

**Chapter Ins 6**

**GENERAL**

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**Ins 6.01 Foreign company to operate two years before admission.** Experience has demonstrated that until a company has engaged in the business of insurance for at least 2 years there is not a sufficient basis upon which to form a judgment as to whether its methods and practices in the conduct of its business are such as to safeguard the interests of its policyholders and the people of this state. Therefore, no application of a foreign insurance company or mutual benefit society for a license to transact business in Wisconsin will be considered until it has continuously transacted the business of insurance for at least 2 years immediately prior to the making of such application for license.

**Ins 6.02 Company to transact a kind of insurance two years before admission.** (1) Experience has demonstrated that until a company has engaged in a kind of insurance or in another kind of insurance of the same class for at least 2 years, there is not a sufficient basis upon which to form a judgment as to whether its methods and practices in the conduct of its business in such kind of insurance or another kind in the same class of insurance, are such as to safeguard the interests of its policyholders and the people of this state. Therefore, no application of a foreign insurance company or mutual benefit society for a license to transact a kind of insurance business in Wisconsin will be considered until it has continuously transacted that kind of insurance, or another kind of insurance in the same class of insurance as that for which it makes such application; for at least 2 years immediately prior to making such application. For

the purposes hereof, insurance is divided into kinds of insurance according to the provisions of section 201.04, Wis. Stats., each subsection setting forth a separate kind, and into classes of insurance upon the basis of and including the said kinds as follows:

(a) Fire insurance includes the kinds in section 201.04 (1), Wis. Stats., (as extended by section 203.28, (2) and (12)).

(b) Life insurance includes the kinds in section 201.04 (3), Wis. Stats., but excluding all insurance on the health of persons other than that authorized in section 206.03, Wis. Stats.

(c) Casualty insurance includes the kinds in section 201.04 (4) through (11), and (13) through (18), Wis. Stats.

(2) Provided, however, that nothing herein shall preclude consideration of an application to transact the kind of insurance in section 201.04 (4), Wis. Stats., if the applicant company has transacted any of the kinds of insurance in sections 201.04 (3), (5), (13), (15), (16) and (18), Wis. Stats., continuously for 2 years immediately prior to the making of application for license to transact the kind of insurance in section 201.04 (4), Wis. Stats.

**Ins 6.03 Nonresident casualty and fire insurance agents.** (1) Separate licenses are required for the solicitation of casualty insurance business and of fire insurance business.

(2) A separate license is required for each company for which the nonresident agent solicits business in Wisconsin but the provisions of subsections 201.53 (5) and 209.04 (5), Wis. Stats., permit a licensed nonresident agent to interchange business and receive the whole or any part of the commission from a resident agent on business obtained under such nonresident license and exchanged with the resident agent.

(3) A license will be revoked if the nonresident agent brokers insurance, either in Wisconsin, his state of residence, or elsewhere, of the class (casualty or fire) of insurance covered by the license, unless the placing of such business constitutes an exchange between agents as authorized by subsection 209.04 (5), Wis. Stats. One who solicits brokerage business is not eligible to have a nonresident agent's license for the same class (casualty or fire) of business.

(4) The company which a nonresident wishes to represent as an agent must furnish a statement showing that the applicant is appointed to solicit insurance in Wisconsin as its agent and agree that it will be bound by his knowledge and acts to the same extent as it is in connection with authorized resident agents in Wisconsin.

(5) The applicant for a nonresident agent's license must agree that each policy written by him covering property or risks in Wisconsin will be countersigned by a duly licensed resident agent of the company issuing the policy.

(6) The applicant will be required to make full disclosure regarding any connection which he may have as an employe or member of any agency partnership, association or corporation, including the full names and residences of all members, officers, directors and stockholders.

(7) Licenses issued on or after November 1, 1949, shall expire on the next succeeding November 1st. The fee for each nonresident agent's license shall be \$10.00.

**History:** 1-2-56; r. (6) and renun. (7) and (8) to be (6) and (7), Register, February, 1976, No. 242, eff. 3-1-76.

**Ins 6.04 Countersignature requirements.** (1) Every policy of insurance issued or delivered in this state shall be countersigned by a licensed resident agent. Except in the case of the standard fire policy, an agent's signature on a copy of an application attached to and forming a part of a policy will be considered as satisfying this requirement.

(2) This rule shall not apply to:

(a) Policies issued in accordance with sections 201.44 (6), 201.44 (8), 209.04 (10) (c), (d), (e) and (f), or 612.51, Wis. Stats.;

(b) Policies of life insurance;

(c) Service contracts issued by hospital service corporations authorized under section 182.032, Wis. Stats.;

(d) Contracts issued by state or county medical societies authorized under section 148.01, Wis. Stats.;

(e) Contracts issued under authority of chapter 185, Wis. Stats.

**History:** Cr. Register, April, 1958, No. 28, eff. 5-1-58; am. (2) (a), Register, April, 1963, No. 88, eff. 5-1-63; am. (2), Register, May, 1975, No. 233, eff. 6-1-75.

**Ins 6.05 Filing of insurance forms.** (1) DEFINITIONS. In this rule, unless the context otherwise requires, the following words and terms shall have the following meanings:

(a) "Insurance" shall mean any fire, liability, steam boiler, fidelity, title, credit, burglary, plate glass, sprinkler leakage, elevator, livestock, automobile, other casualty, or medical payments and other supplemental insurance provided under subsections (1), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (17), or (18) of section 201.04, Wis. Stats.

(b) "Filing" shall mean: 1. Any matter submitted under this rule. 2. The act of filing such matter.

(c) "Form" shall mean any matter intended to be used by any insurer as any part of an insurance contract including any application which becomes a part of an insurance contract and any policy, endorsement, or rider.

(d) "Reinsurance contract" shall mean a contract wherein a primary insurer cedes all or part of a risk to another insurer.

(2) GENERAL PROVISIONS. (a) The date of filing by an insurer shall be the date on which any filing is stamped received by the commissioner of insurance.

(b) Notice of disapproval by the commissioner shall state therein the effective date of disapproval, but any statutory period for contesting such disapproval shall begin upon receipt of such notice of disapproval.

(c) Each filing shall be on file for a period of 15 days before it becomes effective, which period may be extended by the commissioner for an additional period not to exceed 15 days if he gives written notice within such waiting period to the insurer or rating organization which made the filing that he needs such additional time for consideration of such filing. A filing shall be deemed effective unless disapproved by the commissioner within the waiting period or any extension thereof, provided that if the filing proposes a later effective date such proposed date shall prevail. Upon written application by such insurer or rating organization the commissioner may authorize a filing to become effective before the expiration of the waiting period or any extension thereof.

(3) **INSURANCE FORMS TO BE FILED.** No form shall be used or issued in the state of Wisconsin as part of any contract of insurance unless such form has been filed by the insurer with the commissioner in accordance with (2) (c) above. Forms not now on file shall be filed as herein required. Forms now on file may continue to be used until such time as they may be disapproved. An insurer may satisfy its obligations to make form filings by becoming a member of or a subscriber to a rate service organization licensed under section 625.32, Wis. Stats., which makes such filings, provided that basic policy forms must be filed by the insurer named thereon. Nothing in this rule shall be construed as requiring any insurer to become a member of or subscriber to any rating organization. This rule shall not apply to town mutual insurance companies; reinsurance contracts; or to any surety or guarantee bond required by law or by a court or executive order or by order, rule or regulation of a public body. No filing need be made hereunder of any form prepared to meet special, unusual, peculiar or extraordinary conditions applying to individual risks; nor to the completion of uniform forms to indicate the application of the contract to individual risks.

(4) **FORM OF FILING.** (a) *Letter of transmittal.* The filing shall be in duplicate and accompanied by a letter of transmittal in duplicate. Such letter of transmittal shall set forth:

1. Title and reasonable identification of filing.
2. The proposed effective date.
3. The descriptive title, form number and form edition date, date of approval, if known, of any filing superseded thereby, and shall identify and explain all changes by paragraph and clause.
4. If an endorsement or rider, reference to the policy or forms with which it is to be used.
5. If the nature of the information to be inserted in any blank space of any form cannot be determined from the wording of the form, such blank space shall be filled in with hypothetical data to the extent required to indicate the proposed use or uses of the form. As an alternative, such purpose and use may be explained in the transmittal letter.

(b) *Filing size to be uniform.* All forms, for the purpose of filing under this rule only, shall be printed or superimposed on or attached to a sheet 8½" by 11" in size or folded to 8½" by 11" folded size.

(c) *Form, requirements of.* 1. Every form shall carry a descriptive title and reasonable identification and must show a form number and edition date, or other differentiation to identify the revision of a form and its previous edition or editions.

2. Forms may be submitted in typed or printer's proof format for an advisory opinion prior to filing in accordance with this rule.

3. The style, arrangement, and over-all appearance of any policy form shall give no undue prominence to any portion of the text, and every portion of the text of any form, endorsements or attached

- (d) Crude oil production and processing
- (e) Municipal bonds

(3) **PERSONS EXEMPTED.** If any of the following joint underwriting associations and joint reinsurance associations is licensed as a rate service organization under section 625.32, Wis. Stats., each insurer-member thereof shall be exempted from the provisions of section 625.33, Wis. Stats., with respect to agreements between or among insurer-members to adhere to certain rates and rules in providing insurance or reinsurance as members of such association:

- (a) Aircraft Products Insurance Association
- (b) Industrial Risk Insurers
- (c) Mutual Atomic Energy Liability Underwriters
- (d) Mutual Atomic Energy Reinsurance Pool
- (e) Nuclear Energy Liability—Property Insurance Association
- (f) Nuclear Energy Property Insurance Association
- (g) Municipal Bond Insurance Association

(4) **LIMITATION ON MEMBERSHIP DISCIPLINARY ACTION.** No person shall impose any penalty or other adverse consequence for failure of any insurer to adhere to the rates or rules of any joint underwriting association or joint reinsurance association of which such insurer is a member, except termination of or expulsion of such insurer from membership in such association.

(5) **PENALTY.** Violations of this rule shall be subject to section 601.64, Wis. Stats.

**History:** Cr. Register, September, 1973, No. 213, eff. 10-1-73; am. (2) and (3), Register, August, 1974, No. 224, eff. 9-1-74; am. (3) (e), Register, May, 1975, No. 233, eff. 6-1-75; am. (3), Register, February, 1976, No. 242, eff. 3-1-76.

**Ins 6.30 Instructions for uniform classifications of expenses of fire and marine and casualty and surety insurers.** For the purpose of establishing uniformity in classifications of expenses of fire and marine and casualty and surety insurers recorded in statements and reports filed with and statistics reported to the commissioner of insurance, all such insurers shall observe the instructions set forth below. These instructions shall not apply to single line accident and health insurance companies, assessment accident and health associations, hospital and medical service or indemnity organizations, single line title insurance companies, or town mutual insurance companies.

(1) **PART I. (a) LIST OF OPERATING EXPENSE CLASSIFICATIONS FOR ANNUAL STATEMENT PURPOSES FOR FIRE AND MARINE AND CASUALTY AND SURETY INSURERS.**

1. Claim Adjustment Services:
  - a. Direct
  - b. Reinsurance Assumed
  - c. Reinsurance Ceded
2. Commission and Brokerage:
  - a. Direct
  - b. Reinsurance Assumed
  - c. Reinsurance Ceded
  - d. Contingent-Net
  - e. Policy and Membership Fees
3. Allowances to Managers and Agents
4. Advertising

5. Boards, Bureaus and Associations
6. Surveys and Underwriting Reports
7. Audit of Assureds' Records
8. Salaries
9. Employee Relations and Welfare
10. Insurance
11. Directors' Fees
12. Travel and Travel Items
13. Rent and Rent Items
14. Equipment
15. Printing and Stationery
16. Postage, Telephone and Telegraph, Exchange and Express
17. Legal and Auditing
18. Taxes, Licenses and Fees:
  - a. State and Local Insurance Taxes
  - b. Insurance Department Licenses and Fees
  - c. Payroll Taxes
  - d. All Other (excluding Federal and Foreign Income and Real Estate)
19. Real Estate Expenses
20. Real Estate Taxes
21. Miscellaneous

(b) INSTRUCTIONS RELATING TO OPERATING EXPENSE CLASSIFICATIONS.

1. Claim Adjustment Services

a. Direct

**Include** the following expenses when in connection with the investigation and adjustment of policy claims:

**Independent Adjusters:** Fees and expenses of independent adjusters or settling agents.

**Legal:** Fees and expenses of lawyers for legal services in the defense, trial, or appeal of suits, or for other legal services.

**Bonds:** Premium costs of bonds.

**Appeal Costs and Expenses:** Appeal bond premiums; charges for printing records; charges for printing briefs; court fees incidental to appeals.

**General Court Costs and Fees:** Entry fees and other court costs, and other fees not includable in Losses. Note: Interest and costs assessed as part of or subsequent to judgment are includable in Losses.

**Medical Testimony:** Fees and expenses of medical witnesses for attendance or testimony at trials or hearings ("Medical" includes physicians, surgeons, chiropractors, chiropodists, dentists, osteopaths, veterinarians, and hospital representatives).

**Expert Witnesses:** Fees and expenses of expert witnesses for attendance or testimony at trials or hearings.

**Lay Witnesses:** Fees and expenses of lay witnesses for attendance or testimony at trials or hearings.

**Service of Process:** Constables', sheriffs' and other fees and expenses for service of process, including subpoenas.

**Transcripts of Testimony:** Stenographers' fees and fees for transcripts of testimony.