

results of a written examination; a review of the application form in accordance with section Ins 6.62 and all other pertinent records of the office of the commissioner of insurance.

(4) Applications shall be filed with the commissioner of insurance, Madison, Wisconsin, at least 22 days prior to the scheduled day of the written examination.

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

Examination for one kind of authority	\$25.00
Examination for two kinds of authority	30.00

(6) An individual applicant who obtains a passing grade on the written examination and submits a satisfactory application and meets all the requirements of Ins 6.62 (3) and the bonding and trust requirements of Ins 6.64 shall be issued an individual intermediary-broker license for that kind of authority for which he or she is qualified upon timely payment of a license issuing fee of \$10.00 as authorized by section 601.31 (15), Stats.

(7) Written examination will be administered pursuant to section Ins 6.59 (6) and (8).

(8) An annual regulation charge will be required for each licensed individual intermediary-broker in accordance with s. 601.31 (15m), Stats.

**History:** Cr. Register, March, No. 279, eff. 4-1-79.

**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.

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

(a) The soliciting intermediary-agent completes and signs an Exchange of Business Form; leaves one copy of the form with the insured prior to binding coverage, or if not feasible, notifies the insured of the contents of the form and subsequently gives the form to the insured; and retains one copy for his or her files;

(b) 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;

(c) 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

(d) 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 involved in the transaction appear on the policy issued.

(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.

(4) The Exchange of Business Form shall contain statements:

(a) That such exchange is occasional within the meaning of this section;

(b) That the exchanged business originated in the normal course of business which, in the case of personal solicitations, means during solicitation for a particular insurer or group of insurers with whom the intermediary-agent is listed; and

(c) That after investigation it was found or demonstrated that the insurer (s) with whom the agent is listed is not capable of providing the desired coverage for any of the reasons set forth in sub (1).

(d) The following format shall be followed:

COMMISSIONER OF INSURANCE  
WISCONSIN EXCHANGE OF BUSINESS FORM

303

Client \_\_\_\_\_

Risk to be insured \_\_\_\_\_

Coverage desired \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_, hereby states that:

(Soliciting agent)

1. After investigation it was found or demonstrated that the coverage desired could not be placed, either in total or a portion thereof, with any of the insurers for which the agent is listed because of: (check applicable box)

- Capacity problems
- Refusal of the insurer (s) to accept the risk
- Terms unacceptable to the potential insured (briefly explain)

\_\_\_\_\_  
\_\_\_\_\_

2. This exchange is occasional and originated in the normal course of business;

3. Unless the client fails to object, the coverage requested will be obtained, if possible, from

\_\_\_\_\_  
(agent or broker)

\_\_\_\_\_  
(soliciting agent)

\_\_\_\_\_  
Date

Original - Client

Copy - Soliciting Agent's File

(5) **LIMITATIONS.** (a) In the absence of evidence to the contrary, an intermediary-agent shall be presumed to have exceeded the occasional exchange of business if he or she places more than 5 insurance risks per calendar year with any single insurer with which he or she is not listed as an intermediary-agent, or exchanges in total more than 25 insurance risks per calendar year.

(b) The burden of showing that speciality lines, non-standard and professional liability business placed through surplus lines intermediaries in accordance with s. 618.41, Stats., or written on an excess rate or other individually rated risk basis beyond the limits prescribed for other exchanges of business in par. (a) is occasional and otherwise in compliance with this rule, shall be upon the intermediary-agent soliciting and forwarding such business.

(6) The forwarding of business from an intermediary-agent to an intermediary-broker shall be deemed an exchange of business within this section. This section shall not limit in any way the amount of business that an intermediary-broker may place or forward to an intermediary-agent.

(7) The exchange of business among intermediary-brokers and participation by intermediaries in risk sharing plans approved according to ch. 619, Stats., shall not be limited in any way by this section.

**History:** Cr. Register, March, 1979, No. 279, eff. 4-1-79.

**Ins 6.70 Combinations of lines and classes of insurance.** This rule defines and delimits the permissible combinations of the lines and classes of insurance defined and delimited by Ins 6.75 which may be written in the same policy. Except as provided in this rule, lines and classes of insurance may not be combined in the same policy.

(1) **COMBINATION WITH SEPARATE PREMIUM CHARGES.** Subject to Ins 2.05, any combination of the lines and classes of insurance defined and delimited by Ins 6.75, except for those described in Ins 6.75 (2) (h), (i) and (k), may be written in the same policy if a statement of separate premium charge is shown on the declarations page or on the face of the policy or in a separate written statement furnished to the policyholder. The requirement for a statement of separate premium charge does not prohibit such charges equitably reflecting differences in expected losses or expenses as contemplated by s. 625.11 (4), Stats.

(2) **COMBINATION WITH OR WITHOUT SEPARATE PREMIUM CHARGES.** Any combination of the lines and classes of insurance defined and delimited by Ins 6.75 (2) (a), (b), (d), (e), (f) and (j) may be written in the same policy with or without showing separate premium charges.

**History:** Emerg. cr. eff. 6-22-76; cr. Register, September, 1976, No. 249, eff. 10-1-76; r. and recr. Register, August, 1977, No. 260, eff. 9-1-77.

**Ins 6.72 Risk limitations.** The provisions of s. 201.16, 1973 Stats., are incorporated herein by reference in their entirety, all statutory references therein being to 1973 Wisconsin Statutes.

**History:** Emerg. cr. eff. 6-22-76; cr. Register, September, 1976, No. 249, eff. 10-1-76.

**Ins 6.73 Reinsurance.** The provisions of ss. 201.27 and 201.31, 1973 Stats., are incorporated hereby by reference in their entirety.

**History:** Emerg. cr. eff. 6-22-76; cr. Register, September, 1976, No. 249, eff. 10-1-76.