

COMMISSIONER OF INSURANCE

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(d) Base all such rates on sound actuarial principles or a valid classification system and actual experience statistics.

(6) **PENALTY.** Violation of this rule shall subject the insurer to the penalties set forth in s. 601.64, Stats.

History: Cr. Register, May, 1976, No. 245, eff. 6-1-76; emerg. am. (1), eff. 6-22-76; am. (1), Register, September, 1976, No. 249, eff. 10-1-76.

Ins 6.57 Listing of insurance agents by insurers. (1) Submission of an application for an intermediary-agent appointment shall constitute the initial listing of such agent in accordance with s. 628.11, Stats., and such application shall be submitted to the office of the commissioner of insurance on or before the date of appointment on forms 11-1 and 11-9 for resident individual intermediary-agents and on form 11-17 for non-resident individual intermediary-agents.

(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 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.

(3) In addition, each insurer shall pay once each year, in accordance with an assigned billing schedule, the annual listing fee defined in s. 601.31 (16), Stats., within 30 days after the mailing of a payment notice to such insurer showing the amount due for all individual intermediary-agents serving as agents for such insurer, according to the commissioner's records as of the end of the month prior to the notice date. A billing schedule shall be adopted by the commissioner under which listing notices will be sent to insurers. This schedule will also designate the calendar month of billing for the various insurers and/or insurer groups.

(4) Fees applicable for listing of insurance agents under s. 628.11, Stats., are hereby established to be:

Resident individual intermediary-agents	\$ 5.00
Nonresident individual intermediary-agents	15.00

(5) No insurer shall accept business directly from any intermediary unless that intermediary is a licensed intermediary-agent listed with that company or unless the intermediary holds a valid license as an intermediary-broker.

(6) No intermediary-agent shall submit an application for insurance directly to an insurer or solicit insurance on behalf of a particular insurer unless the agent is listed with that insurer.

History: Cr. Register, December, 1976, No. 252, eff. 1-1-77; r. and recr. Register, March, 1978, No. 267, eff. 4-1-78; cr., (5) and (6), Register, March, 1979, No. 279, eff. 4-1-79.

Ins 6.58 Insurance marketing individual intermediary-agent examination and licensing. **History:** Cr. Register, December, 1976, No. 252, eff. 1-1-77; r. Register, April, 1979, No. 280, eff. 5-1-79.

Ins 6.59 Licensing procedures - individual intermediary-agent.

(1) Application for individual intermediary-agent license shall be made on insurance forms 11-41 (resident) or 11-42 (non-resident) and filed with the commissioner of insurance, Madison, Wisconsin. The determination by the commissioner as to the trustworthiness of the applicant shall be based, in part, on data contained on the application form. Determination on the competence of the applicant shall be based on results of an examination process, which shall include a written examination, as well as a review of the application form in accordance with Ins 6.62.

(2) Applications shall be filed with the commissioner of insurance, Madison, Wisconsin, at least 30 days prior to the scheduled date of the written examination. Written examinations can be scheduled for one or more kinds of individual intermediary-agent license authority on the same date.

(3) The following fee schedule is established, in accordance with s. 601.31 (17), Stats., for investigation and examination of an individual intermediary-agent:

(a) Individual not holding any kind of individual intermediary-agent authority as part of a license listed in Ins 6.50 (2):

Examination for one kind of authority	\$25.00
Examinations for two kinds of authority	29.00
Examinations for three kinds of authority	33.00
Examinations for four kinds of authority	37.00

(b) Individual holding one or more kinds of individual intermediary-agent authority as part of a license listed in Ins 6.50 (2), or individual seeking re-examination within four months of failure to attain a passing grade for the same kind or kinds of authority.

Examination for one additional kind of authority	\$16.00
Examinations for two additional kinds of authority	20.00
Examinations for three additional kinds of authority	24.00
Examinations for four additional kinds of authority	28.00

(4) The fee schedule in (3) shall be applicable to applications by non-residents seeking to become individual intermediary-agents. Where the commissioner determines that a non-resident has passed an examination as stringent as that of Wisconsin, the written examination requirement may be waived.

(5) A written examination shall be required for each kind of individual intermediary-agent license authority listed in Ins 6.50 which the applicant must personally take and pass to the satisfaction of the commissioner. Each such written examination shall be designed to effectively test the applicant's basic knowledge of the kinds of insurance for which he or she intends to solicit coverage, and the applicant's basic understanding of the applicable laws and regulations, necessary for service as a competent individual intermediary-agent.

(6) If the applicant fails an examination twice in a 6 months' period, a third application will not be accepted from that applicant prior to 6 months after the second examination date.

(7) An applicant obtaining a passing grade on the written examination who submits a satisfactory application and meets all requirements of Ins 6.62 (3) shall be issued an individual intermediary-agent license

for those kinds of authority for which he or she is qualified upon timely payment of a license issuing fee of \$10.00 as authorized by s. 601.31 (15), Stats. The same fee and procedure shall apply to an enlargement of authority for which an individual intermediary-agent qualified by the current examination.

(8) Written examinations for each kind of individual intermediary-agent authority will be administered at least once a month in accordance with a schedule adopted by the commissioner at the following examination centers: Eau Claire, Green Bay, LaCrosse, Oshkosh, Madison, Rhinelander, Racine, Superior, and Stevens Point. Written examinations will be administered twice a month in Milwaukee and at least one other center.

(9) Any applicant who otherwise satisfies the standards for intermediary competence and trustworthiness who receives a grade on the written examination of at least 70% of the passing grade, can within 20 days of receiving the examination result notice, make application for an apprentice permit. An apprentice permit shall be issued when such applicant complies with the requirements established by Ins 6.60 (1), (2) and (3) and a permanent intermediary-agent license shall be issued when such applicant meets the requirement of Ins 6.60 (7).

(10) A town mutual agent exempt from licensing under s. 628.03 (1), Stats., by s. 628.05 (1), Stats., includes an agent for a town mutual not authorized to insure members against loss to property by windstorm or hail insurance as provided in ss. 612.31 (2) (a) 3 and 612.33 (2) (a), Stats., who provides windstorm or hail insurance to the town mutual's members through an insurance policy issued by another authorized insurer operating on an assessment plan. The town mutual agent need not be licensed but the other insurer must list the agent and pay the listing fee in accordance with section Ins 6.57.

History: Cr. Register, March, 1977, No. 255, eff. 4-1-77; am. (8), Register, June, 1978, No. 270, eff. 7-1-78; cr. (10), Register, September, 1978, No. 273, eff. 10-1-78.

Ins 6.60 Apprentice permit procedure - individual intermediary-agent apprentice. (1) Applications for an individual intermediary-agent apprentice permit shall be made on insurance form 11-43 signed by the applicant and his or her sponsor and filed with the commissioner of insurance, Madison, Wisconsin. No individual may apply for an apprentice permit unless he or she has obtained a grade of at least 70% of the passing grade on the written test administered in accord with Ins 6.59.

(2) A licensing fee of \$10.00 shall be payable with the application for an apprentice permit.

(3) An apprentice permit shall be issued for a 3-month period if the application and other information provided the commissioner establishes that the applicant:

(a) Is embarked on a recognized study program acceptable to the commissioner for each kind of authority for which the permit is requested, and

(b) Is sponsored by:

1. An individual intermediary-agent who has been licensed in Wisconsin for 2 or more years, or

2. A licensed insurer conducting an apprentice training program approved by the commissioner. In such a program a supervisory employe must serve as the individual sponsor of the apprentice.

(4) The sponsor of an apprentice shall supervise his or her study and work activities and assumes full legal responsibility for all insurance intermediary acts and omissions of the apprentice.

(5) An individual intermediary-agent sponsor or supervisory employe of an insurer sponsor shall have no more than two apprentices during each supervision period.

(6) The requirement of insurer filing of listing and termination of appointment notices for individual intermediary-agents, established by Ins 6.57, shall be applicable to individual intermediary-agent apprentices. Each insurer listing an apprentice in accordance with Ins 6.57 shall also be responsible for the insurance intermediary acts and omissions of the apprentice.

(7) An individual intermediary-agent license shall be issued to an individual intermediary-agent apprentice upon conclusion of the 3-month apprentice period upon receipt in the office of the commissioner of insurance of completed insurance form 11-44 which shall include certification by the sponsor as to the competence and trustworthiness of the applicant, and certification that 40 hours of study in a recognized study course for each kind of individual intermediary-agent license authority have been completed.

History: Cr. Register, March, 1977, No. 255, eff. 4-1-77.

Ins 6.61 Intermediary records. (1) Each intermediary shall maintain or have maintained, for a 3 year period, unless a specific period is provided elsewhere, records of the intermediary's policyholder financial transactions and records of transactions with brokerage clientele which occur in the regular course of business or are prescribed by rule, in accordance with accepted accounting principles. Such records shall include an accounting of such billings to and receipts from purchasers of insurance and payments to insurers or others for coverage provided, as have passed through the hands of the intermediary, or comparable records on an agency or partnership-wide basis. An insurer may by written agreement assume the responsibility to maintain these records for an individual intermediary-agent if the records can be made immediately available to the commissioner of insurance on demand.

(2) Each individual intermediary-agent shall maintain records for a 3 year period giving the effective date of the coverage on all newly issued contracts and indicating that the necessary suitability inquiry and replacement procedures required by Ins 2.07, Ins 2.14 (5) (f), Ins 3.27 (7), and Ins 3.29 were followed for each individually-issued life and accident and health contract written and/or replaced.

(3) Records required by subsection (1) and (2) are to be maintained at the business address of the intermediary or the insurer recorded with the commissioner of insurance, or at another location only if notice has been provided the commissioner of insurance of such alternate location.