

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Insurance
233 Richmond Street
Providence, RI 02903

INSURANCE REGULATION 17

INSURANCE HOLDING COMPANY SYSTEMS

Table of Contents

Section 1	Authority
Section 2	Purposes
Section 3	Severability Clause
Section 4	Forms -- General Requirements
Section 5	Forms -- Incorporation by Reference, Summaries and Omissions
Section 6	Forms -- Information Unknown or Unavailable and Extension of Time to Furnish
Section 7	Forms -- Additional Information and Exhibits
Section 8	Forms -- Amendments
Section 9	Definitions
Section 10	Acquisition of Control -- Statement Filing
Section 11	Amendments
Section 12	Acquisition of R.I. Gen. Laws § 27-35-2(a)(1) Insurers
Section 13	Exemptions
Section 14	Registration of Insurers -- Statement Filing
Section 15	Amendments
Section 16	Alternative and Consolidated Registrations
Section 17	Exemptions
Section 18	Disclaimers and Termination of Registration
Section 19	Summary of Registration -- Statement Filing
Section 20	Transactions Subject to Prior Notice -- Notice Filing
Section 21	Extraordinary Dividends and Other Distributions
Section 22	Adequacy of Surplus
Section 23	Filing of Agreements with Affiliates
Section 24	Effect of Failure to File Agreements
Section 25	Investigation and Order as to Transaction Between Affiliates
Form A	Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer
Form B	Insurance Holding Company Systems Registration Statement
Form C	Summary of Registration
Form D	Prior Notice of a Transaction

Section 1 **Authority**

These Regulations are promulgated pursuant to the authority granted by R.I. Gen. Laws § 27-35-7.

Section 2 **Purpose**

The purpose of this Regulation is: to set forth rules and procedural requirements which the Commissioner deems necessary to carry out the provisions of R.I. Gen. Laws §§ 27-35-1 *et seq.* The information called for by this Regulation is hereby declared to be necessary and appropriate in the public interest and for the protection of policyholders and shareholders in this State.

Section 3 **Severability Clause**

If any provision of this Regulation, or the application thereof to any person or circumstance, is held invalid, such invalidity shall not affect other provisions or applications of this Regulation which can be given effect without the invalid provision or application, and to that end the provisions of these regulations are severable.

Section 4 **Forms -- General Requirements**

- (a) Forms A, B, C, and D are intended to be guides in the preparation of the statements required by R.I. Gen. Laws §§ 27-35-2 through 27-35-4. They are not intended to be blank forms which are to be filled in. 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 so prepared as to indicate to the reader the coverage of the items without the necessity of his referring to the text of the items or the instructions thereto. All instructions, whether appearing under the items of the form or elsewhere therein, 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.
- (b) One (1) complete copy of each statement including exhibits and all other papers and documents filed as a part thereof, shall be filed with the Commissioner by personal delivery or mail addressed to: Insurance Commissioner of the State of Rhode Island, 233 Richmond Street, Providence, Rhode Island 02903. At least one (1) of the copies shall be manually 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 such power of attorney or other authority shall also be filed with the statement.
- (c) Statements should be prepared on paper 8 1/2" X 11" or 8 1/2" X 14" in size and preferably bound at the top or the top left-hand corner. Exhibits

and financial statements, unless specifically prepared for the filing, may be submitted in their original size. All copies of any statement, financial statements, or exhibits shall be clear, easily readable and suitable for photocopying. Debits in credit categories and credits in debit categories shall be designated so as to be clearly distinguishable as such on photocopies. Statements 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.

Section 5 **Forms -- Incorporation by Reference, Summaries and Omissions**

- (a) Information required by any item of Form A, Form B or Form D may be incorporated by reference in answer or partial answer to any other item. Information contained in any financial statement, annual report, proxy statement, statement filed with a governmental authority, or any other document may be incorporated by reference in answer or partial answer to any item of Form A, Form B or Form D provided such document or paper is filed as an exhibit to the statement. Excerpts of documents may be filed as exhibits if the documents are extensive. Documents already on file with the Commissioner need not be attached as exhibits. References to information contained in exhibits or in documents already on file shall clearly identify the material and shall specifically indicate that such material is to be incorporated by reference in answer to the item. Matter shall not be incorporated by reference in any case where such incorporation would render the statement incomplete, unclear or confusing.

- (b) Where an item requires a summary or outline of the provisions of any document, only a brief statement shall be made as to the most important provisions of the document. In addition to such statement, the summary or outline may incorporate by reference particular parts of any exhibit or document on file with the Commissioner and may be qualified in its entirety by such reference. In any case where two (2) or more documents required to be filed as exhibits are substantially identical in all material respects except as to the parties thereto, the dates of execution, or other details, a copy of only one of such documents need be filed with a schedule identifying the omitted documents and setting forth the material details in which such documents differ from the documents a copy of which is filed.

Section 6 **Forms -- Information Unknown or Unavailable and Extension of Time to Furnish**

- (a) Information required need be given only insofar as it is known or reasonably available to the person filing the statement. If any required information is unknown and not reasonably available to the person filing, either because the obtaining thereof would involve unreasonable effort or expense, or because it rests peculiarly within the knowledge of another person not affiliated with the person filing, the information may be omitted, subject to the following conditions:
- (1) The person filing shall give such information on the subject as it possesses or can acquire without unreasonable effort or expense, together with the sources thereof; and
 - (2) The person filing shall include a statement either showing that unreasonable effort or expense would be involved or indicating the absence of any affiliation with the person within whose knowledge the information rests and stating the result of a request made to such person for the information.
- (b) If it is impractical to furnish any required information, document or report at the time it is required to be filed, there may be filed with the Commissioner as a separate document an application (1) identifying the information, document or report in question, (2) stating why the filing thereof at the time required is impractical, and (3) requesting an extension of time for filing the information, document or report to a specified date. The application shall be deemed granted unless the Commissioner within fifteen (15) working days after receipt thereof, shall enter an order denying the application.

Section 7 **Forms -- Additional Information and Exhibits**

In addition to the information expressly required to be included in Form A, Form B, Form C and Form D, there shall be added 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 statement. Such exhibits shall be so marked as to indicate clearly the subject matters to which they refer.

Section 8 **Forms -- Amendments**

Any amendment for Form A, Form B, Form C, or Form D shall include on the top of the cover page the phrase: "Amendment No. _____ to" and shall indicate the date of the amendment and not the date of the original filing.

Section 9 **Definitions**

- (a) "Executive officer" means any individual charged with active management and control in an executive capacity (including a president, vice president, treasurer, secretary, controller, and any other individual performing functions corresponding to those performed by the foregoing officers) of a person, whether incorporated or unincorporated.
- (b) "Foreign insurer" shall include an alien insurer except where clearly noted otherwise.
- (c) "Ultimate controlling person" means that person which is not controlled by any other person.
- (d) "Affiliate" shall mean and include in addition to R.I. Gen. Laws § 27-35-1(a) any person with whom an insurer has a management or service contract or arrangement of the character set forth in Section 23 of this Regulation, including contracts for personnel service with persons not otherwise affiliated.
- (e) Unless the context otherwise requires, other terms found in these regulations and in R.I. Gen. Laws § 27-35-1 are used as defined in the said R.I. Gen. Laws § 27-35-1. Other nomenclature or terminology is according to the Insurance Code, or industry usage if not defined by the Code.

Section 10 **Acquisition of Control -- Statement Filing**

A person required to file a statement pursuant to R.I. Gen. Laws § 27-35-2 shall furnish the required information on Form A, hereby made a part of this regulation.

Section 11 **Amendments**

The applicant shall promptly advise the Commissioner of any changes in the information so furnished arising subsequent to the date upon which such information was furnished but prior to the Commissioner's disposition of the application.

Section 12 **Acquisition of Section 27-35-2(a)(1) Insurers**

- (a) If the person being acquired is a "domestic insurer" solely because of the provisions of R.I. Gen. Laws § 27-35-2(a)(1) , the name of the domestic insurer on the cover page should be indicated as follows:

"ABC Insurance Company, a subsidiary of XYZ Holding Company."

- (b) Where a R.I. Gen. Laws § 27-35-2(a)(1) insurer is being acquired references to "the insurer" contained in Form A shall refer to both the domestic subsidiary insurer and the person being acquired.

Section 13 **Exemptions**

No statement need be filed and no approval by the Commissioner is required pursuant to R.I. Gen. Laws § 27-35-2 if the company being acquired is considered a domestic insurer solely by reason of R.I. Gen. Laws § 27-35-2 and provided such acquisition is subject to disclosure requirements in said company's state of domicile substantially similar to those imposed by R.I. Gen. Laws § 27-35-2.

Section 14 **Registration of Insurers -- Statement Filing**

An insurer required to file a statement pursuant to R.I. Gen. Laws § 27-35-3 shall furnish the required information on Form B, hereby made a part of these regulations.

Section 15 **Amendments**

- (a) An amendment to Form B shall be filed within fifteen (15) days after the end of any month in which the following occurs:
 - (1) there is a change in the control of the registrant, in which case the entire Form B shall be made current;
 - (2) there is a material change in the information given in Item 5 or Item 6.
- (b) An amendment to Form B shall be filed within one hundred twenty (120) days after the end of each fiscal year of the ultimate controlling person of the insurance holding company system. Such amendment shall make current all information in Form B.

Section 16 **Alternative and Consolidated Registrations**

- (a) Any authorized insurer may file a registration statement on behalf of any affiliated insurer or insurers which are required to register under R.I. Gen. Laws § 27-35-3. A registration statement may include information regarding any insurer in the insurance holding company system even if such insurer is not authorized to do business in this State. In lieu of filing a registration statement on Form B, the authorized insurer may file a copy of the registration statement or similar report which it is required to file in its State of domicile, provided:
 - (1) the statement or report contains substantially similar information required to be furnished on Form B; and

- (2) the filing insurer is the principal insurance company in the insurance holding company system.
- (b) The question of whether the filing insurer is the principal insurance company in the insurance holding company system is a question of fact and an insurer filing a registration statement or report in lieu of Form B on behalf of an affiliated insurer, shall set forth a simple statement of facts which will substantiate the filing insurer's claim that it, in fact, is the principal insurer in the insurance holding company system.
- (c) With the prior approval of the Commissioner, an unauthorized insurer may follow any of the procedures which could be done by an authorized insurer under paragraph (a) above.
- (d) Any insurer may take advantage of the provisions of R.I. Gen. Laws §§ 27-35-3(f) or 27-35-3(g) without obtaining the prior approval of the Commissioner. The Commissioner, however, reserves the right to require individual filings if he deems such filings necessary in the interest of clarity, ease of administration or the public good.

Section 17 *Exemptions*

- (a) A foreign or alien insurer otherwise subject to R.I. Gen. Laws § 27-35-3 shall not be required to register pursuant to R.I. Gen. Laws § 27-35-3 if it is admitted in the domiciliary State of the principal insurer (as that term is defined in Section 16 of this Regulation) and in said State if subject to disclosure requirements and standards adopted by statute or regulation which are substantially similar to those contained in R.I. Gen. Laws § 27-35-3, provided, the Commissioner may require a copy of the registration statement or other information filed with the domiciliary state; or
- (b) The State of entry of an alien insurer shall be deemed to be its domiciliary State for the purposes of R.I. Gen. Laws § 27-35-3.
- (c) Any insurer not otherwise exempt or excepted from R.I. Gen. Laws § 27-35-3 may apply for an exemption from the requirements of R.I. Gen. Laws § 27-35-3 by submitting a statement to the Commissioner setting forth its reasons for being exempt.

Section 18 *Disclaimers and Termination of Registration*

- (a) A disclaimer of affiliation or 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 person, the number and percentage of shares of the subject's voting securities which are held of record or known to be beneficially owned, and the number of such 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 person;
 - (4) a statement explaining why such person should not be considered to control the subject.
- (b) A disclaimer or a request for termination of registration shall be deemed to have been granted unless the Commissioner, within ten (10) days after he receives the request, notifies the registrant otherwise.

Section 19 **Summary of Registration -- Statement Filing**

An insurer required to file an annual registration statement pursuant to R.I. Gen. Laws § 27-35-3 is also required to furnish information required on Form C, hereby made a part of these regulations. An insurer shall file a copy of Form C in each state in which the insurer is authorized to do business, if requested by the Commissioner of that state.

Section 20 **Transactions Subject to Prior Notice -- Notice Filing**

An insurer required to give notice of a proposed transaction pursuant to R.I. Gen. Laws § 27-35-4 shall furnish the required information on Form D, hereby made a part of this Regulation.

Section 21 **Extraordinary Dividends and Other Distributions**

- (a) Requests for approval of extraordinary dividends or any other extraordinary distribution to shareholders shall include the following:
- (1) the date established for payment of the 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 (including regular dividends) 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) 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;
 - (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.
- (b) The payment of an extraordinary dividend by an insurer whose total liabilities, as calculated for National Association of Insurance Commissioners annual statement purposes, are less than ten percent (10%) of its assets both before and after payment thereof is deemed automatically approved. The insurer, however, shall give written notice to the Commissioner of the declaration pursuant to R.I. Gen. Laws § 27-35-3(d).

Section 22 **Adequacy of Surplus**

The factors set forth in R.I. Gen. Laws § 27-35-4(b) 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.

Section 23 **Filing of Agreements with Affiliates**

The original or a verified copy of any contract or arrangement and of any modification thereof or a verified summary of any unwritten contract or arrangement, the consideration of which exceeds ten thousand dollars (\$10,000), hereafter entered into between an insurer and an affiliate providing for the furnishing of managerial, supervisory, construction, engineering, information, accounting, purchasing, financial, or any other services, either to or by an insurer or an affiliate, shall be filed by the insurer with the Commissioner within ten (10) days after the date on which the contract is executed or the arrangement entered into. The Commissioner may also require an insurer to file in such form as the Commissioner may require full information with respect to any

purchase from or sale to an affiliate, whether or not made in pursuance of a continuing contract or arrangement.

Section 24 **Effect of Failure to File Agreements**

Any contract or arrangement not filed with the Commissioner pursuant to Section 23 of this Regulation shall be unenforceable and the Commissioner may petition the Superior Court for the County of Providence for an order voiding such contract. Any payments made or to be made thereunder shall be disallowed and reversed by the Commissioner notwithstanding any reliance or consequential damages incurred by the company, its officers, directors, employees, shareholders, or other persons associated with company unless the later filing thereof is approved in writing by the Commissioner.

Section 25 **Investigation and Order as to Transaction Between Affiliates**

The Commissioner shall have full power and authority to investigate any contract, arrangement, purchase, or sale, and if the Commissioner, after notice and hearing, shall find the contract, arrangement, purchase, or sale to be unjust or unreasonable, the Commissioner may make such reasonable order relating thereto as the public good requires. In any such investigation the burden shall be on the insurer or affiliate to prove the reasonableness of any contract, arrangement, purchase, or sale with, from, or to an affiliate. If the insurer shall fail to satisfy the Commissioner of the reasonableness of any contract, arrangement, purchase, or sale, the Commissioner may disapprove the same, or disallow payments thereunder or such part of any payment as the Commissioner shall find to be unjust or unreasonable, or both disapprove and disallow as aforesaid. No payment disallowed by the Commissioner shall be capitalized or included as an operating cost of the insurer in the fixing of rates or as an asset in fixing a rate base. If, in any investigation, the insurer or affiliate shall unreasonably refuse to comply with any request of the Commissioner for information with respect to relevant accounts and records, whether of the insurer or any affiliate, any portion of which may be applicable to any transaction under investigation, so that such parts thereof as the Commissioner may deem material may be made part of the record, the refusal shall justify the Commissioner in disapproving the transaction under investigation and disallowing payments in pursuance thereof.

EFFECTIVE DATE:	May 1, 1969
AMENDED:	May 1, 1975
	August 6, 1984
REFILED:	December 19, 2001

Form A **Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer**

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF OR MERGER
WITH A DOMESTIC INSURER

Name of Domestic Insurer

By

Name of Acquiring Person (Applicant)

Filed with the Insurance Department of Rhode Island

Dated: _____

Name, Title, address and telephone number of Individual to Whom Notices and Correspondence Concerning This Statement Should Be Addressed:

Item 1. INSURER AND METHOD OF ACQUISITION.

State the name and address of the domestic insurer to which this application relates and a brief description of how control is to be acquired.

Item 2. IDENTITY AND BACKGROUND OF THE APPLICANT.

(a) State the name and address of the applicant seeking to acquire control over the insurer.

(b) If the applicant is not an individual, state the nature of its business operations for the past five (5) years or for such lesser period as such person and any predecessors thereof shall have been in existence. Briefly describe the business intended to be done by the applicant and the applicant's subsidiaries.

(c) Furnish a chart or listing clearly presenting the identities of the inter-relationships among the applicant and all affiliates of the applicant. No affiliate need be identified if its total assets are equal to less than one half (1/2) of one percent (1%) of the total assets of the ultimate controlling person affiliated with the applicant. Indicate in such chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant 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, nature of proceedings and the date when commenced.

Item 3 IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT.

State the following with respect to (1) the applicant if he is an individual or (2) all persons who are directors, executive officers or owners of ten percent (10%) or more of the voting securities of the applicant if the applicant is not an individual:

(a) Name and business address;

(b) 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;

(c) Material occupations, positions, offices or employment during the last five (5) years giving the starting and ending dates of each and the name, principal business and address of any business 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 governmental 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;

(d) 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.

Item 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION.

(a) Describe the nature, source and amount of funds or other considerations used or to be used in effecting the merger or other 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 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 applicant wishes the identity to remain confidential, he must specifically request that the identity be kept confidential.

Item 5. FUTURE PLANS FOR INSURER.

Describe any plans or proposals which the applicant may have to declare an extraordinary dividend, to liquidate such insurer, to sell its assets to or merge it with any person or persons or to make any other material change in its business operations or corporate structure or management.

Item 6. VOTING SECURITIES TO BE ACQUIRED.

State the number of shares of the insurer's voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire, and the terms of the offer, request, invitation, agreement or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at.

Item 7. OWNERSHIP OF VOTING SECURITIES.

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

Item 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER.

Give a full description of any contracts, arrangements or understandings with respect to any voting security of the insurer in which the applicant, 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. Such description shall identify the persons with whom such contracts, arrangements or understandings have been entered into.

Item 9. RECENT PURCHASES OF VOTING SECURITIES.

Describe any purchases of any voting securities of the insurer by the applicant, its affiliates or any person listed in Item 3 during the twelve (12) calendar months preceding

the filing of this Statement. Include in such description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefor. State whether any such shares so purchased are hypothecated.

Item 10. RECENT RECOMMENDATIONS TO PURCHASE.

Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, 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 insurer for tender, and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.

Item 12. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial statements and exhibits 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 fiscal years (or for such lesser period as such applicant and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of such person's last fiscal year, if such information is available. Such 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 applicant shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the applicant 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 applicant 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 the 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 insurer and (if distributed) of additional soliciting material relating thereto; any proposed employment, consultation, advisory or management contracts

concerning the insurer; annual reports to the stockholders of the insurer and the applicant for the last two fiscal years; and any additional documents or papers required by Form A or Sections 4 and 6 of this Regulation.

Item 13. SIGNATURE AND CERTIFICATION.

Signature and certification of the following form:

SIGNATURE

Pursuant to the requirements of R.I. Gen. Laws § 27-35-2 and the Regulation thereunder _____ has caused this application to be duly signed on its behalf in the City of _____ and State of _____, on the day of _____, 19 ____.

(SEAL)

Name of Applicant

By _____
(Name) (Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated _____, for and on behalf of

(Name of Applicant)

that he is the _____ of such company, and that he is authorized to execute

(Title of Officer)

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 beneath) _____

Form B **Insurance Holding Company Systems Registration Statement**

FORM B

INSURANCE HOLDING COMPANY SYSTEM REGISTRATION STATEMENT

Filed with the Insurance Department of the State of Rhode Island

By

Name of Registrant

On Behalf of the Following Insurance Companies

Name

Address

Name	Address

Date: _____

Name, Title, Address and telephone number of Individual to Whom Notices and Correspondence Concerning This Statement Should Be Addressed:

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 equal to less than one half ($\frac{1}{2}$) of one percent (1%) of the total assets of the ultimate controlling person within the insurance holding company system. 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:

- (a) Name.
- (b) Home office address.
- (c) Principal executive office address.
- (d) The organizational structure of the person, i.e., corporation, partnership, individual, trust, etc.
- (e) The principal business of the person.
- (f) 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.
- (g) 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 information for the directors and executive officers of the ultimate controlling person: the individual's name and address, his principal occupation and all offices and positions held during the past five years, and any conviction of crimes other than minor traffic violations during the past ten years.

Item 5. TRANSACTIONS, RELATIONSHIPS AND AGREEMENTS.

(a) Briefly describe the following agreements in force, relationships subsisting, and transactions currently outstanding 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 asset to liability, other than insurance contracts entered into in the ordinary course of the Registrant's business;
- (5) All management and service contracts and all cost sharing arrangements, other than cost allocation arrangements based upon generally accepted accounting principles; and
- (6) Reinsurance agreements covering all or substantially all of one or more lines of insurance of the ceding company.

No information need be disclosed if such information is not material. Sales, purchases, exchanges, loans or extensions of credit or investments involving one-half (½) of one percent (1%) or less of the Registrant's admitted assets as of the 31st day of December next preceding shall not be deemed material.

The description shall be in a manner as to permit the proper evaluation thereof by the Commissioner, and shall include at least the following: the nature and purpose of the transaction; the nature and amounts of any payments or transfers of assets between the parties; the identity of all parties to such transaction; and relationship of the affiliated parties to the Registrant.

Item 6. LITIGATION OR ADMINISTRATIVE PROCEEDINGS.

A brief description of any litigation or administrative proceedings of the following types, either then 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; give the names of the parties and the court or agency in which such litigation or proceeding is or was pending:

(a) Criminal prosecutions or administrative proceedings by any government agency or authority which may be relevant to the trustworthiness of any party thereto; and

(b) Proceedings which may have a material effect upon the solvency or capital structure of the ultimate holding company including, but not necessarily limited to, bankruptcy, receivership or other corporate reorganizations.

Item 7. 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) The financial statements shall include the annual financial statements of the ultimate controlling person in the insurance holding company system as of the end of the person's latest fiscal year.

If at the time of the initial 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.

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 requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of such state.

(c) Exhibits shall include copies of the latest annual reports to shareholders of the ultimate controlling person and proxy material used by the ultimate controlling person; and any additional documents or papers required by Form B or Sections 4 and 6 of this Regulation.

Item 9. FORM C REQUIRED

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

SIGNATURE

Pursuant to the requirements of R.I. Gen. Laws § 27-35-3 and the Regulation thereunder the Registrant has caused this registration statement to be duly signed on its behalf in the City of _____ and State of _____, on the day of _____, 19 ____.

(SEAL)

Name of Registrant

By

(Name) (Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated _____, for and on behalf of _____ : that he is the _____ of _____ (Name of Company) (Title of Officer) such company, 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 beneath) _____



Form C

Summary of Registration

FORM C

Filed with the Insurance Department of the State of Rhode Island

By

Name of Registrant

On Behalf of Following Insurance Companies

Name	Address
_____	_____
_____	_____
_____	_____

Date: _____ 19 __

Name, Title, Address and Telephone Number of Individual to Whom Notice and Correspondence Concerning This Statement Should Be Addressed:

Furnish a brief description of all items in the current registration statement which represent changes from the prior year's 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.

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

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 named president of the ultimate controlling person.

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.

The insurer 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.

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of R.I. Gen. Laws § 27-35-3, the Registrant has caused this summary of registration statement to be duly signed on its behalf in the City of _____ and State of _____, on the day of _____.

(SEAL)

Name of Registrant

By _____
(Name) (Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached summary of registration statement dated _____, for and on behalf of _____ : that he is the _____ of _____
(Name of Company) (Title of Officer)

such company, 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 beneath) _____

=====

Form D

Prior Notice of a Transaction

FORM D

Filed with the Insurance Department of the State of Rhode Island

By

Name of Registrant

On Behalf of Following Insurance Companies

Name

Address

Name	Address

Date: _____

Name, Title, Address and telephone number of Individual to Whom Notice and Correspondence Concerning This Statement Should Be Addressed:

Item 1. IDENTITY OF PARTIES TO TRANSACTION.

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

- (a) Name.
- (b) Home office address.
- (c) Principal executive office address.

(d) The organizational structure, i.e. corporation, partnership, individual, trust, etc.

(e) A description of the nature of the parties' business operations.

(f) 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.

(g) Where the transaction is with a non-affiliate, the name(s) of the affiliate(s) 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:

(a) A statement as to whether notice is being given under R.I. Gen. Laws § 27-35-4(b)(1), (2), (3), (4), or (5).

(b) A statement of the nature of the transaction.

(c) The proposed effective date of the transaction.

Item 3. SALES, PURCHASES, EXCHANGES, LOANS, EXTENSIONS OF CREDIT, GUARANTEES OR INVESTMENTS.

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 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 costs and its fair market value, together with an explanation of the basis for evaluation.

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.

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.

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

Item 4. LOANS OR EXTENSIONS OF CREDIT TO A NON-AFFILIATE.

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.

No notice need be given if the loan or extension of credit is one which equals less than, in the case of non-life insurers, the lesser of 3% of the insurer's admitted assets or 25% of surplus as regards policyholders or, with respect to life insurers, 3% of the insurer's admitted assets, each as of the 31st day of December next preceding.

Item 5. REINSURANCE.

If the transaction is a reinsurance agreement or modification thereto, as described by R.I. Gen. Laws § 27-35-4(b)(3), furnish a description of the known and/or estimated amount of liability to be ceded and/or assumed in each calendar year, 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 non-affiliate to the effect that any portion of the assets constituting the consideration for the agreement will be transferred to one 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.

No notice need be given for reinsurance agreements or modifications thereto if the reinsurance premium or a change in the insurer's liabilities 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 31st day of December next preceding.

Item 6. MANAGEMENT AGREEMENTS, SERVICE AGREEMENTS AND COST-SHARING ARRANGEMENTS.

For management and service agreements, furnish:

(a) a brief description of the managerial responsibilities, or services to be performed.

(b) a brief description of the agreement, 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.

For cost-sharing arrangements, furnish:

(a) a brief description of the purpose of the agreement.

(b) a description of the period of time during which the agreement is to be in effect.

(c) a brief description of each party's expenses or costs covered by the agreement.

(d) a brief description of the accounting basis to be used in calculating each party's costs under the agreement.

Item 7. SIGNATURE AND CERTIFICATION.

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of R.I. Gen. Laws § 27-35-4, _____ has caused this notice to be duly signed on its behalf in the City of _____ and State of _____, on the day of _____, 19 ____.

(SEAL)

Name of Applicant

By _____
(Name) (Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached notice dated _____, for and on behalf of _____ :

(Name of Applicant)

that (s) he is the _____ of such company, and that (s) he

(Title of Officer)

is authorized to execute and file such instrument. Deponent further says that (s) he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature) _____

(Type or print name beneath) _____

=====