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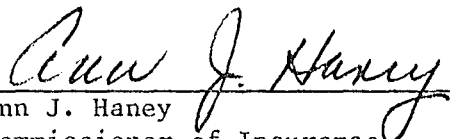
STATE OF WISCONSIN)
OFFICE OF THE COMMISSIONER OF INSURANCE)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Ann J. Haney, Commissioner of Insurance and custodian of the official records of said office, do hereby certify that the annexed order repealing, renumbering and amending a rule relating to the exchange of business between licensed agents was issued by this office August 17, 1982.

I further certify that said copy has been compared by me with the original on file in this office and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name in the City of Madison, State of Wisconsin, this 17th day of August, 1982.


Ann J. Haney
Commissioner of Insurance

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STATE OF WISCONSIN
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VEL PHILLIPS
SECRETARY OF STATE

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

To Repeal section Ins 6.66 (2) (a) and (4); to renumber and amend Ins 6.66 (2) (b) (c) and (d) and to amend Ins 6.66 (1) (2) and (3) relating to the exchange of business between licensed agents.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

The purpose of the proposed rule change is to eliminate the paperwork requirement associated with the proper exchange of business between agents. The change also strikes the word "intermediary" when referring to agents as provided for in Chap. 38, Laws of 1981. Repealing 6.66 (2) (a) removes the rule requirement that an agent complete an Exchange of Business Form and leave a copy with the insured. Repealing Ins 6.66 (4) eliminates the description of the form contents. Sections Ins 6.66 (2) (b) (c) and (d) need to be renumbered because Section Ins 6.66 (2) (a) is deleted. Sections Ins 6.66 (1) (2) and (3) are amended to remove the word "intermediary" from the rule. Section Ins 6.66 implements and interprets s. 628.61, Stats.

**STATE OF WISCONSIN
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**VEL PHILLIPS
SECRETARY OF STATE**

Pursuant to the authority vested in the Commissioner of Insurance by sections 601.41 (3), Wis. Stats., the Commissioner hereby repeals, rennumbers and amends sections Ins 6.66 (2) (a) and (4), Ins 6.66 (2) (b) (c) and (d), and Ins 6.66 (1) (2) and (3) which implements and interprets s. 628.61, Stats. as follows:

SECTION 1. Ins 6.66 (1) is amended to read:

INS 6.66 PROPER EXCHANGE OF BUSINESS. (s. 628.61, Stats.) (1)

Proper exchange of business means the forwarding of insurance business from one ~~intermediary~~ agent who cannot, after due consideration, place the business with any of the insurers for which the agent is listed because of capacity problems, the refusal of the company to accept the risk or the onerous conditions it imposes on the insured, to ~~an intermediary broker or another intermediary~~ agent licensed for those lines of insurance whose insurers are able to accommodate the risk under conditions more favorable to the insured. The ~~intermediary~~ agent forwarding the business is entitled to split the commission involved. Proper exchange of business is not the regular course of business and such forwarding of business is thereby distinguished from brokerage by its occasional and exceptional nature.

SECTION 2. Ins 6.66 (2) (a) is repealed.

SECTION 3. Ins 6.66 (2) (intro) is amended to read:

(2) No ~~intermediary~~ agent may properly exchange business with another ~~intermediary agent or an intermediary broker~~, unless:

SECTION 4. Ins 6.66 (2) (b) to (d) are renumbered and amended to read:

(a) The ~~intermediary~~ agent forwarding the business to a listed ~~intermediary agent or an intermediary broker~~ is licensed for the lines of business that are being exchanged.

(b) The ~~intermediary~~ agent who receives the business and agrees to place it is licensed in the line or lines of insurance involved in the exchange; and

(c) Both the ~~intermediary~~ agent forwarding the business and the ~~intermediary agent or intermediary broker~~ who places the business with the insurer sign the insurance application, or if no application is completed, the names of the ~~intermediaries~~ agents involved in the transaction appear on the policy issued.

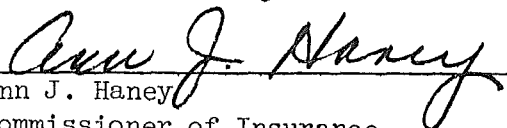
SECTION 5. Ins 6.66 (3) is amended to read:

(3) No ~~intermediary~~ agent shall accept business solicited by another intermediary agent which he or she knows or has reason to know, is not exchanged in compliance with the provisions of this rule.

SECTION 6. Ins 6.66 (4) is repealed.

The changes in this rule shall become effective as provided in s. 227.026 (1) (intro.), Stats.

Dated at Madison, Wisconsin, this 19 day of August, 1982.


Ann J. Haney
Commissioner of Insurance