

Chapter Ins 6

GENERAL

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Ins 6.01 Foreign company to operate 2 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 trans-

acted 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 2 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 s. Ins 6.75 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 s. Ins 6.75 (2) (a).

(b) Life insurance includes the kinds in s. Ins 6.75 (1) (a) and (b) but excluding all insurance on the health of persons other than that authorized in s. 627.06, Stats., and s. Ins 6.70.

(c) Casualty insurance includes the kinds in s. Ins 6.75 (2) (c) through (n).

(2) Provided, however, that nothing herein shall preclude consideration of an application to transact the kind of insurance in Ins 6.75 (1) (e) or (2) (c) if the applicant company has transacted any of the kinds of insurance in Ins 6.75 (1) (a) and (b) or (2) (d), (e), (k) and (n) continuously for 2 years immediately prior to the making of application for license to transact the kind of insurance in Ins 6.75 (1) (e) or (2) (c).

History: 1-2-56; emerg. am. eff. 6-22-76; am. Register, September, 1976, No. 249, eff. 10-1-76; am. Register, March, 1979, No. 279, eff. 4-1-79.

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:

(11) **SPECIAL REQUIREMENTS FOR TITLE INSURANCE.** Each intermediary who is employed by, or is, an affiliate of a producer of title insurance shall maintain records for 3 years for each application or order for title insurance accepted in this state. The records shall state whether the application or order was directly or indirectly referred as provided by s. Ins 3.32 (5) by a producer of title insurance which is an affiliate as defined by s. Ins 3.32 (3) (a), (bm) and (c) and the name of each producer of title insurance who is an affiliate and acts as broker, agent, lender, representative or attorney in the transaction which resulted in the application or order. Each intermediary who is an affiliate of a producer of title insurance shall maintain a record of gross revenue from operations in this state from title insurance by quarter calendar year which shall separately show gross revenue from operations in this state derived from applications or orders for title insurance directly or indirectly referred by the affiliate.

(12) **PLACE OF MAINTAINING RECORDS.** The intermediary shall maintain records required by subs. (8), (9), (10) and (11) at the business address of the intermediary or the insurer recorded with the commissioner of insurance, or at another location only if the intermediary provides written notice of the other location to the commissioner of insurance.

(13) **UPDATING RECORDS.** The intermediary shall update all intermediary records at reasonable intervals or as necessary and shall maintain all financial intermediary records according to accepted accounting principles.

(14) **MAINTAINING POLICYHOLDER RECORDS.** The intermediary shall retain policyholder records for a period of at least 3 years after termination or lapse of the policy.

(15) **CHANGE OF ADDRESS.** Each intermediary shall, within 30 days, notify the commissioner of insurance in writing of any change in the intermediary's business or residence address or any change of address of location of the intermediary's records.

(16) **NOTIFICATION OF CONVICTION OR DISCIPLINARY ACTION.** Except for action taken by the Wisconsin office of the commissioner of insurance, each intermediary shall notify the commissioner in writing within 30 days of any felony conviction, misdemeanor conviction other than a misdemeanor conviction related to the use of a motor vehicle or the violation of a fish and game regulation, or any formal disciplinary action against the intermediary taken by any state's insurance regulatory agency, commission or board. The notification shall give a description of the conviction or disciplinary action.

(17) **RECORDS MAINTAINED BY INSURERS.** An insurer shall inform its intermediaries in writing of the requirements of this section and may, by written agreement, assume the responsibility to maintain these records for an individual intermediary if the records can be made immediately available to the commissioner of insurance on demand.

History: Cr. Register, March, 1977, No. 255, eff. 4-1-77; am., Register, March, 1979, No. 279, eff. 4-1-79; cr. (5), Register, September, 1981, No. 309, eff. 10-1-81; cr. (2m), Register, November, 1986, No. 371, eff. 12-1-86; r. and rec., Register, December, 1987, No. 384, eff. 1-1-88; am. (16), Register, August, 1988, No. 392, eff. 9-1-88.

Ins 6.62 Filing requirements for multiple employer trusts and associations. (1) In this section:

Register, May, 1990, No. 413

(a) "Intermediary" has the meaning provided under s. 628.02 (1), Stats.

(b) 1. "Multiple employer trust or association," except as provided by subd. 2, means a trust, association or other person which provides or offers to provide health care benefits or coverage to employes of 2 or more employers and which is:

a. A multiple employer welfare arrangement as defined by 29 U.S.C. 1002 (40);

b. Represented as an employe welfare benefit plan which is subject to the Employee Retirement Income Security Act, 29 U.S.C. 1001 to 1461; or

c. Located outside this state and is not organized and regulated as an insurer domiciled in the United States.

2. "Multiple employer trust or association" does not include a person which:

a. Provides benefits or coverage under or pursuant to a collective bargaining agreement;

b. Is, or which provides benefits or coverage which are fully insured by, an insurer licensed to do business in this state;

c. Provides health care benefits or coverage solely to employes of governmental units;

d. Is an individual; or

e. The commissioner exempts in writing.

(2) No intermediary may solicit, advertise, or market in this state or accept an application or place coverage for a person who resides in this state with a multiple employer trust or association unless prior to solicitation, advertising, marketing, acceptance of the application, or placing the coverage:

(a) The multiple employer trust or association files with the office the information required under sub. (5); or

(b) The intermediary files the information required under sub. (5).

(3) No multiple employer trust or association may solicit, advertise, or market in this state or accept an application for coverage from a person who is a resident, or who has employes who are residents, of this state unless prior to soliciting, advertising, marketing, or accepting an application it files with the office the information required under sub. (5).

(4) If subsequent to a filing under sub. (2) or (3) changes occur so that the information contained in the filing is no longer accurate, the multiple employer trust or association or intermediary which made the filing shall within 15 days of the date the change is effective make a filing under sub. (5) with the correct information.

(5) A multiple employer trust or association or intermediary required to file information under sub. (2), (3), or (4) shall file a properly completed form prescribed by the commissioner and shall attach:

(a) A copy of any insurance policy or contract covering benefits or coverage offered by the multiple employer trust or association;

(b) A copy of the organizational documents of the multiple employer trust or association, including the articles of incorporation, bylaws or trust instrument; and

(c) A statement that the benefits or coverage are fully insured or a description of the extent to which they are not fully insured.

(6) A violation of sub. (2), (3), or (4) is an unfair and deceptive trade practice under s. 628.34 (12), Stats., constitutes a method or practice in the conduct of business which endangers the legitimate interests of customers and the public under s. 628.10 (2), Stats., and, if the multiple employer trust or association is an unauthorized insurer, establishes that the person violating the rule should have known that the multiple employer trust or association is an unauthorized insurer for the purpose of ss. 618.39 and 618.44, Stats.

(7) This section is in addition to any provision of chs. 600 to 646, Stats.

Note: This rule requires use of a reporting form "Multiple Employer Trust Filing" which may be obtained from the Office of the Commissioner of Insurance, 121 E. Wilson Street, P.O. Box 7873, Madison, Wisconsin, 53707-7873.

History: Emerg. cr. eff. 1-1-90; cr. Register, May, 1990, No. 413, eff. 6-1-90

Ins 6.63 Regulation charge. (1) The regulation amount to be paid biennially, by each licensed individual intermediary-agent is established to be as follows:

Resident agent	\$ 10.00
Non-resident agent	\$ 30.00

(2) The commissioner shall mail notification on form OCI 11-51 of the biennial regulation charge due and payable to each agent to the resident address on file with the office of the commissioner of insurance.

(3) Biennially on or before January 1 of each even numbered year the regulation fee is billed, and shall be paid within 30 days after the mailing by the office of the commissioner of insurance of a notification that the charge is due.

Note: A copy of form OCI 11-51 can be obtained from the Office of the Commissioner of Insurance, P.O. Box 7872, Madison, WI 53707.

(4) If payment of the biennial 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.

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

(6) Any individual intermediary-agent whose license has been revoked shall, in order to be relicensed, satisfy the examination and licensing requirements established by Ins 6.59.

History: Cr. Register, December, 1977, No. 264, eff. 1-1-78; am. (1) to (3), Register, September, 1981, No. 309, eff. 1-1-82; r. and recr. (4) to (6), Register, October, 1981, No. 310, eff. 11-1-81.

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