to the making of application for license to transact the kind of insurance in section 201.04 (4), Wis. Stats.

Ins 6.03 Nonresident casualty and fire insurance agents. (1) Separate licenses are required for the solicitation of casualty insurance business and of fire insurance business.

(2) A separate license is required for each company for which the nonresident agent solicits business in Wisconsin but the provisions of subsections 201.53 (5) and 209.04 (5), Wis. Stats., permit a licensed nonresident agent to interchange business and receive the whole or any part of the commission from a resident agent on business obtained under such nonresident license and exchanged with the resident agent.

(3) A license will be revoked if the nonresident agent brokers insurance, either in Wisconsin, his state of residence, or elsewhere, of the class (casualty or fire) of insurance covered by the license, unless the placing of such business constitutes an exchange between agents as authorized by subsection 209.04 (5), Wis. Stats. One who solicits brokerage business is not eligible to have a nonresident agent's license for the same class (casualty or fire) of business.

(4) The company which a nonresident wishes to represent as an agent must furnish a statement showing that the applicant is appointed to solicit insurance in Wisconsin as its agent and agree that it will be bound by his knowledge and acts to the same extent as it is in connection with authorized resident agents in Wisconsin.

(5) The applicant for a nonresident agent's license must agree that each policy written by him covering property or risks in Wisconsin will be countersigned by a duly licensed resident agent of the company issuing the policy.

(6) A statement by the supervisory head of the insurance department of the state of residence showing that the applicant is a licensed agent in his state of residence for the company which he desires to represent in Wisconsin must be furnished when application is made for a nonresident agent's license.

(7) The applicant will be required to make full disclosure regarding any connection which he may have as an employe or member of any

agency partnership, association or corporation, including the full names and residences of all members, officers, directors and stockholders.

(8) Licenses issued on or after November 1, 1949, shall expire on the next succeeding November 1st. The fee for each nonresident agent's license shall be \$10.00.

Ins 6.04 Countersignature requirements. (1) Every policy of insurance issued or delivered in this state shall be countersigned by a licensed resident agent. Except in the case of the standard fire policy, an agent's signature on a copy of an application attached to and forming a part of a policy will be considered as satisfying this requirement.

(2) This rule shall not apply to:

(a) Policies issued in accordance with sections 201.44 (6), 201.44 (8), 209.04 (10) (c), (d), (e) and (f), or 612.51, Wis. Stats.;

(b) Policies of life insurance;

(c) Service contracts issued by hospital service corporations authorized under section 182.032, Wis. Stats.;

(d) Contracts issued by state or county medical societies authorized under section 148.01, Wis. Stats.;

(e) Contracts issued under authority of chapter 185, Wis. Stats.

History: Cr. Register, April, 1958, No. 28, eff. 5-1-58; am. (2) (a), Register, April, 1963, No. 88, eff. 5-1-63; am. (2), Register, May, 1975, No. 233, eff. 6-1-75.

Ins 6.05 Filing of insurance forms. (1) **DEFINITIONS.** In this rule, unless the context otherwise requires, the following words and terms shall have the following meanings:

(a) "Insurance" shall mean any fire, liability, steam boiler, fidelity, title, credit, burglary, plate glass, sprinkler leakage, elevator, livestock, automobile, other casualty, or medical payments and other supplemental insurance provided under subsections (1), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (17), or (18) of section 201.04, Wis. Stats.

(b) "Filing" shall mean: 1. Any matter submitted under this rule. 2. The act of filing such matter.

(c) "Form" shall mean any matter intended to be used by any insurer as any part of an insurance contract including any application which becomes a part of an insurance contract and any policy, endorsement, or rider.

(d) "Reinsurance contract" shall mean a contract wherein a primary insurer cedes all or part of a risk to another insurer.

(2) **GENERAL PROVISIONS.** (a) The date of filing by an insurer shall be the date on which any filing is stamped received by the commissioner of insurance.

(b) Notice of disapproval by the commissioner shall state therein the effective date of disapproval, but any statutory period for contesting such disapproval shall begin upon receipt of such notice of disapproval.

(c) Each filing shall be on file for a period of 15 days before it becomes effective, which period may be extended by the commissioner for an additional period not to exceed 15 days if he gives written notice within such waiting period to the insurer or rating organization which made the filing that he needs such additional time for consideration of such filing. A filing shall be deemed effective unless disapproved by the commissioner within the waiting period or any extension thereof, provided that if the filing proposes a later effective date such proposed date shall prevail. Upon written application by such insurer or rating organization the commissioner may authorize a filing to become effective before the expiration of the waiting period or any extension thereof.

(3) **INSURANCE FORMS TO BE FILED.** No form shall be used or issued in the state of Wisconsin as part of any contract of insurance unless such form has been filed by the insurer with the commissioner in accordance with (2) (c) above. Forms not now on file shall be filed as herein required. Forms now on file may continue to be used until such time as they may be disapproved. An insurer may satisfy its obligations to make form filings by becoming a member of or a subscriber to a rate service organization licensed under section 625.32, Wis. Stats., which makes such filings, provided that basic policy forms must be filed by the insurer named thereon. Nothing in this rule shall be construed as requiring any insurer to become a member of or subscriber to any rating organization. This rule shall not apply to town mutual insurance companies; reinsurance contracts; or to any surety or guarantee bond required by law or by a court or executive order or by order, rule or regulation of a public body. No filing need be made hereunder of any form prepared to meet special, unusual, peculiar or extraordinary conditions applying to individual risks; nor to the completion of uniform forms to indicate the application of the contract to individual risks.

(4) **FORM OF FILING.** (a) *Letter of transmittal.* The filing shall be in duplicate and accompanied by a letter of transmittal in duplicate. Such letter of transmittal shall set forth:

1. Title and reasonable identification of filing.
2. The proposed effective date.
3. The descriptive title, form number and form edition date, date of approval, if known, of any filing superseded thereby, and shall identify and explain all changes by paragraph and clause.
4. If an endorsement or rider, reference to the policy or forms with which it is to be used.
5. If the nature of the information to be inserted in any blank space of any form cannot be determined from the wording of the form, such blank space shall be filled in with hypothetical data to the extent required to indicate the proposed use or uses of the form. As an alternative, such purpose and use may be explained in the transmittal letter.

(b) *Filing size to be uniform.* All forms, for the purpose of filing under this rule only, shall be printed or superimposed on or attached to a sheet 8½" by 11" in size or folded to 8½" by 11" folded size.

(c) *Form, requirements of.* 1. Every form shall carry a descriptive title and reasonable identification and must show a form number and edition date, or other differentiation to identify the revision of a form and its previous edition or editions.

2. Forms may be submitted in typed or printer's proof format for an advisory opinion prior to filing in accordance with this rule.

3. The style, arrangement, and over-all appearance of any policy form shall give no undue prominence to any portion of the text, and every portion of the text of any form, endorsements or attached