

Proposed Rule  
LSA Document #13-7

## DIGEST

Amends [760 IAC 1-15.1-2](#) regarding definitions of terms used in rules for insurance holding company systems. Amends [760 IAC 1-15.1-3](#) regarding forms and general requirements. Adds [760 IAC 1-15.1-3.5](#) regarding transactions subject to prior notice. Amends [760 IAC 1-15.1-4](#) regarding Form A statements. Amends [760 IAC 1-15.1-5](#) regarding Form B statements. Amends [760 IAC 1-15.1-6](#) regarding Form C statements. Amends [760 IAC 1-15.1-7](#) regarding Form D statements. Adds [760 IAC 1-15.1-7.1](#) regarding Form E statements. Adds [760 IAC 1-15.1-7.2](#) regarding Form F statements. Amends [760 IAC 1-15.1-10](#) regarding forms and amendments. Amends [760 IAC 1-15.1-12](#) regarding requests by domestic insurers for approval of extraordinary dividends or any other extraordinary distribution to security holders. Amends [760 IAC 1-15.1-13](#) regarding disclaimers and termination of registration. Amends [760 IAC 1-15.1-14](#) regarding incorporation of answers by reference. Amends [760 IAC 1-15.1-15](#) regarding additional information and exhibits. Effective 30 days after filing with the Publisher.

[IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses](#)

[760 IAC 1-15.1-2](#); [760 IAC 1-15.1-3](#); [760 IAC 1-15.1-3.5](#); [760 IAC 1-15.1-4](#); [760 IAC 1-15.1-5](#); [760 IAC 1-15.1-6](#); [760 IAC 1-15.1-7](#); [760 IAC 1-15.1-7.1](#); [760 IAC 1-15.1-7.2](#); [760 IAC 1-15.1-10](#); [760 IAC 1-15.1-12](#); [760 IAC 1-15.1-13](#); [760 IAC 1-15.1-14](#); [760 IAC 1-15.1-15](#)

SECTION 1. [760 IAC 1-15.1-2](#) IS AMENDED TO READ AS FOLLOWS:

[760 IAC 1-15.1-2 Definitions](#)

Authority: [IC 27-1-3-7](#)

Affected: [IC 27-1-2](#); [IC 27-1-23-1](#)

Sec. 2. (a) The definitions as set forth in [IC 27-1-23](#) shall ~~and the following definitions~~ apply for purposes of ~~throughout~~ this rule: ~~in addition to the definitions contained in this section.~~

~~(b) As used in this rule, the following terms shall have the following meanings:~~

~~(1) "Executive officer" means any individual charged with active management and control in an executive capacity (including a president, vice president, the following:~~

~~(A) Chief executive officer.~~

~~(B) Chief operating officer.~~

~~(C) Chief financial officer.~~

~~(D) Treasurer.~~

~~(E) Secretary.~~

~~(F) Controller. and~~

~~(G) Any other individual performing functions corresponding to those performed by the foregoing officers of a person, whether incorporated or unincorporated. listed in clauses (A) through (F) under whatever title.~~

~~(2) "Foreign insurer" includes an alien insurer except where clearly noted otherwise.~~

~~(3) "NAIC" means the National Association of Insurance Commissioners.~~

~~(4) "Ultimate controlling person" means a controlling person within an insurance holding company system who is not controlled by any other person.~~

~~(e) (b) The meaning of nomenclature or terminology not defined in this section or in [IC 27-1-23](#) is according to the insurance code, [IC 27](#), or industry usage if not defined in the code.~~

~~(Department of Insurance; [760 IAC 1-15.1-2](#); filed Oct 18, 1994, 3:55 p.m.: 18 IR 517; readopted filed Sep 14, 2001, 12:22 p.m.: 25 IR 531; readopted filed Nov 27, 2007, 4:01 p.m.: [20071226-IR-760070717RFA](#))~~

SECTION 2. [760 IAC 1-15.1-3](#) IS AMENDED TO READ AS FOLLOWS:

**760 IAC 1-15.1-3 Forms; general requirements**

Authority: [IC 27-1-3-7](#)

Affected: [IC 27-1-23](#)

Sec. 3. (a) A person required to file or amend a statement regarding a proposed acquisition of control under [IC 27-1-23-2](#) shall furnish the required information on Form A as provided in section 4 of this rule.

(b) An insurer required to file or amend a registration statement under [IC 27-1-23-3](#) shall furnish the required information on Form B as provided in section 5 of this rule.

(c) An insurer required to file an annual registration statement under [IC 27-1-23-3](#) is also required to furnish the information required on Form C as provided in section 6 of this rule and shall file a Form C with the commissioner. ~~A copy of Form C shall be filed in each state in which an insurer is authorized to do business if the commissioner of that state has notified the insurer of its request in writing.~~

(d) An insurer required to give notice of a proposed transaction under [IC 27-1-23-4](#) shall furnish the required information on Form D as provided in section 7 of this rule.

**(e) If:**

**(1) a domestic insurer, including any person controlling a domestic insurer, is proposing a merger or acquisition under [IC 27-1-23-2.5](#); or**

**(2) a nondomiciliary insurer licensed to do business in this state is proposing a merger or acquisition; that person shall file a preacquisition notification form, Form E. No preacquisition notification form need be filed if the acquisition is beyond the scope of [IC 27-1-23-2.5\(c\)](#). In addition to the information required by Form E, the commissioner may wish to require an expert opinion as to the competitive impact of the proposed acquisition.**

~~(e)~~ **(f)** Forms A through ~~D~~ **F** are intended to be guides in the preparation of the statements required by [IC 27-1-23-2](#) through [IC 27-1-23-4](#). They are not intended to be blank forms ~~which~~ **that** are to be filled in.

~~(f)~~ **(g)** The statements filed shall contain the numbers and captions of all items, but the text of the items may be omitted provided the answers **thereto are prepared in such a manner** are so prepared as to indicate ~~to the reader~~ **clearly the scope and** the coverage of the items. ~~without the necessity of referring to the text of the items or the instructions thereto.~~

~~(g)~~ **(h)** All instructions, whether appearing under the items of the forms or elsewhere, are to be omitted. Unless expressly provided otherwise, if any item is inapplicable or the answer thereto is in the negative, an appropriate statement to that effect shall be made.

~~(h)~~ **(i)** Three (3) complete copies of each statement, including exhibits and all other papers and documents filed as part thereof, shall be filed with the commissioner by personal delivery or mail addressed to:  
Insurance Commissioner  
Department of Insurance  
311 West Washington Street, Suite 300  
Indianapolis, Indiana 46204

**At least one (1) of the copies shall be signed in the manner prescribed on the form. Unsigned copies shall be conformed. If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of the power of attorney or other authority shall also be filed with the statement.**

~~(i)~~ **(j)** Statements should be prepared on paper eight and one-half (8 1/2) inches by eleven (11) inches in size and preferably bound at the top left hand corner. Exhibits and financial statements, unless specifically prepared for the filing, may be submitted in their original size.

**(k) If a hearing is requested on a consolidated basis, in addition to filing the Form A with the commissioner, the acquiring person shall file a copy of Form A with the NAIC in electronic form.**

~~(j)~~ **(l)** All copies of any statement, financial statement, or exhibit shall be clear, easily readable, and suitable for photocopying- **review and reproduction**. Debits in credit categories and credits in debit categories shall be designated so as to be clearly distinguishable as such on photocopies.

~~(k)~~ **(m)** Statements, attached exhibits, and all other documents filed with the commissioner of the department of insurance shall be in the English language, and monetary values shall be stated in United States currency. **If any exhibit or other paper or document filed with the statement is in a foreign language, it shall be accompanied by a translation into the English language and any monetary value shown in a foreign currency normally shall be converted into United States currency.**

*(Department of Insurance; [760 IAC 1-15.1-3](#); filed Oct 18, 1994, 3:55 p.m.: 18 IR 517; readopted filed Sep 14, 2001, 12:22 p.m.: 25 IR 531; readopted filed Nov 27, 2007, 4:01 p.m.: [20071226-IR-760070717RFA](#))*

SECTION 2. [760 IAC 1-15.1-3.5](#) IS ADDED TO READ AS FOLLOWS:

**[760 IAC 1-15.1-3.5](#) Transactions subject to prior notice; notice filing**

Authority: [IC 27-1-3-7](#)

Affected: [IC 27-1-23-4](#); [IC 27-9](#)

**Sec. 3.5. (a)** An insurer required to give notice of a proposed transaction in accordance with [IC 27-1-23-4](#) shall furnish the required information on Form D.

**(b)** Agreements for cost sharing services and management services shall at a minimum and as applicable include the following:

- (1)** Identify the person providing services and the nature of the services.
- (2)** Set forth the methods to allocate costs.
- (3)** Require timely settlement, not less frequently than on a quarterly basis, and compliance with the requirements in the Accounting Practices and Procedures Manual.
- (4)** Prohibit advancement of funds by the insurer to the affiliate except to pay for services defined in the agreement.
- (5)** State that the insurer will:
  - (A)** maintain oversight for functions provided to the insurer by the affiliate; and
  - (B)** monitor services annually for quality assurance.
- (6)** Define books and records of the insurer to include all books and records developed or maintained under or related to the agreement.
- (7)** Specify that all books and records of the insurer are and remain the property of the insurer and are subject to control of the insurer.
- (8)** State that all funds and invested assets of the insurer are:
  - (A)** the exclusive property of the insurer;
  - (B)** held for the benefit of the insurer; and
  - (C)** subject to the control of the insurer.
- (9)** Include standards for termination of the agreement with and without cause.
- (10)** Include provisions for indemnification of the insurer in the event of gross negligence or willful misconduct on the part of the affiliate providing the services.
- (11)** Specify that, if the insurer is placed in receivership or seized by the commissioner under [IC 27-9](#):
  - (A)** all of the rights of the insurer under the agreement extend to the receiver or commissioner; and
  - (B)** all books and records:
    - (i)** will immediately be made available to the receiver or the commissioner; and
    - (ii)** shall be turned over to the receiver or commissioner immediately upon the receiver or the commissioner's request.
- (12)** Specify that the affiliate has no automatic right to terminate the agreement if the insurer is placed in receivership.
- (13)** Specify that the affiliate will:
  - (A)** continue to maintain any systems, programs, or other infrastructure notwithstanding a seizure by the commissioner under the State Receivership Act; and
  - (B)** make them available to the receiver, for so long as the affiliate continues to receive timely

**payment for services rendered.**

(Department of Insurance; [760 IAC 1-15.1-3.5](#))

SECTION 4. [760 IAC 1-15.1-4](#) IS AMENDED TO READ AS FOLLOWS:

**[760 IAC 1-15.1-4](#) Form A**

**Authority:** [IC 27-1-3-7](#)

**Affected:** [IC 27-1-23-2](#); [IC 27-1-23-23](#)

Sec. 4. Form A, concerning proposed acquisition of control, shall be as follows:

FORM A  
STATEMENT REGARDING THE  
PROPOSED ACQUISITION OF CONTROL OF

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Name(s) of domestic insurer(s) and any corporation(s) controlling such insurer(s) to which this Statement relates (hereinafter called the "company")

BY

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Name(s) of person(s) by whom or on whose behalf acquisition of control is to be effected (hereinafter called the "acquiring party")

Filed with the  
INDIANA INSURANCE COMMISSIONER  
and sent to the company

Dated: \_\_\_\_\_, 49 20 \_\_\_\_

Name, title, address, and telephone number of individual to whom notices and correspondence concerning this Statement should be addressed:

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FORM A

**Item 1. Company and Method of Acquisition**

State the name and address of the company and a brief description of how control is to be acquired.

**Item 2. Identity and Background of Acquiring Party**

(a) State the name and address of the acquiring party.

(b) If the acquiring party is not an individual, state the nature of its business operations for the past five (5) years or for such lesser period as the acquiring party and any predecessors thereof shall have been in existence, including information for such period relating to the acquisition or disposition of control by the acquiring party of any other person and any subsequent material change in the financial condition, management, or operations of such other person. Describe the business intended to be done by the acquiring party and its subsidiaries and any plans or proposals of the acquiring party for the conduct of the business or employment of the assets and surplus of the company.

(c) Furnish a chart or listing clearly presenting the identities of and the interrelationships among the acquiring party and all affiliates of the acquiring party. ~~No affiliate need be identified if its total assets are less than one percent (1%) of the total assets of the acquiring party.~~ Indicate in such chart or listing the percentage of voting securities of each such person which is owned or controlled by the acquiring party or by any other such person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing, indicate the type of organization (e.g., corporation, trust, partnership) and the state or other jurisdiction of domicile. If court proceedings looking toward a reorganization or liquidation are pending with respect to any such person, indicate which person and set forth the title of the court, the nature of proceedings, and the date when

commenced.

**Item 3. Identity and Background of Individuals Associated with Acquiring Party**

(a) **On the biographical affidavit, include a third party background check and** state the following with respect to (i) the acquiring party if he is an individual or (ii) all persons who are or who have been selected to become directors or executive officers of the acquiring party, or who perform or will perform functions appropriate to such positions, and owners of ten percent (10%) or more of the voting securities of the acquiring party, if the acquiring party is not an individual:

(1) Name and business address.

(2) Present principal business activity, occupation, or employment, including position and office held and the name, principal business, and address of any corporation or other organization in which such employment is carried on.

(3) Material occupations, positions, offices, or employment during the last five (5) years, giving the starting and ending dates of each and name, principal business, and address of any corporation or other organization in which each such occupation, position, office, or employment was carried on; if any such occupation, position, office, or employment required licensing by or registration with any federal, state, or municipal government agency, indicate such fact, the current status of such licensing or registration, and an explanation of any surrender, revocation, suspension, or disciplinary proceedings in connection therewith.

(4) Whether or not such person has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten (10) years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case.

(b) Provide a completed current ~~National Association of Insurance Commissioners~~ NAIC biographical form for all individuals identified in Item 3(a).

**Item 4. Source, Nature, and Amount of Consideration**

(a) Describe the source, nature, and amount of funds or other consideration to be used in effecting the acquisition of control. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, or trading voting securities, furnish a description of the transaction, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, and copies of all agreements, promissory notes, and security arrangements relating thereto.

(b) Explain the criteria used in determining the nature and amount of such consideration.

(c) If the source of the consideration is a loan made in the lender's ordinary course of business and if the acquiring party wishes the identity of the lender to remain confidential, he must specifically request that the identity be kept confidential and eliminate the lender's name from the Statement sent to the company.

**Item 5. Future Plans for the Company**

Describe any plans or proposals which the acquiring party may have to cause the company to declare an extraordinary dividend, to liquidate the company, to sell its assets or merge or consolidate it with any person, or to make any other material change in its investment policy, business **operations**, corporate structure, or management.

**Item 6. Voting Securities to be Acquired**

State the number of shares of the company's voting securities which the acquiring party, its affiliates, and any person listed in Item 3 plan to acquire, the terms of the offer, request, invitation, agreement, or acquisition, and the method by which the terms of the proposal were arrived at.

**Item 7. Ownership of Voting Securities**

State the amount of each class of any voting security of the company which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the acquiring party, its affiliates, or any person listed in Item 3.

**Item 8. Contracts, Arrangements, or Understandings with Respect to Voting Securities**

Give a full description of any contracts, arrangements, or understandings with respect to any voting security of the company in which the acquiring party, its affiliates, or any persons listed in Item 3 is involved, including, but not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss, or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Identify the persons with whom such contracts, arrangements, or

understandings have been entered into.

**Item 9. Recent Purchases of Voting Securities**

Describe any purchase of any voting security of the company by the acquiring party, its affiliates, or any person listed in Item 3 during the twelve (12) calendar months preceding the filing of this Statement. Include the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefor. State whether any such securities so purchased are hypothecated.

**Item 10. Recent Recommendations to Purchase**

Describe any recommendations to purchase any voting security of the company made by the acquiring party, its affiliates, or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the acquiring party, its affiliates, or any person listed in Item 3 during the twelve (12) calendar months preceding the filing of this Statement.

**Item 11. Agreements with Broker-Dealers**

Describe the terms of any agreement, contract, or understanding made with any broker-dealer as to solicitation of voting securities of the company for tender and the amount of any fees, commissions, or other compensation to be paid to broker-dealers with regard thereto.

**Item 12. Contracts, Arrangements, or Understandings with Company Personnel**

Give a full description of any existing or proposed contracts, arrangements, or understandings between the acquiring party and any present or former director, officer, or employee of the company, other than contracts, arrangements, or understandings entered into in the ordinary course of business with any insurance agent, solicitor, or broker. Identify the persons with whom such contracts, arrangements, or understandings have been entered into.

**Item 13. Financial Statements and Exhibits**

(a) Financial statements, and exhibits, **and three-year financial projections of the insurers** shall be attached to this Statement as an appendix, but list under this Item the financial statements and exhibits so attached.

(b) The financial statements shall include the annual financial statements of the persons identified in Item 2(c) for the preceding five (5) fiscal years (or such lesser period as the acquiring party and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of such ~~persons's persons'~~ last fiscal year ~~to a date not earlier than ninety (90) days prior to the filing of this Statement.~~ **if the information is available.** Such financial statements may be prepared on either an individual basis or, unless the commissioner otherwise requires, on a consolidated basis if such consolidated statements are prepared in the usual course of business.

The annual financial statements of the acquiring party shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the acquiring party and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the acquiring party is an insurer which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the Annual Statement of such person filed with the insurance department of the person's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under law and regulations of such state.

(c) File as exhibits copies of all tender offers for, requests or invitations for tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the company and (if distributed) of additional soliciting material relating thereto; any proposed employment, consultation, advisory or management contracts concerning the company; annual reports to the shareholders of the acquiring party for the last two (2) fiscal years; and any additional documents or papers required or permitted by Form A or regulations of which such form is a part.

**Item 14. Use of Affiliate's Assets**

Furnish an informative description of any transaction in which the acquiring party received, employed, or used any affiliate's assets.

**Item 15. Transactions with Affiliates**

Furnish an informative description of any transaction or presently proposed transaction between the acquiring party and any of its affiliates in which either the acquiring party or the affiliate has a direct or indirect material interest. No information need be given as to any such transaction or series of similar transactions where the amount involved in the transaction or series of transactions, including all periodic payments or installments in the case of any lease or agreement providing for periodic payments or installments, does not or would not exceed one hundred thousand dollars (\$100,000).

**Item 16. Market Share Studies**

Furnish copies of all studies, analysis, and reports which were prepared by or for the acquiring party or any affiliate of the acquiring party for the purpose of evaluating or analyzing the proposed acquisition of control with respect to market shares, competition, competitors, markets, and potential for growth or expansion into product or geographic markets.

**Item 17. Competitive Impact**

If the acquiring party or any affiliate of the acquiring party is an insurer, furnish the following information:

- (1) The amount of any premiums, deposits, or annuity considerations received by the insurer during each of the last five (5) fiscal years (calculated on an accrual basis) for each line of insurance business conducted in any section of this state, and copies of annual statements for each of the last five (5) fiscal years filed by any such insurer with the insurance regulatory authority of its domiciliary jurisdiction.
- (2) A full and complete description of any direct or indirect reinsurance relationship between the acquiring party or any affiliate of the acquiring party and the domestic insurer or any affiliate of the domestic insurer, together with copies of any treaties or contracts relating to that relationship.
- (3) Any additional information requested by the commissioner to determine that the effect of the acquisition of control would not be substantially to lessen competition in any line of insurance business in any section of this state or tend to create a monopoly therein.

**Item 18. Agreement Requirements for Enterprise Risk Management**

**The acquiring party agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.**

**Item 19. Material Changes in Statement as Filed**

If any material change occurs in the facts set forth in this statement filed in accordance with the rule and the requirements of [IC 27-1-23-2](#) with the commissioner and sent to the insurer and any controlling corporation, an amendment made under or affirmation setting forth the change, together with copies of all documents and other material relevant to the change, shall be filed with the commissioner and sent to the insurer and any controlling corporation within two (2) business days after any acquiring party learns of this change.

**Item 20. Signature and Certification**

Signature and certification of the following form:

SIGNATURE

Pursuant to the requirements of [IC 27-1-23-2](#) and Regulations promulgated by the Indiana Insurance Commissioner, (Name of Acquiring Party) has caused this Statement to be duly signed on its behalf in the City of \_\_\_\_\_ and State of \_\_\_\_\_, on the \_\_\_\_\_ day of \_\_\_\_\_, 49 20 \_\_\_\_.

(SEAL)

\_\_\_\_\_  
(Name of Acquiring Party)

By

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Attest:

\_\_\_\_\_  
(Signature of Officer)

\_\_\_\_\_  
(Title)

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Statement dated \_\_\_\_\_, 19 20 \_\_\_\_, for and on behalf of (Name of Acquiring Party), and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof and that the facts therein set forth are true to the best of his knowledge, information, and belief.

(Signature) \_\_\_\_\_  
(Type or print name) \_\_\_\_\_

(Department of Insurance; [760 IAC 1-15.1-4](#); filed Oct 18, 1994, 3:55 p.m.: 18 IR 518; readopted filed Sep 14, 2001, 12:22 p.m.: 25 IR 531; readopted filed Nov 27, 2007, 4:01 p.m.: [20071226-IR-760070717RFA](#))

SECTION 5. [760 IAC 1-15.1-5](#) IS AMENDED TO READ AS FOLLOWS:

**[760 IAC 1-15.1-5 Form B](#)**

Authority: [IC 27-1-3-7](#)

Affected: [IC 27-1-23-3](#)

Sec. 5. Form B, concerning an insurance holding company system registration statement, shall be as follows:

FORM B  
INSURANCE HOLDING COMPANY SYSTEM  
ANNUAL REGISTRATION STATEMENT  
Filed with the  
INDIANA INSURANCE COMMISSIONER  
By

\_\_\_\_\_  
Name of Registrant  
On behalf of the following Insurance Companies

Name	Address
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Date: \_\_\_\_\_, 19 20 \_\_

Name, title, address, and telephone number of individual to whom notices and correspondence concerning this Statement should be addressed:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FORM B

Item 1. Identity and Control of Registrant

Furnish the exact name of each insurer registering or being registered (hereinafter called the "registrant"); the home office address and principal executive offices of each; the date on which each registrant became part of the insurance holding company system; and the method(s) by which control of each registrant was acquired and is maintained.

Item 2. Organizational Chart

Furnish a chart or listing clearly presenting the identities of and interrelationships among all affiliated persons within the insurance holding company system. ~~No affiliate need be shown if its total assets are less than one percent (1%) of the total assets of the ultimate controlling person.~~ The chart or listing should show the percentage of each class of voting securities of each affiliate which is owned, directly or indirectly, by another



affiliate. If control of any person within the system is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing, indicate the type of organization (e.g., corporation, trust, partnership) and the state or other jurisdiction of domicile.

### Item 3. The Ultimate Controlling Person

As to the ultimate controlling person in the insurance holding company system, furnish the following information:

- (1) Name.
- (2) Home office address.
- (3) Principal executive office address.
- (4) The organizational structure of the person, i.e., corporation, partnership, individual, trust, etc.
- (5) The principal business of the person.
- (6) The name and address of any person who holds or owns ten percent (10%) or more of any class of voting security, the class of such security, the number of shares held of record or known to be beneficially owned, and the percentage of class so held or owned.
- (7) If court proceedings looking toward a reorganization or liquidation are pending, indicate the title and location of the court, the nature of proceedings, and the date when commenced.

### Item 4. Biographical Information

~~Furnish the following for the directors and executive officers of~~ **(a) If the ultimate controlling person is a corporation, an organization, a limited liability company, or other legal entity, furnish the following information for the directors and executive offers of the ultimate controlling person:**

- (1) The individual's name and address.
- (2) His principal occupation and all offices and positions held during the past five (5) years.
- (3) Any conviction of crimes other than minor traffic violations. ~~during the past ten (10) years.~~

**(b) If the ultimate controlling person is an individual, furnish the individual's name and address, his or her principal occupation and all offices and positions held during the past five (5) years, and any conviction of crimes other than minor traffic violations.**

### Item 5. Transactions, Relationships, and Agreements

(a) Briefly describe the following agreements in force, relationships subsisting, and transactions currently outstanding or which have occurred during the last calendar year between the registrant and its affiliates:

- (1) Loans, other investments, or purchases, sales, or exchanges of securities of the affiliates by the registrant or of the registrant by its affiliates.
- (2) Purchases, sales, or exchanges of assets.
- (3) Transactions not in the ordinary course of business.
- (4) Guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the registrant's assets to liability, other than insurance contracts entered into in the ordinary course of the registrant's business.
- (5) All management **and agreements**, service contracts, and all cost-sharing arrangements. ~~other than cost allocation arrangements based upon generally accepted accounting principles.~~
- (6) Reinsurance agreements. ~~covering all or substantially all of one (1) or more lines of insurance of the ceding company.~~
- (7) Dividends and other distributions to shareholders.
- (8) Consolidated tax allocation agreements.
- (9) Any pledge of the registrant's stock and/or of the stock of any subsidiary or controlling affiliate for a loan made to any member of the insurance holding company system.

~~(b)~~ **(b)** No information need be disclosed if such information is not material **for purposes of IC 27-1-23-3**. Sales, purchases, exchanges, loans, or extensions of credit or investments involving **one-half of** one percent ~~(1%)~~ **(1/2%)** or less of the registrant's admitted assets as of the December 31 next preceding shall not be deemed material.

~~(c)~~ **(b)** The description shall be in a manner as to permit the proper evaluation thereof by the commissioner and shall include at least the following:

- (1) The nature and purpose of the transaction.
- (2) The nature and amounts of any payments or transfers of assets between the parties.
- (3) The identity of all parties to such transaction.
- (4) The relationship of the affiliated parties to the registrant.
- (5) Whether prior notice of the transaction has been given to the commissioner.

Item 6. Litigation or Administrative Proceedings

Furnish a brief description of any litigation or administrative proceedings of the following types, either pending or concluded within the preceding fiscal year, to which the ultimate controlling person or any of its directors or executive officers was a party or of which the property of any such person is or was the subject and give the names of the parties and the court or agency in which such litigation or proceedings is or was pending:

- (1) Criminal prosecutions or administrative proceedings by any government agency or authority which may be relevant to the trustworthiness of any party thereto.
- (2) Proceedings which may have a material effect upon the solvency or capital structure of the ultimate controlling person, including, but not necessarily limited to, bankruptcy, receivership, or other corporate reorganizations.

Item 7. Statement Regarding Plan or Series of Transactions

The registrant shall furnish a statement that transactions entered into since the filing of the prior year's annual statement are not part of a plan or series of like transactions, the purpose of which is to avoid statutory threshold amounts and the review that might otherwise occur.

Item 8. Financial Statements and Exhibits

(a) Financial statements and exhibits should be attached to this Statement as an appendix, but list under this Item the financial statements and exhibits so attached.

(b) **If the ultimate controlling person is a corporation, an organization, a limited liability company, or other legal entity**, the financial statements shall include the annual financial statements of the ultimate controlling person **in the holding company system** as of the end of the person's latest fiscal year. If, at the time of the initial or annual registration, the annual financial statements for the latest fiscal year are not available, annual statements for the previous fiscal year may be filed and similar financial information shall be filed for any subsequent period to the extent such information is available. Such financial statements may be prepared on either an individual basis, or, unless the commissioner otherwise requires, on a consolidated basis if such consolidated statements are prepared in the usual course of business.

**Other than with respect to the foregoing, such financial statement shall be filed in a standard form and format adopted by the NAIC, unless an alternative form is accepted by the commissioner.**

**Documentation and financial statements filed with the Securities and Exchange Commission or audited GAAP financial statements shall be deemed to be an appropriate form and format.**

Unless the commissioner otherwise permits, the annual financial statements shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the ultimate controlling person and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the ultimate controlling person is an insurer which is actively engaged in the business of insurance, the annual financial statements need not be certified, provided they are based on the Annual Statement of such insurer filed with the insurance department of the insurer's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of such state.

**Any ultimate controlling person who is an individual may file personal financial statements that are reviewed rather than audited by an independent public accountant. The review shall be conducted in accordance with standards for review of personal financial statements published in the Personal Financial Statements Guide by the American Institute of Certified Public Accountants. Personal financial statements shall be accompanied by the independent public accountant's Standard Review Report stating that the accountant is not aware of any material modifications that should be made to the financial statements in order for the statements to be in conformity with generally accepted accounting principles.**

(c) Exhibits shall include copies of the latest annual report to shareholders of the ultimate controlling person and proxy material used by the ultimate controlling person; and any additional documents or paper required or permitted by Form B or regulations of which such form is a part.

Item 9. Form C Required

A Form C, Summary of Registration Statement, must be prepared and filed with this Form B.

Item 10. Signature and Certification

Signature and certification of the following form:

SIGNATURE



FORM C

Item 1. Changes in Prior Statement

(a) Furnish a brief description of all items in the current annual registration statement which represent changes from the prior year's annual registration statement. The description shall be in a manner as to permit the proper evaluation thereof by the commissioner and shall include specific references to Item numbers in the annual registration statement and to the terms contained therein.

(b) Changes occurring under Item 2 of Form B insofar as changes in the percentage of each class of voting securities held by each affiliate are concerned, need only be included where such changes are ones which result in ownership or holdings of ten percent (10%) or more of voting securities, loss or transfer of control, or acquisition or loss of partnership interest.

(c) Changes occurring under Item 4 of Form B need only be included where an individual is, for the first time, made a director or executive officer of the ultimate controlling person; a director or executive officer terminates his or her responsibilities with the ultimate controlling person; or in the event an individual is name president of the ultimate controlling person.

(d) If a transaction disclosed on the prior year's annual registration statement has been changed, the nature of such change shall be included. If a transaction disclosed on the prior year's annual registration statement has been effectuated, furnish the mode of completion and any flow of funds between affiliates resulting from the transaction.

Item 2. Statement Regarding Plan or Series of Transactions

The registrant shall furnish a statement that transactions entered into since the filing of the prior year's annual registration statement are not part of a plan or series of like transactions whose purpose it is to avoid statutory threshold amounts and the review that might otherwise occur.

Item 3. Signature and Certification

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of [IC 27-1-23-3](#) and Regulations promulgated by the Indiana Insurance Commissioner, (Name of Registrant) has caused this Statement to be duly signed on its behalf in the City of \_\_\_\_\_ and State of \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 19 **20** \_\_\_\_.

\_\_\_\_\_  
(Name of Registrant)

By

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Attest:

\_\_\_\_\_  
(Signature of Officer)

\_\_\_\_\_  
(Title)

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Statement dated \_\_\_\_\_, 19 **20** \_\_\_\_, for and on behalf of (Name of Registrant), and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof and that the facts therein set forth are true to the best of his knowledge, information, and belief.

(Signature) \_\_\_\_\_  
(Type or print name) \_\_\_\_\_

*(Department of Insurance; [760 IAC 1-15.1-6](#); filed Oct 18, 1994, 3:55 p.m.: 18 IR 523; readopted filed Sep 14, 2001, 12:22 p.m.: 25 IR 531; readopted filed Nov 27, 2007, 4:01 p.m.: [20071226-IR-760070717RFA](#))*

SECTION 7. [760 IAC 1-15.1-7](#) IS AMENDED TO READ AS FOLLOWS:

**760 IAC 1-15.1-7 Form D**

Authority: [IC 27-1-3-7](#)

Affected: [IC 27-1-23-4](#)

Sec. 7. Form D, concerning prior notice of a transaction, shall be as follows:

FORM D  
PRIOR NOTICE OF A TRANSACTION  
Filed with the  
INDIANA INSURANCE COMMISSIONER  
By

\_\_\_\_\_  
Name of Registrant  
On behalf of the following Insurance Companies

Name	Address

Date: \_\_\_\_\_, 19 20 \_\_

Name, title, address, and telephone number of individual to whom notices and correspondence concerning this Statement should be addressed:

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

FORM D

**Item 1. Identity of Parties to Transaction**

Furnish the following information for each of the parties to the transaction:

- (1) Name.
- (2) Home office address.
- (3) Principal executive office address.
- (4) The organizational structure, i.e., corporation, partnership, individual, trust, etc.
- (5) A description of the nature of the parties' business operations.
- (6) Relationship, if any, of other parties to the transaction to the insurer filing the notice, including any ownership or debtor/creditor interest by any other parties to the transaction in the insurer seeking approval, or by the insurer filing the notice in the affiliated parties.
- (7) Where the transaction is with a nonaffiliate, the name(s) of the affiliate which will receive, in whole or in substantial part, the proceeds of the transaction.

**Item 2. Description of the Transaction**

Furnish the following information for each transaction for which notice is being given:

- (1) A statement as to whether notice is being given under [IC 27-1-23-4\(b\)\(1\)](#), [IC 27-1-23-4\(b\)\(2\)](#), [IC 27-1-23-4\(b\)\(3\)](#), [IC 27-1-23-4\(b\)\(4\)](#), or [IC 27-1-23-4\(b\)\(5\)](#).
- (2) A statement of the nature of the transaction.
- (3) A statement of how the transaction meets the "fair and reasonable" standard set forth in [IC 27-1-23-4\(a\)\(1\)](#).**
- ~~(3)~~ **(4)** The proposed effective date of the transaction.

**Item 3. Sales, Purchases, Exchanges, Loans, Extensions of Credit, Guarantees, or Investments**

(a) Furnish a brief description of the amount and source of funds, securities, property, or other consideration for the sale, purchase, exchange, loan, extension of credit, guarantee, or investment, whether any provision

exists for the purchase by the insurer filing notice, by any party to the transaction, or by any affiliate of the insurer filing notice, a description of the terms of any securities being received, if any, and a description of any other agreements relating to the transaction such as contracts or agreements for services, consulting agreements, and the like. If the transaction involves other than cash, furnish a description of the consideration, its cost, and its fair market value, together with an explanation of the basis for the evaluation.

(b) If the transaction involves a loan, extension of credit, or a guarantee, furnish a description of the maximum amount which the insurer will be obligated to make available under such loan, extension of credit, or guarantee, the date on which the credit or guarantee will terminate, and any provisions for the accrual of or deferral of interest.

(c) If the transaction involves an investment, guarantee, or other arrangement, state the time period during which the investment, guarantee, or other arrangement will remain in effect, together with any provisions for extensions or renewals of such investments, guarantees, or arrangements. Furnish a brief statement as to the effect of the transaction upon the insurer's surplus.

(d) No notice need be given if the maximum amount which can at any time be outstanding or for which the insurer can be legally obligated under the loan, extension of credit, or guarantee is less than:

(1) in the case of non-life insurers, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders; or

(2) in the case of life insurers, three percent (3%) of the insurer's admitted assets; each as of the December 31 next preceding.

#### Item 4. Loans or Extensions of Credit to a Nonaffiliate

(a) If the transaction involves a loan or extension of credit to any person who is not an affiliate, furnish a brief description of the agreement or understanding whereby the proceeds of the proposed transaction, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase the assets of, or to make investments in, any affiliate of the insurer making such loans or extensions of credit, and specify in what manner the proceeds are to be used to loan to, extend credit to, purchase assets of, or make investments in any affiliate. Describe the amount and source of funds, securities, property, or other consideration for the loan or extension of credit and, if the transaction is one involving consideration other than cash, a description of its cost and its fair market value together with an explanation of the basis for evaluation. Furnish a brief statement as to the effect of the transaction upon the insurer's surplus.

(b) No notice need be given if the loan or extension of credit is less than:

(1) in the case of non-life insurers, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders; or

(2) with respect to life insurers, three percent (3%) of the insurer's admitted assets; each as of the December 31 next preceding.

#### Item 5. Reinsurance

(a) If the transaction is a reinsurance agreement or modification thereto, **or a reinsurance pooling agreement or modification thereto**, as described by [IC 27-1-23-4\(b\)\(3\)](#), furnish a description of the known and/or estimated amount of liability to be ceded and/or assumed, the period of time during which the agreement will be in effect, and a statement whether an agreement or understanding exists between the insurer and nonaffiliate to the effect that any portion of the assets constituting the consideration for the agreement will be transferred to one (1) or more of the insurer's affiliates. Furnish a brief description of the consideration involved in the transaction and a brief statement as to the effect of the transaction upon the insurer's surplus.

(b) No notice need be given for reinsurance agreements or modifications thereto if the ~~cash or invested assets~~ **reinsurance premium or change in the insurer's liabilities, or the projected reinsurance premium or change in the insurer's liabilities in any of the next three (3) years**, in connection with the reinsurance agreement or modification thereto is less than five percent (5%) of the insurer's surplus as regards policyholders, as of the December 31 next preceding. **Notice shall be given for all reinsurance pooling agreements including modifications thereto.**

#### Item 6. Management Agreements, Service ~~Contracts~~, **Agreements**, and Cost-Sharing Arrangements

(a) For management **and service** agreements ~~and service contracts~~, furnish the following:

(1) A brief description of the managerial responsibilities or services to be performed.

(2) A brief description of the agreement or contract, including a statement of its duration, together with brief descriptions of the basis for compensation and the terms under which payment or compensation is to be made.

(b) For cost-sharing arrangements, furnish the following:

(1) A brief description of the purpose of the agreement.

- (2) A description of the period of time during which the agreement is to be in effect.
- (3) A brief description of each party's expenses or costs covered by the agreement.
- (4) A brief description of the accounting basis to be used in calculating each party's costs under the agreement.
- (5) A brief statement as to the effect of the transaction upon the insurer's policyholder surplus.**
- (6) A statement regarding the cost allocation methods that specifies whether proposed charges are based on "cost or market". If market based, the statement must include the rationale for using market instead of cost, including justification for the company's determination that amounts are fair and reasonable.**
- (7) A statement regarding compliance with the NAIC Accounting Practices and Procedure Manual regarding expense allocation.**

Item 7. Signature and Certification  
 Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of [IC 27-1-23-4](#) and Regulations promulgated by the Indiana Insurance Commissioner, (Name of Applicant) has caused this Statement to be duly signed on its behalf in the City of \_\_\_\_\_ and State of \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 19 **20** \_\_\_\_.

(SEAL)

By \_\_\_\_\_  
 (Name of Applicant)  
 Name \_\_\_\_\_ Title \_\_\_\_\_

Attest:

\_\_\_\_\_  
 (Signature of Officer)

\_\_\_\_\_  
 (Title)

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached Statement dated \_\_\_\_\_, 19 **20** \_\_\_\_, for and on behalf of (Name of Applicant), and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof and that the facts therein set forth are true to the best of his knowledge, information, and belief.

(Signature) \_\_\_\_\_  
 (Type or print name) \_\_\_\_\_

*(Department of Insurance; [760 IAC 1-15.1-7](#); filed Oct 18, 1994, 3:55 p.m.: 18 IR 524; readopted filed Sep 14, 2001, 12:22 p.m.: 25 IR 531; readopted filed Nov 27, 2007, 4:01 p.m.: [20071226-IR-760070717RFA](#))*

SECTION 8. [760 IAC 1-15.1-7.1](#) IS ADDED TO READ AS FOLLOWS:

**[760 IAC 1-15.1-7.1](#) Form E**

Authority: [IC 27-1-3-7](#)  
 Affected: [IC 27-1-23-2.5](#)

**Sec. 7.1. Form E, concerning preacquisition notification forms regarding the potential competitive impact of a proposed merger or acquisition by a nondomiciliary insurer doing business in this state or by a domestic insurer, shall be as follows:**

**FORM E  
 PRE-ACQUISITION NOTIFICATION FORM  
 REGARDING THE POTENTIAL COMPETITIVE IMPACT  
 OF A PROPOSED MERGER OR ACQUISITION BY A  
 NON-DOMICILIARY INSURER DOING BUSINESS IN THIS**

STATE OR BY A DOMESTIC INSURER  
Filed with the  
INDIANA INSURANCE COMMISSIONER  
By

\_\_\_\_\_  
Name of Applicant

\_\_\_\_\_  
Name of Other Person Involved in Merger or Acquisition

Date: \_\_\_\_\_, 20\_\_

Name, title, address, and telephone number of person completing this statement:

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

**FORM E**

**Item 1. Name and Address**

State the names and addresses of the persons who hereby provide notice of their involvement in a pending acquisition or change in corporate control.

**Item 2. Name and Addresses of Affiliated Companies**

State the names and addresses of the persons affiliated with those listed in Item 1. Describe their affiliations.

**Item 3. Nature and Purpose of the Proposed Merger or Acquisition**

State the nature and purpose of the proposed merger or acquisition.

**Item 4. Nature of Business**

State the nature of the business performed by each of the persons identified in response to Item 1 and Item 2.

**Item 5. Market and Market Share**

State specifically what market and market share in each relevant insurance market the persons identified in Item 1 and Item 2 currently enjoy in this state. Provide historical market and market share data for each person identified in Item 1 and Item 2 for the past five years and identify the source of such data. Provide a determination as to whether the proposed acquisition or merger, if consummated, would violate the competitive standards of the state as stated in [IC 27-1-23-2.5](#). If the proposed acquisition or merger would violate competitive standards, provide justification of why the acquisition or merger would not substantially lessen competition or create a monopoly in the state.

For purposes of this question, market means direct written insurance premium in this state for a line of business as contained in the annual statement required to be filed by insurers licensed to do business in this state.

(Department of Insurance; [760 IAC 1-15.1-7.1](#))

SECTION 9. [760 IAC 1-15.1-7.2](#) IS ADDED TO READ AS FOLLOWS:

[760 IAC 1-15.1-7.2](#) Form F

Authority: [IC 27-1-3-7](#)

Affected: [IC 27-1-23-1](#); [IC 27-1-23-3](#)

Sec. 7.2. Form F, concerning enterprise risk report, shall be as follows:

**FORM F**



**ENTERPRISE RISK REPORT**  
Filed with the  
**INDIANA INSURANCE COMMISSIONER**  
By

\_\_\_\_\_  
Name of Registrant/Applicant

\_\_\_\_\_  
Name of Other Person Involved in Merger or Acquisition  
On behalf of/related to the following Insurance Companies

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

Date: \_\_\_\_\_, 20\_\_

Name, title, address, and telephone number of individual to whom notices and correspondence concerning this Statement should be addressed:

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

**FORM F**

**Item 1. Enterprise Risk**

(a) The Registrant/Applicant, to the best of its knowledge and belief, shall provide information regarding the following areas that could produce enterprise risk as defined in [IC 27-1-23-1\(i\)](#), provided such information is not disclosed in the Insurance Holding Company System Annual Registration Statement filed on behalf of itself or another insurer for which it is the ultimate controlling person:

- (1) Any material developments regarding strategy, internal audit findings, compliance or risk management affecting the insurance holding company system.
- (2) Acquisition or disposal of insurance entities and reallocation of existing financial or insurance entities within the insurance holding company system.
- (3) Any changes of shareholders of the insurance holding company system exceeding ten percent (10%) or more of voting securities.
- (4) Developments in various investigations, regulatory activities or litigation that may have a significant bearing or impact on the insurance holding company system.
- (5) Business plan of the insurance holding company system and summarized strategies for next 12 months.
- (6) Identification of material concerns of the insurance holding company system raised by supervisory college, if any, in last year.
- (7) Identification of insurance holding company system capital resources and material distribution patterns.
- (8) Identification of any negative movement, or discussions with rating agencies which may have caused, or may cause, potential negative movement in the credit ratings and individual insurer financial strength ratings assessment of the insurance holding company system (including both the rating score and outlook).
- (9) Information on corporate or parental guarantees throughout the holding company and the expected source of liquidity should such guarantees be called upon.
- (10) Identification of any material activity or development of the insurance holding company system that, in the opinion of senior management, could adversely affect the insurance holding company system.

(b) The Registrant/Applicant may attach the appropriate form most recently filed with the U.S. Securities and Exchange Commission provided the Registrant/Applicant includes specific references to those areas listed in Item 1(a) for which the form provides responsive information. If the Registrant/Applicant is not domiciled in the United States, it may attach its most recent public audited financial statement filed in its country of domicile, provided the Registrant/Applicant includes specific references to those areas listed in Item 1(a) for which the financial statement provides responsive information.

## Item 2. Obligation to Report

If the Registrant/Applicant has not disclosed any information pursuant to Item 1, the Registrant/Applicant shall include a statement affirming that, to the best of its knowledge and belief, it has not identified enterprise risk subject to disclosure pursuant to Item 1.

(Department of Insurance; [760 IAC 1-15.1-7.2](#))

SECTION 10. [760 IAC 1-15.1-10](#) IS AMENDED TO READ AS FOLLOWS:

### [760 IAC 1-15.1-10](#) Forms; amendments

Authority: [IC 27-1-3-7](#)

Affected: [IC 27-1-23](#)

Sec. 10. The applicant shall promptly advise the commissioner of any material changes in the information furnished on Form A, Form B, ~~or Form C~~, Form D, **Form E, or Form F** arising subsequent to the date upon which the information was furnished but prior to the commissioner's disposition of the application **or filing**. Any amendment to a form filed under this rule shall:

- (1) include on the top of the cover page a phrase, "Amendment No. \_\_\_\_\_ to"; and ~~shall~~
- (2) indicate the date of the amendment and not the date of the original filing.

(Department of Insurance; [760 IAC 1-15.1-10](#); filed Oct 18, 1994, 3:55 p.m.: 18 IR 527; readopted filed Sep 14, 2001, 12:22 p.m.: 25 IR 531; readopted filed Nov 27, 2007, 4:01 p.m.: [20071226-IR-760070717RFA](#))

SECTION 11. [760 IAC 1-15.1-12](#) IS AMENDED TO READ AS FOLLOWS:

### [760 IAC 1-15.1-12](#) Standards

Authority: [IC 27-1-3-7](#)

Affected: [IC 27-1-23-4](#)

Sec. 12. (a) Requests by domestic insurers for approval of extraordinary dividends or any other extraordinary distribution to security holders shall include the following:

(1) The:

- (A) date established for payment of the dividend; and ~~the~~
- (B) amount of the proposed dividend.

(2) A statement as to whether the dividend is to be in cash or other property and, if in property, a description thereof, its cost, and its fair market value together with an explanation of the basis for valuation.

(3) The amounts and dates of all dividends **or distributions** (including regular dividends **but excluding distributions of the insurer's own securities**) paid within the period of twelve (12) consecutive months ending on the date fixed for payment of the proposed dividend for which approval is sought and commencing on the day after the same day of the same month in the last preceding year.

**(4) Surplus as regards policyholders (total capital and surplus) as of the thirty-first day of December next preceding.**

~~(4)~~ (5) A brief statement as to the effect of the proposed dividend upon the insurer's surplus and the reasonableness of surplus in relation to the insurer's outstanding liabilities and the adequacy of surplus relative to the insurer's financial needs, including an analysis of the factors contained in [IC 27-1-23-4\(f\)](#).

~~(5)~~ (6) If the insurer is a life insurer, the net gain from operations for the twelve (12) month period ending December 31 next preceding.

~~(6)~~ (7) If the insurer is not a life insurer, the net income less realized capital gains for the twelve (12) month period ending December 31 next preceding and the two (2) preceding twelve (12) month periods.

~~(7)~~ (8) If the insurer is not a life insurer, the dividends paid to security holders in the preceding two (2) calendar years.

**(9) If the insurer is not a life insurer, the dividends paid to stockholders excluding distributions of that insurer's own securities in the preceding two (2) calendar years.**

~~(8)~~ (10) A balance sheet and statement of income for the period intervening from the last annual statement filed with the commissioner and the end of the month preceding the month in which the request for dividend

approval is submitted.

(b) The factors set forth in [IC 27-1-23-4](#)(f) are not intended to be an exhaustive list. In determining the adequacy and reasonableness of an insurer's surplus, no single factor shall be controlling. The commissioner, instead, will consider the net effect of all of these factors, plus other factors bearing on the financial condition of the insurer. In comparing the surplus maintained by other insurers, the commissioner will consider the extent to which each of these factors varies from company to company and in determining the quality and liquidity of investments in subsidiaries, the commissioner will consider the individual subsidiary and may discount or disallow its valuation to the extent that the individual investments so warrant.

*(Department of Insurance; [760 IAC 1-15.1-12](#); filed Oct 18, 1994, 3:55 p.m.: 18 IR 528; readopted filed Sep 14, 2001, 12:22 p.m.: 25 IR 531; readopted filed Nov 27, 2007, 4:01 p.m.: [20071226-IR-760070717RFA](#))*

SECTION 12. [760 IAC 1-15.1-13](#) IS AMENDED TO READ AS FOLLOWS:

**[760 IAC 1-15.1-13](#) Disclaimers and termination of registration**

**Authority:** [IC 27-1-3-7](#)

**Affected:** [IC 27-1-23-3](#)

Sec. 13. **(a)** A disclaimer of affiliation or a request for termination of registration claiming that a person does not, or will not upon the taking of some proposed action, control another person (hereinafter referred to as the "subject") shall contain the following information:

- (1) The number of authorized, issued, and outstanding voting securities of the subject.
- (2) With respect to the person whose control is denied and all affiliates of ~~such~~ **the** person, the number and percentage of shares of the subject's voting securities ~~which~~ **that** are held of record or known to be beneficially owned, and the number of shares concerning which there is a right to acquire, directly or indirectly.
- (3) All material relationships and bases for affiliation between the subject and the person whose control is denied and all affiliates of ~~such~~ **the** person.
- (4) A statement explaining why the person should not be considered to control the subject.

**(b) A request for termination of registration shall be deemed to have been granted unless the commissioner, within thirty (30) days after receipt of the request, notifies the registrant otherwise.**

*(Department of Insurance; [760 IAC 1-15.1-13](#); filed Oct 18, 1994, 3:55 p.m.: 18 IR 528; readopted filed Sep 14, 2001, 12:22 p.m.: 25 IR 531; readopted filed Nov 27, 2007, 4:01 p.m.: [20071226-IR-760070717RFA](#))*

SECTION 13. [760 IAC 1-15.1-14](#) IS AMENDED TO READ AS FOLLOWS:

**[760 IAC 1-15.1-14](#) Incorporation of answers by reference**

**Authority:** [IC 27-1-3-7](#)

**Affected:** [IC 27-1-23-2](#); [IC 27-1-23-3](#)

Sec. 14. (a) Items on Form A, ~~and~~ Form B, **Form C, Form D, Form E, and Form F** may be answered by reference to answers to other items on the same form.

(b) Items on Form A, Form B, Form C, ~~and~~ Form D, **Form E, and Form F** may be answered by reference to documents attached to such forms as exhibits, including, but not limited to, financial statements, annual reports, proxy statements, or any other written information. Where excerpts of documents have been attached as exhibits, the commissioner may require at any time that the complete documents be filed. **Where an item requires a summary or outline of the provisions of any document, only a brief statement shall be made as to the pertinent provisions of the document.**

(c) References to answers or attached exhibits shall:

- (1)** clearly identify the information to be incorporated; and
- (2)** specifically state that ~~such~~ **the** information is to be incorporated by reference.

(Department of Insurance; [760 IAC 1-15.1-14](#); filed Oct 18, 1994, 3:55 p.m.: 18 IR 528; readopted filed Sep 14, 2001, 12:22 p.m.: 25 IR 531; readopted filed Nov 27, 2007, 4:01 p.m.: 20071226-IR760070717RFA)

SECTION 14. [760 IAC 1-15.1-15](#) IS AMENDED TO READ AS FOLLOWS:

**[760 IAC 1-15.1-15](#) Additional information and exhibits**

**Authority:** [IC 27-1-3-7](#)

**Affected:** [IC 27-1-23-2](#); [IC 27-1-23-3](#)

Sec. 15. In addition to the information expressly required to be included in Form A, Form B, Form C, and Form D, ~~there shall be added~~ **Form E, and Form F, the commissioner may request** such further material information, if any, as may be necessary to make the information contained therein not misleading. The person filing may also file such exhibits as it may desire in addition to those expressly required by the form. Such exhibits shall be so marked as to indicate clearly the subject matters to which they refer. **Changes to Form A, B, C, D, E, or F shall include on the top of the cover page the phrase: "Change No. [insert number] to" and shall indicate the date of the change and not the date of the original filing.**

(Department of Insurance; [760 IAC 1-15.1-15](#); filed Oct 18, 1994, 3:55 p.m.: 18 IR 528; readopted filed Sep 14, 2001, 12:22 p.m.: 25 IR 531; readopted filed Nov 27, 2007, 4:01 p.m.: [20071226-IR-760070717RFA](#))

[Notice of Public Hearing](#)

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