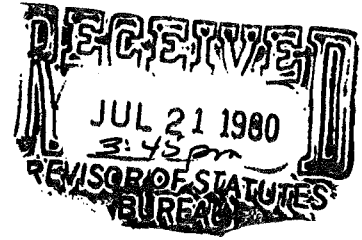


Ins 6.58



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

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Susan Mitchell, Commissioner of Insurance and custodian of the official records of said Office, do hereby certify that the annexed order adopting a rule relating to licensing of corporations and partnerships as insurance intermediaries was issued by this Office July 21, 1980.

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 21st day of July, 1980.

Susan Mitchell
Susan Mitchell
Commissioner of Insurance

STATE OF WISCONSIN
RECEIVED AND FILED

JUL 21 1980

VEL PHILLIPS
SECRETARY OF STATE

Text. aff. date 9-1-80

ORDER OF THE COMMISSIONER OF INSURANCE

ADOPTING A RULE

Relating to licensing of corporations and partnerships as insurance intermediaries.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

The purpose of this rule is to establish procedures for licensing corporations and partnerships as insurance intermediaries, implementing s. 628.04, Stats. Subsection (2) of the rule lists the entities which must obtain a license - any corporation or partnership whose employees participate in any part of the insurance solicitation process, any corporation or

partnership accepting assignment of insurance commissions, and any insurance agency whose legal form is a corporation. A corporation or partnership will be exempt from licensing if it conducts its business principally in the name(s) of individual licensed intermediaries and discloses those names in advertising and all of the corporation's officers or partners are either licensed intermediaries or family members of intermediaries. Application for the license is to be accompanied by a licensing fee of \$100; a certification that the articles include the intent to do business as an intermediary; certification that all of its acts will be performed only by an intermediary licensed under s. 628.04 along with a list of such persons; an agreement from any nonresident applicant to be subject to the jurisdiction of the commissioner and the courts; and a listing of partners, directors and officers along with an information form showing their competence and trustworthiness. Subsection (5) states that the standards of section Ins 6.62 Competence and Trustworthiness Standards apply to any person controlling the applicant who is currently licensed as an insurance intermediary. For others criteria to be considered will be criminal records, accuracy of information, regulatory action and other criteria. Subsection (6) provides for a \$5.00 fee for resident and a \$15.00 fee for non-resident intermediaries for continuing the license in force.

Pursuant to the authority vested in the Commissioner of Insurance by section 601.41 (3), Wisconsin Statutes, the Commissioner of Insurance hereby adopts a rule interpreting section 628.04, Wisconsin Statutes, as follows:

Section Ins 6.58 is adopted to read:

Ins 6.58 Licensing of corporations and partnerships as insurance intermediaries. (S. 628.04, Stats.) (1) PURPOSE. The purpose of this rule is to establish procedures for licensure of corporations and partnerships as insurance intermediaries.

(2) LICENSE REQUIRED. The following entities must obtain a license under this section:

(a) Any corporation or partnership for which or on whose behalf any person solicits, negotiates, places insurance or annuities, or advises of insurance needs and coverages;

(b) Any corporation or partnership that receives, shares or accepts assignment of commissions or compensation for services performed as an intermediary as provided in s. 628.61, except those assignments given as collateral; and

(c) Any insurance agency whose legal form is a corporation.

(3) EXEMPTION. A corporation or partnership shall be exempt from licensing under this section if:

(a) It conducts its insurance business principally in the name of a licensed individual intermediary and discloses the name of the licensed intermediary in substantially all of its advertising and communications with insureds and all of its officers, directors or partners are either licensed intermediaries or are members of the immediate family of a licensed intermediary;

(b) It is a national or state bank, federal or state savings and loan association or a credit union; or

(c) It is an insurer licensed to do business in Wisconsin.

Section Ins 6.58 is adopted to read:

Ins 6.58 Licensing of Corporations and Partnerships as insurance intermediaries. (S. 628.04, Stats.) (1) PURPOSE. The purpose of this rule is to establish procedures for licensure of corporations and partnerships as insurance intermediaries.

(2) LICENSE REQUIRED. The following entities must obtain a license under this section:

(a) Any corporation or partnership for which or on whose behalf any person solicits, negotiates, places insurance or annuities, or advises of insurance needs and coverages;

(b) Any corporation or partnership that receives, shares or accepts assignment of commissions or compensation for services performed as an intermediary as provided in s. 628.61, except those assignments given as collateral; and

(c) Any insurance agency whose legal form is a corporation.

(3) EXEMPTION. A corporation or partnership shall be exempt from licensing under this section if:

(a) It conducts its insurance business principally in the name of a licensed individual intermediary and discloses the name of the licensed intermediary in substantially all of its advertising and communications with insureds and all of its officers, directors or partners are either licensed intermediaries or are members of the immediate family of a licensed intermediary;

(b) It is a national or state bank, federal or state savings and loan association or a credit union; or

(c) It is an insurer licensed to do business in Wisconsin.

(4) PROCEDURE. Application for a permanent intermediary license for a corporation or partnership shall be made on application form 11-50 and filed with the commissioner of insurance. The application must be accompanied by:

(a) A licensing fee of \$100.00 as authorized by s. 601.31 (1) (o), Stats.;

(b) Certification that the articles of incorporation or association include the intent, in good faith, to do business as an intermediary;

(c) Certification that the corporation or partnership will transact business in such a way that all acts that may only be performed by a licensed intermediary are performed exclusively by natural persons who are licensed under s. 628.04, Stats., and functioning within the scope of the license, and a list of such persons;

(d) If the corporation or partnership is domiciled outside of Wisconsin, an agreement to be subject to the jurisdiction of the commissioner and the courts of this state on any matter related to the corporation's or partnership's insurance activities in this state, on the basis of service of process under ss. 601.72 and 601.73, Stats.; and

(e) A list of all partners, directors or principal officers or persons in fact having comparable power.

(f) In the case of a corporation the application must be signed by an officer. In the case of a partnership the application must be signed by a partner.

(5) STANDARDS OF COMPETENCE AND TRUSTWORTHINESS. (a) For partners, directors or principal officers who are licensed at the time of application under sub. (4) as insurance intermediaries, those standards as set forth in s. Ins 6.62, Wis. Adm. Code, shall apply in lieu of the standards set forth in this subsection.

(b) For partners, directors or principal officers who are not licensed at the time of application under sub. (4) as insurance intermediaries, the following criteria may be used in assessing trustworthiness and competence:

1. Criminal record. The conviction for crimes which are substantially related to insurance marketing.

2. Accuracy of information. Any material misrepresentation in the information submitted on form 11-50.

3. Regulatory action. Any regulatory action taken with regard to any license held, such as insurance licenses in other states, real estate licenses and security licenses.

4. Other criteria which the commissioner considers evidence of untrustworthiness or incompetence.

(6) FEES. (a) Annually, on January 1, a regulation fee of \$5.00 for resident and \$15.00 for non-resident intermediaries will be billed as authorized by s. 601.31 (1) (p), Stats.

(b) If payment of the annual regulation fee is not made within 30 days after the date of billing, the license will be suspended. If payment is made during the suspension, the license will be reinstated.

(c) The license will be revoked if payment is not made within 60 days after suspension.

(7) NOTIFICATION OF CHANGES. Each intermediary corporation or partnership shall, within thirty days, notify the commissioner of insurance in writing of any change in its business mailing address, location of the business records, or a change in the name and address of the designated representative.

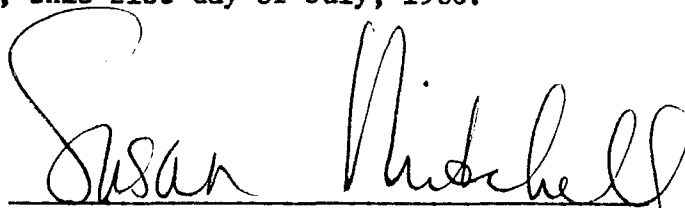
(8) EFFECTIVE DATE. This rule shall take effect on the 1st day of the month following its adoption. The commissioner may grant extensions for

compliance to those corporations and partnerships that exhibit unusual difficulty in meeting the effective date.

NOTE: Intermediary corporations and partnerships are subject to the recordkeeping requirements as set forth in Ins 6.61 (1), Wis. Adm. Code.

Application for the licensing of corporations and partnerships is made on form 11-50. Copies can be obtained at the Office of the Commissioner of Insurance.

Dated at Madison, Wisconsin, this 21st day of July, 1980.

A handwritten signature in cursive script that reads "Susan Mitchell". The signature is written in dark ink and is positioned above a horizontal line.

Susan Mitchell
Commissioner of Insurance

SECTION I PLEASE COMPLETE THE BLANKS AND CHECK THE APPROPRIATE BOXES BELOW.

1. LICENSE NUMBER _____ (For office use only.) CR # _____
2. BUSINESS NAME _____
3. BUSINESS MAILING ADDRESS _____
Number, Street, City, Zip
4. NAME OF CORPORATION OR PARTNERSHIP _____
5. ADDRESS OF DOMICILE _____
Number, Street, City, Zip
6. RESIDENT CODE Wisconsin _____ Other _____
7. TYPE Corporation _____ Partnership _____
8. LICENSE FEE
(Initial Application Only) \$100.00 _____
REGULATION FEE Resident \$ 5.00 _____
(Each year after Nonresident \$15.00 _____
initial application)
9. DESIGNATED REPRESENTATIVE
NAME _____ TITLE _____
ADDRESS _____
Number, Street, City, Zip
PHONE _____

SECTION II STANDARDS OF COMPETENCE AND TRUSTWORTHINESS

- a. Have you been fined, reprimanded, or been the subject of a consent decree in any state for a violation of its insurance, real estate or securities statutes or administrative regulations?
- b. Have you had your license to solicit insurance, real estate or securities refused, suspended, denied or revoked in any state?
- c. Have you been convicted on a misdemeanor or felony offense, other than a traffic violation, in the past three years?
- d. If you have ever been employed by an insurance company, has your employment contract been terminated or non-renewed because of allegations of misconduct or wrongdoing by an insurance company?

A separate sheet of detailed explanation must be included for each principal officer, director or partner answering yes to any of the above questions in Section III.

PLEASE LIST ALL PARTNERS, DIRECTORS AND PRINCIPAL OFFICERS OR PERSONS HAVING COMPARABLE POWERS AND THEIR TITLES (PARTNER, DIRECTOR, PRESIDENT, VICE PRESIDENT, SECRETARY, TREASURER).

Name	Title	Wisconsin Ins.	Section II			
		Intermediary License Number (if applicable)	Answers* a. b. c. d.			
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

*Answer Y for "Yes" and N for "No" for all questions in Section II. If you answered "Yes" to any of the questions in Section II, attach a detailed explanation.

PLEASE LIST ALL WISCONSIN LICENSED AGENTS AUTHORIZED TO DO BUSINESS IN THE CORPORATION'S OR PARTNERSHIP'S NAME. ATTACH A SEPARATE SHEET IF NECESSARY.

Name	Wisconsin Ins. Intermediary License Number
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

I, the undersigned, hereby testify that the corporation or partnership of which I am a partner, director or officer has included in its articles of incorporation or association, the intent, in good faith, to do business as an intermediary and will transact business in such a way that all acts that may be performed only by a licensed intermediary, are performed exclusively by natural persons who are licensed under s. 628.04, Stats., and functioning within the scope of the license. If the corporation or partnership is domiciled outside of Wisconsin, it agrees to be subject to the jurisdiction of the commissioner and the courts of this state on any matter related to the corporation's or partnership's insurance activities in this state, on the basis of service of process under ss. 601.72 and 601.73, Stats.

I also certify that the principal officers, directors or partners are competent and trustworthy according to the standards listed in Section II. I further state that I have read and knowingly made the foregoing statements and representations and that each and all statements and representations are true to the best of my knowledge. I understand that any misrepresentation, false statement, or fraud in connection with this application may be cause for revocation or suspension of a license issued thereon or may be cause for denial of application in addition to any other actions or penalties or both.

Signature of Applicant (Officer or Partner) _____ Date _____

Name (Please Print) _____ Title _____ Signature _____