

CR 88-193

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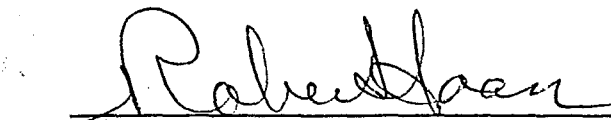
STATE OF WISCONSIN)
OFFICE OF THE COMMISSIONER OF INSURANCE)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Robert D. Haase, Commissioner of Insurance and custodian of the official records of said Office, do hereby certify that the annexed order creating a rule relating to the domestication of nondomestic insurers was issued by this Office March 31, 1989.

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 31st day of March, 1989.

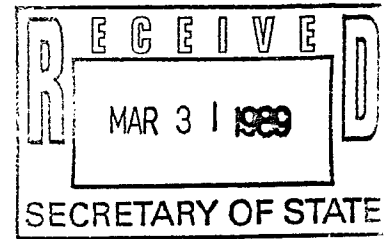


Robert D. Haase
Commissioner of Insurance

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MAR 31 1989
SECRETARY OF STATE

6-1-89



ORDER OF THE COMMISSIONER OF INSURANCE

CREATING A RULE

To create Ins 6.03 relating to the domestication of nondomestic insurers.

ANALYSIS PREPARED BY THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 601.41 (3) and 611.233 (1) (b), Stats.

Statute interpreted: s. 611.223 (1) (a), Stats.

The purpose of this rule is to specify the contents of the application needed from a nondomestic insurer to obtain a certificate of incorporation and certificate of authority to become a domestic insurer in this State. Under s. 611.223 (1) (a), Stats., as created in 1987 Wisconsin Act 247, a nondomestic insurer may submit such an application to the Commissioner in order to become a domestic insurer.

The rule requires an application to include information on the following: the incorporators, present and proposed directors and officers; the present and proposed articles and bylaws; specified agreements relating to the corporation; present and proposed compensation of directors and officers; a projection of anticipated operating results of the corporation at the end of

each of the next five years of operations; any affiliations; a description of the corporation's plan for conducting an insurance business in Wisconsin; a certificate from the domiciliary regulatory authority; and other relevant information required by the Commissioner.

The rule establishes how an applicant may obtain application materials. It prescribes the time period in which the Commissioner must issue or deny a certificate of incorporation and a certificate of authority to the applicant. The rule requires the applicant to submit a \$100.00 fee along with the application and to submit an additional \$100.00 fee upon issuance of the certificates of incorporation and authority.

SECTION 1. Ins 6.03 is created to read:

INS 6.03 DOMESTICATION OF NONDOMESTIC INSURER. (1) PURPOSE. Under s. 611.223 (1) (a), Stats., a nondomestic insurer may apply to the commissioner to become a domestic insurer. In accordance with s. 611.223 (1) (b), Stats., this section specifies the contents of the application needed from a nondomestic insurer to obtain a certificate of incorporation and certificate of authority to be a domestic insurer.

(2) SCOPE. This section applies to each nondomestic insurer which submits to the commissioner under s. 611.223 (1) (a), Stats., an application for a certificate of incorporation and a certificate of authority for domestic insurers.

(3) REQUIRED CONTENTS OF THE APPLICATION. The application for a certificate of incorporation and a certificate of authority shall be filed in accordance with s. 611.223 (1) (a), Stats., and shall include the following information:

(a) Information on the corporation and officers and directors, including all of the following:

1. The names, and for the preceding 10 years all addresses and all occupations of all existing and proposed directors and officers;

2. Certified copies of the articles and bylaws of the corporation and of any proposed amendments thereto in conjunction with the change of domicile;

3. All agreements relating to the corporation to which any existing or proposed director or officer is a party;

4. The present and proposed compensation of existing and proposed directors and officers; and

5. The holding company information required in s. Ins 12.01 (5) if the insurer must report this information under s. 617.11 (1), Stats.

(b) The applicant's plan for conducting the insurance business, including any proposed changes to the applicant's current manner of conducting the insurance business, containing all of the following information:

1. A description of the geographical area in which the applicant conducts business;

2. The types of insurance the applicant writes;

3. The applicant's marketing methods;

4. A summary of the applicant's policies on reinsurance business ceded, including information regarding retentions, maximum risks, types of contracts such as pro rata, excess of loss, and any other information which may be material to this part of the applicant's operation;

5. A summary of the applicant's policies on assumed reinsurance including information regarding retentions, maximum risks, types of business, types of contracts to be issued, and other factors which may be material to this part of the applicant's operations;

6. A brief summary of the applicant's investment policy;

7. The applicant's annual statements for the three most recent years and a projection of the anticipated operating results of the corporation at the end of the next five years of operation, based on reasonable assumptions of loss experience, premium and other income, operating expenses and acquisition costs; and

8. To the extent requested by the commissioner, the applicant's method of establishing premium rates.

(c) A certificate from the authority which regulates the insurance industry in the applicant's state of domicile, stating that the authority has given all requisite approvals and that the applicant's corporation is in good standing with the authority and in compliance with the laws of the state of domicile; and

(d) Any other relevant information required by the commissioner from an applicant.

(4) APPLICATION MATERIAL; FEES. (a) An insurer may obtain materials for application for a certificate of incorporation and certificate of authority by requesting them from the commissioner of insurance, P. O. Box 7873, Madison, Wisconsin 53707-7873.

(b) In accordance with s. 601.31 (1) (a), Stats., an insurer shall submit a \$100 fee to the commissioner at the same time that the insurer submits the application for the certificates of incorporation and authority.

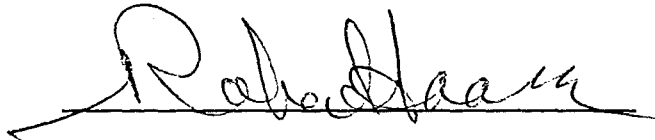
(5) ISSUANCE OF CERTIFICATE. (a) The commissioner shall issue within 180 days of receiving a completed application submitted in accordance with s. 611.223 (1) (a), Stats., a certificate of incorporation and a certificate of authority to the insurer submitting the application if the commissioner determines that the insurer satisfies the requirements of s. 611.223 (1) (a) 1 to 3, Stats. A failure by the commissioner to issue the certificate of

incorporation and a certificate of authority within 180 days does not constitute acceptance of the application.

(b) In accordance with s. 601.31 (1) (b), Stats., an insurer shall submit a \$100 fee to the commissioner upon issuance of the certificate of incorporation and certificate of authority.

EFFECTIVE DATE. In accordance with s. 227.22 (2), Stats., this section shall become effective on the first day of the month following publication.

Dated in Madison, Wisconsin this 28th day of March 1989.

A handwritten signature in black ink, appearing to read "Robert D. Haase", written over a horizontal line.

Robert D. Haase

Commissioner of Insurance