

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:

Livestock Insurance Office  
Logging Underwriting & Inspection Association  
Multiple Location Service Office  
Mutual Corporation Inter-Reinsurance Fund  
Oil Insurance Association  
Railroad Insurance Association  
Railway Underwriters  
Registered Mail Central Bureau  
Reinsurance Clearing House  
Reinsurance Exchange  
Southern Reinsurance Exchange  
Stock Companies Association  
The Tugboat Underwriting Syndicate  
Underwriters Grain Association  
Underwriters Service Association

10. Dues or assessments of organizations includable in Boards, Bureaus and Associations, or in Surveys and Underwriting Reports, directly related to loss work are properly chargeable to the expense group, Loss Adjustment Expenses.

History: Cr. Register, July, 1959, No. 43, eff. 8-1-59.

**Ins 6.40 Proxies, consents and authorizations of domestic stock insurers.**

(1) **APPLICATION OF RULE.** This rule is applicable to all domestic stock insurers having 100 or more stockholders; provided, however, that this rule shall not apply to any insurer if 95% or more of its stock is owned or controlled by a parent or an affiliated insurer and the remaining shares are held by less than 500 stockholders. A domestic stock insurer which files with the Securities and Exchange Commission forms of proxies, consents and authorizations complying with the requirements of the Securities and Exchange Act of 1934 and the Securities and Exchange Act amendments of 1964 and Regulation X-14 of the Securities and Exchange Commission promulgated thereunder shall be exempt from the provisions of this rule.

(2) **PROXIES, CONSENTS AND AUTHORIZATIONS.** No domestic stock insurer, or any director, officer or employe of such insurer subject to sub. (1), or any other person, shall solicit, or permit the use of his name to solicit, by mail or otherwise, any proxy, consent or authorization in respect of any stock of such insurer in contravention of this rule.

(3) **DISCLOSURE OF EQUIVALENT INFORMATION.** Unless proxies, consents or authorizations in respect of a stock of a domestic insurer subject to sub. (1) are solicited by or on behalf of the management of such insurer from the holders of records of stock of such insurer in accordance with this rule prior to any annual or other meeting such insurer shall, in accordance with this rule and/or such further rules as the commissioner may adopt, file with the commissioner and transmit to all stockholders of record information substantially equivalent to the information which would be required to be transmitted if a solicitation were made.

(4) **DEFINITIONS.** (a) The definitions and instructions set out in schedule SIS—Stockholder Information Supplement (s. Ins. 7.01 (24) (m)) shall be applicable for purposes of this rule.

(b) The terms "solicit" and "solicitation" for purposes of this rule shall include:

1. Any request for a proxy, whether or not accompanied by or included in a form of proxy; or
2. Any request to execute or not to execute, or to revoke, a proxy; or
3. The furnishing of a proxy or other communication to stockholders under circumstances reasonably calculated to result in the procurement, withholding or revocation of a proxy.

(c) The terms "solicit" and "solicitation" shall not include:

1. Any solicitation by a person in respect of stock of which he is the beneficial owner;
2. Action by a broker or other person in respect to stock carried in his name or in the name of his nominee in forwarding to the beneficial owner of such stock soliciting material received from the company, or impartially instructing such beneficial owner to forward a proxy to the person, if any, to whom the beneficial owner desires to give a proxy, or impartially requesting instructions from the beneficial owner with respect to the authority to be conferred by the proxy and stating that a proxy will be given if the instructions are received by a certain date;
3. The furnishing of a form of proxy to a stockholder upon the unsolicited request of such stockholder, or the performance by any person of ministerial acts on behalf of a person soliciting a proxy.

(5) INFORMATION TO BE FURNISHED TO STOCKHOLDERS. (a) No solicitation subject to this rule shall be made unless each person solicited is concurrently furnished or has previously been furnished with a written proxy statement containing the information specified in subsection (12).

(b) If the solicitation is made on behalf of the management of the insurer and relates to an annual meeting of stockholders at which directors are to be elected, each proxy statement furnished pursuant to subsection (5) (a) shall be accompanied or preceded by an annual report (in preliminary or final form) to such stockholders containing such financial statements for the last fiscal year as are referred to in Schedule SIS—Stockholder Information Supplement (s. Ins 7.01 (24) (m) under the heading "Financial Reporting to Stockholders." Subject to the foregoing requirements with respect to financial statements, the annual report to stockholders may be in any form deemed suitable by the management.

(c) Two copies of each report sent to the stockholders pursuant to sub. (5) shall be mailed to the commissioner not later than the date on which such report is first sent or given to stockholders or the date on which preliminary copies of solicitation material are filed with the commissioner pursuant to sub. (7) (a), whichever date is later.

(6) REQUIREMENTS AS TO PROXY. (a) The form of proxy 1. shall indicate in bold-face type whether or not the proxy is solicited on behalf of the management, 2. shall provide a specifically designated blank space for dating the proxy, and 3. shall identify clearly and impartially each matter or group of related matters intended to be acted upon, whether proposed by the management, or stockholders. No reference need be made to proposals as to which discretionary authority is conferred pursuant to par. (c).