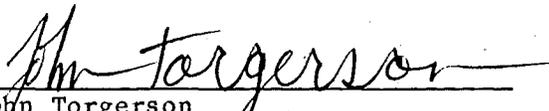


STATE OF WISCONSIN)
)
OFFICE OF THE COMMISSIONER OF INSURANCE)

I, John Torgerson, Deputy Commissioner of Insurance and custodian of the official records of this Office, certify that the attached rule-making order affecting ss. Ins 3.48, 3.50, 3.52, 6.57, 6.59, and 14.02, and ch. Ins 7, Wis. Adm. Code, relating to annual statement reporting forms filed by insurers with the Office of the Commissioner of Insurance, other forms prescribed by the Office of the Commissioner of Insurance, and limitations on the maximum risk that may be assumed by insurers, was issued by this Office on November 25, 1991.

I further certify that I have compared this copy with the original on file in this Office and that it is a true copy of the whole of the original.

Dated at Madison, Wisconsin, this 25 day of NOV, 1991.


John Torgerson
Deputy Commissioner of Insurance

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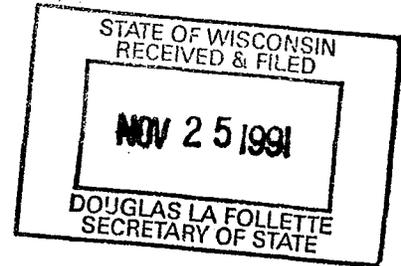
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ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE

AMENDING AND REPEALING AND RECREATING A RULE

To repeal s. Ins 6.57 (3) Note; to amend ss. Ins 6.57 (1) and (2), 6.59 (4) (a) and (5) (b), 6.72 (1) and 14.02 (9); to repeal and recreate ch. Ins 7; and to create s. Ins 3.48 Note, 3.50 Note, 3.52 Note, 6.57 Note, 6.59 Note, and 14.02 Note, relating to annual statement reporting forms filed by insurers with the office of the commissioner of insurance, other forms prescribed by the office of the commissioner of insurance and limitations on the maximum risk that may be assumed by insurers.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 227.23 and 601.41 (3), Stats.

Statutes Interpreted: ss. 600.03 (25) (a), 601.01 (1) and (3), 601.04 (2), (3) and (4), 601.42, 609.01, 609.15 (1) (c), 609.91, 609.92, 609.925, 609.97, 609.98, 611.12, 611.13, 611.19, 611.26 (1), 611.78, 613.13, 613.19, 614.13, 614.19, 616.74, 618.11, 618.21, 620.21 (1), 623.02, 623.03, 623.04, 623.11, 628.04, 628.07, 628.11 and 647.02, Stats.

This rule adopts revised annual statement forms filed by insurers with the office of the commissioner of insurance (OCI), and makes it clear that insurers must prepare the forms according to instructions adopted by the national association of insurance commissioners (NAIC) and comply with

the NAIC's accounting standards. The rule also establishes additional restrictions on the risk limitation applicable to insurance companies, in accordance with the standard adopted by the NAIC. The rule authorizes the commissioner to issue an order exempting an insurer from the maximum risk limitation. An emergency rule corresponding to this rule took effect on July 23, 1991, and remains in effect.

This rule also repeals and recreates the administrative code chapter listing all of OCI's forms that impose requirements which meet the definition of a rule, in order to update the form titles and numbers.

SECTION 1. Ins 3.48 Note [following subsection (7)] is created to read:

Ins 3.48 Note: A copy of the grievance experience report form required under subsection (7) (f) 3, OCI 26-004, may be obtained from the Office of the Commissioner of Insurance, P. O. Box 7873, Madison, WI 53707-7873.

SECTION 2. Ins 3.50 Note [following subsection (13)] is created to read:

Ins 3.50 Note: A copy of the grievance experience report form required under subsection (10) (g) 3, OCI 26-004, may be obtained from the Office of the Commissioner of Insurance, P. O. Box 7873, Madison, WI 53707-7873.

SECTION 3. Ins 3.52 Note [following subsection (14)] is created to read:

Ins 3.52 Note: A copy of the grievance experience report form required under subsection (10) (g) 3, OCI 26-004, may be obtained from the Office of the Commissioner of Insurance, P. O. Box 7873, Madison, WI 53707-7873.

SECTION 4. Ins 6.57 (1) and (2) are amended to read:

Ins 6.57 (1) Submission of an application for an intermediary-agent appointment shall initiate the listing of an agent in accordance with s. 628.11, Stats., ~~and the~~ The application shall be submitted to the office of the commissioner of insurance on or before the date of appointment ~~on form 061 11-01~~. A listing shall become valid upon receipt of the agent listing validation report by the person submitting the listing. The effective date of a valid listing is the date on which the listing was mailed by the insurer. The agent validation report is a computer-generated report prepared by the office of the commissioner of insurance. Billing for initial listing shall be done annually at the same time and at the same rate as renewal listings.

(2) Notice of termination of appointment of individual intermediary-agent in accordance with s. 628.11, Stats., shall be filed prior to or within 15 calendar days of the termination date with the office of the commissioner of insurance ~~on form 11-11~~. Prior to or within 7 days of filing this termination notice, the insurer ~~must~~ shall provide the agent written notice that the agent is no longer to be listed as a representative of the company and that he or she may not act as its representative. This notice shall also include a formal demand for the return of all indicia of agency. "Termination date" means the date on which the insurer effectively severs the agency relationship with its intermediary-agent and withdraws the agent's authority to represent the company in any capacity.

SECTION 5. Ins 6.57 (3) Note is repealed.

SECTION 6. Ins 6.57 Note [following subsection (6)] is created to read: Ins 6.57 **Note:** Copies of forms OCI 11-001, for use under subsection (1), and OCI 11-011, for use under subsection (2), may be obtained from the Office of the Commissioner of Insurance, P. O. Box 7872, Madison, WI 53707-7872.

SECTION 7. Ins 6.59 (4) (a) and (5) (b) are amended to read:

Ins 6.59 (4) (a) **Application.** Application for a permanent agent license or an enlargement of authority shall be made on the form 061-11-41 ~~(rev.)~~ specified by the office of the commissioner of insurance and filed with the testing vendor. The testing vendor shall forward a copy of the application to the office of the commissioner of insurance. A completed application consists of receipt by the office of the commissioner of insurance of the required forms form and examination score report.

(5) (b) **Accuracy of information.** Any material misrepresentation in the information submitted on the application form 11-41.

SECTION 8. Ins 6.59 Note [following subsection (8)] is created to read:

Ins 6.59 **Note:** A copy of the form referenced in subsections (4) (a) and (5) (b), OCI 11-041, may be obtained from the Office of the Commissioner of Insurance, P. O. Box 7872, Madison, WI 53707-7872.

SECTION 9. Ins 6.72 (1) is amended to read:

Ins 6.72 **RISK LIMITATIONS.** (1) Except as otherwise provided by law or by order of the commissioner, no single risk assumed by any insurance company shall exceed 10% of ~~the-admitted-assets~~ surplus as regards policyholders, except that in ~~a~~ an assessable mutual company it may be a greater amount not exceeding 3 times the average policy or 1/4 of 1% of the insurance in force, whichever is the greater. Upon the business mentioned in Ins 6.75 (2) (h), the maximum single risk may be a greater amount not exceeding 50% of the admitted assets. Any reinsurance taking effect simultaneously with the policy shall be deducted from the original risk assumed in determining risk compliance with this subsection.

SECTION 10. Chapter Ins 7 is repealed and recreated to read:

Chapter Ins 7

FORMS

Ins 7.01 PURPOSE. This chapter lists the title and form number of each form prescribed by the office of the commissioner of insurance which imposes requirements meeting the definition of a rule in s. 227.01 (13), Stats., and which is required to be published under s. 227.23 (3), Stats.

Ins 7.02 BUREAU OF FINANCIAL ANALYSIS AND EXAMINATIONS FORMS.

<u>Form Number</u>	<u>Title</u>
21-001	Application for Certificate of Authority - Nondomestic
21-002	Application for Certificate of Authority - Domestic Nonprofit HMO
21-003	Application for Certificate of Authority - Gift Annuities
21-004	Application for Limited Certificate of Authority - Warranty Plans
21-005	Application for Certificate of Authority - Domestic
21-030	Application for Certificate of Authority - Domestic Nonprofit LSHO
21-031	Application for Certificate of Authority - Nondomestic HMO
21-032	Application for Certificate of Authority - Domestic for Profit HMO
21-040	Application for Certificate of Authority - Fraternal
21-063	Application for Continuing Care Permit
21-190	Application for Admission - Motor Clubs
22-001	Instructions to Prepare Annual Statement Blank According to NAIC Form, Instructions, and Accounting Standards
22-006	Investments in Parents, Subsidiaries, and Affiliates - Quarterly
22-007	Comparative Balance Sheet
22-008	P&C Compulsory and Security Surplus Calculation - Quarterly Statement
22-009	Life Compulsory and Security Surplus Calculation - Quarterly Statement

22-010 Fire and Casualty - Domestic Annual Statement Packet

22-011 Fire and Casualty - Nondomestic Annual Statement Packet

22-020 Title Annual Statement Packet

22-030 Fraternal Annual Statement Packet

22-040 Life and Accident & Health - Domestic Annual Statement Packet

22-041 Life and Accident & Health - Nondomestic Annual Statement Packet

22-050 Hospital, Medical & Dental Service or Indemnity Corporation - Annual Statement Packet

22-055 Employe Welfare Funds Annual Statement Packet

22-060 Health Maintenance Organization Insurer Annual Statement Packet

22-065 Limited Service Health Organization Annual Statement Packet

22-070 Town Mutual Annual Statement Packet

22-080 Gift Annuity Annual Statement Packet

22-090 Mortgage Guaranty - Domestic Annual Statement Packet

22-091 Mortgage Guaranty - Nondomestic Annual Statement Packet

22-093 Mortgage Guaranty Insurers Report of Policyholders Position - Quarterly Statement

22-510 Election of Exemption (Opt-Out)

22-520 Election to be Subject to Restrictions (Opt-In)

22-530 Termination of Exemption (Termination of Opt-Out)

22-540 Termination of Election to be Subject to Restrictions (Termination of Opt-In)

26-003 Amendment to Articles of Organization (or Incorporation) - Town Mutual Insurance Companies

28-060 HMO Companies Compulsory and Security Surplus Calculation - Quarterly

Ins 7.04 DIVISION OF REGULATION AND ENFORCEMENT. (1) COMPLAINTS

SECTION.

<u>Form Number</u>	<u>Title</u>
51-011	Complaint Review Request Letter
51-013	Complaint Follow-up - Provide Information Within 5 days
51-020	Complaint Follow-up - Recontact the Complainant

(2) BUREAU OF MARKET REGULATION.

<u>Form Number</u>	<u>Title</u>
26-004	Grievance Procedure Experience Reports
26-030	Rescission Reporting Form for Long-term Care
28-040	Medicare Supplement Experience Exhibit
28-042	Nursing Home Insurance Experience Exhibit

(3) OFFICE OF RESEARCH AND PUBLIC INFORMATION.

<u>Form Number</u>	<u>Title</u>
17-020	Long-Term Care Report Form
17-500	Medicare Supplement Insurance Report Form

Ins 7.06 COMMISSIONER.

<u>Form Number</u>	<u>Title</u>
28-053	Medical Malpractice Closed Claims Report

Note: These forms may be obtained from the Office of the Commissioner of Insurance, P. O. Box 7873, Madison, WI 53707-7873.

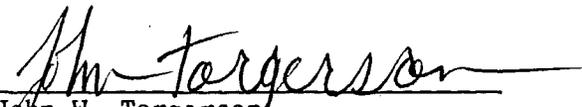
SECTION 11. Ins 14.02 (9) is amended to read:

Ins 14.02 (9) REPORTING. Every insurer to which this section applies shall compute its compulsory surplus and security surplus, as of the ~~preceeding~~ preceding December 31, and include a copy of such computation as a part of its annual statement filed with the commissioner under s. 601.42, Stats., and s. Ins ~~7.01-(5)-and-(6)~~ 7.02.

SECTION 12. Ins 14.02 Note [following existing Note] is created to read:

Ins 14.02 Note: Copies of forms OCI 22-008 and OCI 22-009, for use under subsection (9), may be obtained from the Office of the Commissioner of Insurance, P. O. Box 7873, Madison, WI 53707-7873.

SECTION 13. EFFECTIVE DATE. This rule will take effect on the first day of the month beginning after publication, as provided in s. 227.22 (2) (intro.), Stats.


John W. Torgerson
Deputy Commissioner of Insurance

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