

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 482 Department or Agency Department of Insurance*

Rule No. Chapter 482-1-055

Rule Title: Insurance Holding Company System Regulation with Reporting Forms and Instructions

New Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? N/A*

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? N/A*

Is there another, less restrictive method of regulation available that could adequately protect the public? N/A*

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? N/A*

Is the increase in costs, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A*

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? N/A*

Does the proposed rule have an economic impact? N/A*

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Sections 27-2-17 and 27-7-43, Code of Alabama 1975, and that it complies with all applicable filing requirements of the Alabama Insurance Code.*

Signature of certifying officer Jim L. Ridling
Jim L. Ridling
Commissioner of Insurance

Date: June 17, 2015

*Note: *The Alabama Department of Insurance is exempt from the Alabama Administrative Procedures Act pursuant to Section 41-22-2(e), Code of Alabama 1975.*

Alabama Department of Insurance

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Department of Insurance

RULE NO. & TITLE: Chapter 482-1-055: Insurance Holding
Company System Regulation with Reporting
Forms and Instructions.

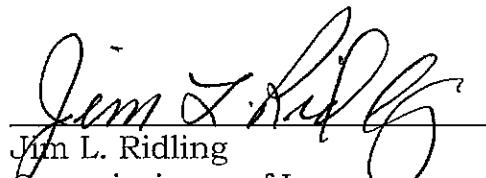
INTENDED ACTION: Amend chapter.

SUBSTANCE OF PROPOSED ACTION: The Commissioner of
Insurance is proposing to make various changes to the regulation to
incorporate the 2014 revisions to the Insurance Holding Company Act.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Interested
persons may submit data, views, or arguments in writing at any time
prior to August 5, 2015, to the Alabama Department of Insurance,
Attention: Legal Division, Post Office Box 303351, Montgomery, Alabama
36130-3351, or orally by appearing at the public hearing, Suite 502, RSA
Tower, 201 Monroe Street, Montgomery, Alabama, beginning at 10:00
AM, August 12, 2015.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
August 5, 2015

CONTACT PERSON AT AGENCY: Reyn Norman
General Counsel



Jim L. Ridling
Commissioner of Insurance

ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION

CHAPTER 482-1-055

INSURANCE HOLDING COMPANY SYSTEM REGULATION
WITH REPORTING FORMS AND INSTRUCTIONS

TABLE OF CONTENTS

	Page
15 482-1-055-.01 Authority.	2
16 482-1-055-.02 Purpose.	2
17 482-1-055-.03 Severability Clause.	2
18 482-1-055-.04 Forms - General Requirements.	3
19 482-1-055-.05 Forms - Incorporation by Reference, Summaries and 20 Omissions.	4
21 482-1-055-.06 Forms - Information Unknown or Unavailable and Extension 22 of Time to Furnish.	6
23 482-1-055-.07 Forms - Additional Information and Exhibits.	7
24 482-1-055-.08 Definitions.	7
25 482-1-055-.09 Subsidiaries of Domestic Insurers.	8
26 482-1-055-.10 Acquisition of Control - Statement Filing.	8
27 482-1-055-.11 Amendments to Form A.	9
28 482-1-055-.12 Acquisition of <u>Section 27-29-3(a)(2)</u> Insurers.	9
29 <u>482-1-055-.12.1 Pre-Acquisition Notification (Form E).</u>	<u>9</u>
30 482-1-055-.13 Annual Registration of Insurers - Statement Filing (Form 31 B).	10
32 482-1-055-.14 Summary of <u>Changes to Registration</u> - Statement Filing 33 (<u>Form C</u>).	10
34 482-1-055-.15 Amendments to Form B.	11
35 482-1-055-.16 Alternative and Consolidated Registrations.	11
36 482-1-055-.17 Disclaimers and Termination of Registration.	13
37 482-1-055-.18 Transactions Subject to Prior Notice - Notice Filing 38 (<u>Form D</u>).	13
39 <u>482-1-055-.18.1 Enterprise Risk Report (Form F).</u>	<u>15</u>
40 482-1-055-.19 Extraordinary Dividends and Other Distributions.	16
41 482-1-055-.20 Adequacy of Surplus.	17
42 482-1-055-.21 Effective Date.	18
43	

1 **482-1-055-.01 Authority.** This chapter is promulgated by the Commissioner
2 of Insurance pursuant to Alabama Code Sections 27-2-17 and 27-29-8, Code of
3 Alabama 1975.

4 **Author:** Commissioner of Insurance
5 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
6 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
7 1994, effective July 15, 1994

8 **482-1-055-.02 Purpose.** The purpose of this chapter is to set forth rules
9 and procedural requirements which the Commissioner deems necessary to carry
10 out the provisions of the Alabama Insurance Holding Company System
11 Regulatory Act, Sections 27-29-1, et seq., Code of Alabama 1975,
12 hereinafter referred to as "the Act." The information called for by this
13 chapter is hereby declared to be necessary and appropriate in the public
14 interest and for the protection of the policyholders in this State.

15 **Author:** Commissioner of Insurance
16 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
17 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
18 1994, effective July 15, 1994

19 **482-1-055-.03 Severability Clause.** If any provision of this chapter, or
20 the application thereof to any person or circumstance, is held invalid,
21 such determination shall not affect other provisions or applications of
22 this chapter which can be given effect without the invalid provision or
23 application, and to that end the provisions of this regulation are
24 severable.

25 **Author:** Commissioner of Insurance
26 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
27 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
28 1994, effective July 15, 1994

1 **482-1-055-.04 Forms - General Requirements.**

2 (1) Forms A, B, C, ~~and D, E, and F~~ are intended to be guides in the
3 preparation of the statements required by Sections 27-29-3, 27-3-3.1, 27-
4 29-4, and 27-29-5. They are not intended to be blank forms which are to be
5 filled in. The statements filed shall contain the numbers and captions of
6 all items, but the text of the items may be omitted provided the answers
7 thereto are prepared in such a manner as to indicate clearly the scope and
8 coverage of the items. All instructions, whether appearing under the items
9 of the form or elsewhere therein, are to be omitted. Unless expressly
10 provided otherwise, if any item is inapplicable or the answer thereto is in
11 the negative, an appropriate statement to that effect shall be made.

12 (2) Three (3) complete copies of each statement including exhibits
13 and all other papers and documents filed as a part thereof, ~~(except only~~
14 ~~one (1) copy of the Form B should be filed with the financial division)~~
15 shall be filed with the Commissioner by personal delivery or mail addressed
16 to: Insurance Commissioner of the State of Alabama, Attention Legal
17 Division. ~~A copy of Form C shall be filed in each state in which an~~
18 ~~insurer is authorized to do business, if the Commissioner of that state has~~
19 ~~notified the insurer of its request in writing, in which case the insurer~~
20 ~~has fifteen (15) days from receipt of the notice to file such form.~~ At
21 least one of the copies shall be ~~manually~~ signed in the manner prescribed
22 on the form. Unsigned copies shall be conformed. If the signature of any
23 person is affixed pursuant to a power of attorney or other similar
24 authority, a copy of the power of attorney or other authority shall also be
25 filed with the statement.

26 (3) If an applicant requests a hearing on a consolidated basis under
27 Section 27-29-3(d)(3), in addition to filing the Form A with the

1 commissioner, the applicant shall file a copy of Form A with the National
2 Association of Insurance Commissioners (NAIC) in electronic form.

3 ~~(3)(4) Statements should be prepared on paper 8 1/2" x 11" in size and~~
4 ~~preferably bound at the top or the top left hand corner. Exhibits and~~
5 ~~financial statements, unless specifically prepared for the filing, may be~~
6 ~~submitted in their original size. All copies of any statement, financial~~
7 ~~statements or exhibits~~ electronically. Statements shall be ~~clear,~~ easily
8 readable and suitable for ~~photocopying~~ review and reproduction. Debits in
9 credit categories and credits in debit categories shall be designated so as
10 to be clearly distinguishable as such on photocopies. Statements shall be
11 in the English language and monetary values shall be stated in United
12 States currency. If any exhibit or other paper or document filed with the
13 statement is in a foreign language, it shall be accompanied by a
14 translation into the English language and any monetary value shown in a
15 foreign currency ~~normally~~ shall be converted into United States currency.

16 **Author:** Commissioner of Insurance
17 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
18 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
19 1994, effective July 15, 1994; Revised _____, effective January 1, 2016

20 482-1-055-.05 Forms - Incorporation by Reference, Summaries and Omissions.

21 (1) Information required by any item of Form A, Form B, ~~or~~ Form D,
22 Form E or Form F may be incorporated by reference ~~into~~ in answer or partial
23 answer to any other item. Information contained in any financial
24 statement, annual report, proxy statement, statement filed with a
25 governmental authority, or any other ~~documents~~ document may be incorporated
26 by reference in answer or partial answer to any item of Form A, Form B, ~~or~~
27 Form D, Form E, or Form F provided ~~such documents or paper~~ the document is

1 filed as an exhibit to the statement. Excerpts of documents may be filed
2 as exhibits if the documents are extensive. Documents currently on file
3 with the Commissioner which were filed within three (3) years need not be
4 attached as exhibits. References to information contained in exhibits or
5 in documents already on file shall clearly identify the material and shall
6 specifically indicate that such material is to be incorporated by reference
7 in answer to the item. Matter shall not be incorporated by reference in
8 any case where ~~such~~ the incorporation would render the statement
9 incomplete, unclear or confusing.

10 (2) Where an item requires a summary or outline of the provisions of
11 any document, only a brief statement shall be made as to the pertinent
12 provisions of the document. In addition to the statement, the summary or
13 outline may incorporate by reference particular parts of any exhibit or
14 document currently on file with the Commissioner which was filed within
15 three (3) years and may be qualified in its entirety by such reference. In
16 any case where two (2) or more documents required to be filed as exhibits
17 are substantially identical in all material respects except as to the
18 parties thereto, the dates of execution, or other details, a copy of only
19 one of the documents need be filed with a schedule identifying the omitted
20 documents and setting forth the material details in which ~~such~~ the
21 documents differ from the documents, a copy of which is filed.

22 **Author:** Commissioner of Insurance

23 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8

24 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
25 1994, effective July 15, 1994; Revised _____, effective January 1, 2016

1 482-1-055-.06 Forms - Information Unknown or Unavailable and Extension of
2 Time to Furnish.

3 (1) Information required need be given only insofar as it is known or
4 reasonably available to the person filing the statement. If any required
5 information is unknown and not reasonably available to the person filing,
6 either because the obtaining thereof would involve unreasonable effort or
7 expense, or because it rests peculiarly within the knowledge of another
8 person not affiliated with the person filing, the information may be
9 omitted, subject to the following conditions:

10 (a) The person filing shall give such information on the subject as
11 it possesses or can acquire without unreasonable effort or expense,
12 together with the sources thereof.

13 (b) The person filing shall include a statement either showing that
14 unreasonable effort or expense would be involved or indicating the absence
15 of any affiliation with the person within whose knowledge the information
16 rests and stating the result of a request made to such person for the
17 information.

18 (2) If it is impractical to furnish any required information,
19 document or report at the time it is required to be filed, there may be
20 filed with the Commissioner as a separate document:

21 (a) Identifying the information, document or report in question.

22 (b) Stating why the filing thereof at the time required is
23 impractical.

24 (c) Requesting an extension of time for filing the information,
25 document or report to a specified date. The request for extension shall be

1 deemed granted unless the Commissioner within thirty (30) days after
2 receipt thereof enters an order denying the request.

3 **Author:** Commissioner of Insurance
4 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
5 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
6 1994, effective July 15, 1994

7 **482-1-055-.07 Forms - Additional Information and Exhibits.** In addition to
8 the information expressly required to be included in Form A, Form B, Form
9 C, and Form D, Form E, and Form F, the Commissioner may request such
10 further material information, if any, as may be necessary to make the
11 information contained therein not misleading. The person filing may also
12 file such exhibits as it may desire in addition to those expressly required
13 by the statement. ~~Such~~ The exhibits shall be so marked as to indicate
14 clearly the subject matters to which they refer. Changes to Forms A, B, C,
15 ~~or D, E, or F~~ shall include on the top of the cover page the phrase:
16 "Change No. (insert number) to" and shall indicate the date of the change
17 and not the date of the original filing.

18 **Author:** Commissioner of Insurance
19 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
20 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
21 1994, effective July 15, 1994; Revised _____, effective January 1, 2016

22 **482-1-055-.08 Definitions.** The following definitions shall apply for
23 purposes of this chapter:

24 (1) EXECUTIVE OFFICER. Chief executive officer, chief operating
25 officer, chief financial officer, treasurer, secretary, controller, and any
26 other individual performing functions corresponding to those performed by
27 the foregoing officers under whatever title.

1 ~~(2) FOREIGN INSURER. This shall include an alien insurer except~~
2 ~~where clearly noted otherwise.~~

3 ~~(3)(2) ULTIMATE CONTROLLING PERSON.~~ That person which is not
4 controlled by any other person.

5 ~~(4)(3)~~ Unless the context otherwise requires, other terms found in
6 these regulations and in Section 27-29-1 are used as defined in the Act.
7 Other nomenclature or terminology is according to the Insurance Code, or
8 industry usage if not defined by the Code.

9 **Author:** Commissioner of Insurance
10 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
11 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
12 1994, effective July 15, 1994; Revised _____, effective January 1, 2016

13 **482-1-055-.09 Subsidiaries of Domestic Insurers.** The authority to invest
14 in subsidiaries under subsection (b) of Section 27-29-2 is in addition to
15 any authority to invest in subsidiaries which may be contained in any other
16 provision of the Insurance Code.

17 **Author:** Commissioner of Insurance
18 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
19 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
20 1994, effective July 15, 1994

21 **482-1-055-.10 Acquisition of Control - Statement Filing.** A person
22 required to file a statement pursuant to Section 27-29-3 shall furnish the
23 required information on Form A, hereby made a part of this chapter. The
24 person shall also furnish the required information on Form E, hereby made a
25 part of this chapter and described in Rule 482-1-0440.12.1.

26 **Author:** Commissioner of Insurance
27 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8

1 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
2 1994, effective July 15, 1994; Revised October 9, 2013, effective October
3 19, 2013; Revised _____, effective January 1, 2016

4 **482-1-055-.11 Amendments to Form A.** The applicant shall promptly advise
5 the Commissioner of any changes in the information furnished on Form A
6 arising subsequent to the date upon which ~~such~~ the information was
7 furnished but prior to the Commissioner's disposition of the application.

8 **Author:** Commissioner of Insurance

9 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8

10 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
11 1994, effective July 15, 1994; Revised _____, effective January 1, 2016

12 **482-1-055-.12 Acquisition of Section 27-29-3(a) (4) Insurers.**

13 (1) If the person being acquired is deemed to be a "domestic insurer"
14 solely because of the provisions of ~~the Act~~ Section 27-29-3(a) (4), the name
15 of the domestic insurer on the cover page should be indicated as follows:

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

17 (2) Where ~~an~~ a Section 27-29-3(a) (4) insurer is being acquired,
18 references to "the insurer" contained in Form A shall refer to both the
19 domestic subsidiary insurer and the person being acquired.

20 **Author:** Commissioner of Insurance

21 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8

22 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
23 1994, effective July 15, 1994; Revised _____, effective January 1, 2016

24 **482-1-055-.12.1 Pre-Acquisition Notification (Form E).**

25 (1) If a domestic insurer, including any person controlling a
26 domestic insurer, is proposing a merger or acquisition pursuant to Section

1 27-29-3(a)(1), that person shall file a pre-acquisition notification form,
2 Form E, which was developed pursuant to Section 27-29-3.1(c)(1).

3 (2) Additionally, if a non-domiciliary insurer licensed to do
4 business in this state is proposing a merger or acquisition pursuant to
5 Section 27-29-3.1, that person shall file a pre-acquisition notification
6 form, Form E. No pre-acquisition notification form need be filed if the
7 acquisition is beyond the scope of Section 27-29-3.1 as set forth in
8 Section 27-29-3.1(b)(2).

9 (3) In addition to the information required by Form E, the
10 Commissioner may wish to require an expert opinion as to the competitive
11 impact of the proposed acquisition.

12 **Author:** Commissioner of Insurance
13 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
14 **History:** New _____, effective January 1, 2016

15 **482-1-055-.13 Annual Registration of Insurers - Statement Filing (Form B).**

16 An insurer required to file an annual registration statement pursuant to
17 Section 27-29-4 shall furnish the required information on Form B, hereby
18 made a part of this chapter.

19 **Author:** Commissioner of Insurance
20 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
21 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
22 1994, effective July 15, 1994; Revised _____, effective January 1, 2016

23 **482-1-055-.14 Summary of Changes to Registration - Statement Filing (Form**
24 **C).** An insurer required to file an annual registration statement pursuant
25 to Section 27-29-4 is also required to furnish information required on Form
26 C, hereby made a part of this chapter. ~~An insurer shall file a copy of~~

1 ~~Form C in each state in which the insurer is authorized to do business, if~~
2 ~~requested by the Commissioner of that State.~~

3 **Author:** Commissioner of Insurance
4 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
5 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
6 1994, effective July 15, 1994; Revised _____, effective January 1, 2016

7 **482-1-055-.15 Amendments to Form B.**

8 (1) An amendment to Form B shall be filed within fifteen (15) days
9 after the end of any month in which there is a material change to the
10 information provided in the annual registration statement.

11 (2) Amendments shall be filed in the Form B format with only those
12 items which are being amended reported. Each ~~such~~ amendment shall include
13 at the top of the cover page "Amendment No. (insert number) to Form B for
14 (insert year)" and shall indicate the date of the change and not the date
15 of the original filings.

16 **Author:** Commissioner of Insurance
17 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
18 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
19 1994, effective July 15, 1994; Revised _____, effective January 1, 2016

20 **482-1-055-.16 Alternative and Consolidated Registrations.**

21 (1) Any authorized insurer may file a registration statement on
22 behalf of any affiliated insurer or insurers which are required to register
23 under Section 27-29-4. A registration statement may include information
24 not required by the Act regarding any insurer in the insurance holding
25 company system even if the insurer is not authorized to do business in this
26 State. In lieu of filing a registration statement on Form B, the

1 authorized insurer may file a copy of the registration statement or similar
2 report which it is required to file in its state of domicile, provided:

3 (a) The statement or report contains substantially similar
4 information required to be furnished on Form B; and

5 (b) The filing insurer is the principal insurance company in the
6 insurance holding company system.

7 (2) The question of whether the filing insurer is the principal
8 insurance company in the insurance holding company system is a question of
9 fact and an insurer filing a registration statement or report in lieu of
10 Form B on behalf of an affiliated insurer, shall set forth a brief
11 statement of facts which will substantiate the filing insurer's claim that
12 it, in fact, is the principal insurer in the insurance holding company
13 system.

14 (3) With the prior approval of the Commissioner, an unauthorized
15 insurer may follow any of the procedures which could be done by an
16 authorized insurer under paragraph (1) above.

17 (4) Any insurer may take advantage of the provisions of subsections
18 (h) or (i) of Section 27-29-4 without obtaining the prior approval of the
19 Commissioner. The Commissioner, however, reserves the right to require
20 individual filings if he or she deems such filings necessary in the
21 interest of clarity, ease of administration or the public good.

22 **Author:** Commissioner of Insurance

23 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8

24 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
25 1994, effective July 15, 1994

1 482-1-055-.17 Disclaimers and Termination of Registration.

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

6 (a) The number of authorized, issued and outstanding voting
7 securities of the subject.

8 (b) With respect to the person whose control is denied and all
9 affiliates of such person, the number and percentage of shares of the
10 subject's voting securities which are held of record or known to be
11 beneficially owned, and the number of ~~such~~ shares concerning which there is
12 a right to acquire, directly or indirectly.

13 (c) All material relationships and bases for affiliation between the
14 subject and the person whose control is denied and all affiliates of such
15 person.

16 (d) A statement explaining why ~~such~~ the person should not be
17 considered to control the subject.

18 (2) A request for termination of registration shall be deemed to have
19 been granted unless the Commissioner, within thirty (30) days after ~~he or~~
20 ~~she receives~~ receipt of the request, notifies the registrant otherwise.

21 **Author:** Commissioner of Insurance

22 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8

23 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
24 1994, effective July 15, 1994; Revised _____, effective January 1, 2016

25 482-1-055-.18 Transactions Subject to Prior Notice - Notice Filing (Form
26 D).

1 (1) An insurer required to give notice of a proposed transaction
2 pursuant to Section 27-29-5 shall furnish the required information on Form
3 D, hereby made a part of this chapter.

4 (2) Agreements for cost sharing services and management services
5 shall at a minimum and as applicable:

6 (1) Identify the person providing services and the nature of such
7 services.

8 (2) Set forth the methods to allocate costs.

9 (3) Require timely settlement, not less frequently than on a
10 quarterly basis, and compliance with the requirements in the Accounting
11 Practices and Procedures Manual.

12 (4) Prohibit advancement of funds by the insurer to the affiliate
13 except to pay for services defined in the agreement.

14 (5) State that the insurer will maintain oversight for functions
15 provided to the insurer by the affiliate and that the insurer will monitor
16 services annually for quality assurance.

17 (6) Define books and records of the insurer to include all books and
18 records developed or maintained under or related to the agreement.

19 (7) Specify that all books and records of the insurer are and remain
20 the property of the insurer and are subject to control of the insurer.

21 (8) State that all funds and invested assets of the insurer are the
22 exclusive property of the insurer, held for the benefit of the insurer and
23 are subject to the control of the insurer.

24 (9) Include standards for termination of the agreement with and
25 without cause.

1 (10) Include provisions for indemnification of the insurer in the
2 event of gross negligence or willful misconduct on the part of the
3 affiliate providing the services.

4 (11) Specify that, if the insurer is placed in receivership or seized
5 by the commissioner under Chapter 32:

6 (a) All of the rights of the insurer under the agreement extend to
7 the receiver.

8 (b) All books and records will immediately be made available to the
9 receiver, and shall be turned over to the receiver immediately upon the
10 receiver's request.

11 (12) Specify that the affiliate has no automatic right to terminate
12 the agreement if the insurer is placed in receivership pursuant to Chapter
13 32.

14 (13) Specify that the affiliate will continue to maintain any
15 systems, programs, or other infrastructure notwithstanding a seizure by the
16 commissioner under Chapter 32, and will make them available to the
17 receiver, for so long as the affiliate continues to receive timely payment
18 for services rendered.

19 **Author:** Commissioner of Insurance

20 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8

21 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
22 1994, effective July 15, 1994; Revised _____, effective January 1, 2016

23 482-1-055-.18.1 Enterprise Risk Report (Form F). The ultimate controlling
24 person of an insurer required to file an enterprise risk report pursuant to
25 Section 27-29-4(1) shall furnish the required information on Form F, hereby
26 made a part of this chapter.

1 **Author:** Commissioner of Insurance
2 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
3 **History:** New _____, effective January 1, 2016

4 **482-1-055-.19 Extraordinary Dividends and Other Distributions.**

5 (1) Requests for approval of extraordinary dividends or any other
6 extraordinary distribution to shareholders shall include the following:

7 (a) The amount of the proposed dividend.

8 (b) The date established for payment of the dividend.

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

13 (d) A copy of the calculations determining that the proposed dividend
14 is extraordinary. The work paper shall include the following information:

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

21 2. Surplus as regards policyholders (total capital and surplus) as
22 of the 31st day of December next preceding.

23 3. If the insurer is a life insurer, the net gain from operations
24 for the 12-month period ending the 31st day of December next preceding.

1 4. If the insurer is not a life insurer, the net income less
2 realized capital gains for the 12-month period ending the 31st day of
3 December next preceding and the two preceding 12-month periods.

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

7 (e) A balance sheet and statement of income for the period
8 intervening from the last annual statement filed with the Commissioner and
9 the end of the month preceding the month in which the request for dividend
10 approval is submitted.

11 (f) A brief statement as to the effect of the proposed dividend upon
12 the insurer's surplus and the reasonableness of surplus in relation to the
13 insurer's outstanding liabilities and the adequacy of surplus relative to
14 the insurer's financial needs.

15 (2) Subject to subsection (g) of Section 27-29-5, each registered
16 insurer shall report to the Commissioner all dividends and other
17 distributions to shareholders within ~~five (5)~~ fifteen (15) business days
18 following the declaration ~~of the dividends and not less than ten (10) days~~
19 ~~prior to the payment of the dividends thereof,~~ including the same
20 information required by Subparagraph (d) of Paragraph (1).

21 **Author:** Commissioner of Insurance
22 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
23 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
24 1994, effective July 15, 1994; Revised _____, effective January 1, 2016

25 **482-1-055-.20 Adequacy of Surplus.** The factors set forth in subsection
26 (f) of Section 27-29-5 are not intended to be an exhaustive list. In

1 determining the adequacy and reasonableness of an insurer's surplus no
2 single factor is necessarily controlling. The Commissioner instead will
3 consider the net effect of all of these factors plus other factors bearing
4 on the financial condition of the insurer. In comparing the surplus
5 maintained by other insurers, the Commissioner will consider the extent to
6 which each of these factors varies from company to company and in
7 determining the quality and liquidity of investments in subsidiaries, the
8 Commissioner will consider the individual subsidiary and may discount or
9 disallow its valuation to the extent that the individual investments so
10 warrant.

11 **Author:** Commissioner of Insurance
12 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
13 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
14 1994, effective July 15, 1994

15 **482-1-055-.21 Effective Date.** This chapter shall become effective January
16 1, 2016, upon its approval by the commissioner of insurance and upon its
17 having been on file as a public document in the office of the Secretary of
18 the State for ten days.

19 **Author:** Commissioner of Insurance
20 **Statutory Authority:** Code of Alabama 1975, §§ 27-2-17, 27-29-8
21 **History:** New December 20, 1973, effective January 1, 1974; Revised July 5,
22 1994, effective July 15, 1994; Revised _____, effective January 1, 2016

23

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~~

Filed with the **ALABAMA DEPARTMENT OF INSURANCE.**

Dated: _____, 20 ____

Name, Title, address and telephone number of individual to whom Notices and
Correspondence concerning this Statement should be addressed:

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10 **ITEM 1. INSURER AND METHOD OF ACQUISITION**

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

14 **ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT**

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

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

22 (c) Furnish a chart or listing clearly presenting the identities of
23 the interrelationships among the applicant and all affiliates of the
24 applicant. Indicate in such chart or listing the percentage of voting

1 securities of each such person which is owned or controlled by the
2 applicant or by any other such person. If control of any person is
3 maintained other than by the ownership or control of voting securities,
4 indicate the basis of such control. As to each person specified in such
5 chart or listing indicate the type of organization (e.g. corporation,
6 trust, partnership) and the state or other jurisdiction of domicile. If
7 court proceedings involving a reorganization or liquidation are pending
8 with respect to any such person, indicate which person, and set forth the
9 title of the court, nature of proceedings and the date when commenced.

10 **ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE**
11 **APPLICANT**

12 On the biographical affidavit, include a third party background
13 check, and state the following with respect to (1) the applicant if (s)he
14 is an individual or (2) all persons who are directors, executive officers
15 or owners of 5% or more of the voting securities of the applicant if the
16 applicant is not an individual+

17 (a) Name and business address+

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

22 (c) Material occupations, positions, offices or employment during the
23 last 5 years, giving the starting and ending dates of each and the name,
24 principal business and address of any business corporation or other
25 organization in which each such occupation, position, office or employment

1 was carried on; if any such occupation, position, office or employment
2 required licensing by or registration with any federal, state or municipal
3 governmental agency, indicate such fact, the current status of such
4 licensing or registration, and an explanation of any surrender, revocation,
5 suspension or disciplinary proceedings in connection therewith.

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

10 **ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION**

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

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

22 (c) If the source of the consideration is a loan made in the lender's
23 ordinary course of business and if the applicant wishes the identity of the
24 lender to remain confidential, he must specifically request that the
25 identity be kept confidential.

1 **ITEM 5. FUTURE PLANS OF INSURER**

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

7 **ITEM 6. VOTING SECURITIES TO BE ACQUIRED**

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

13 **ITEM 7. OWNERSHIP OF VOTING SECURITIES**

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

18 **ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO**
19 **VOTING SECURITIES OF THE INSURER**

20 Give a full description of any contracts, arrangements or
21 understandings with respect to any voting security of the insurer in which
22 the applicant, its affiliates or any person listed in Item 3 is involved,

1 including but not limited to transfer of any of the securities, joint
2 ventures, loan or option arrangements, puts or calls, guarantees of loans,
3 guarantees against loss or guarantees of profits, division of losses or
4 profits, or the giving or withholding of proxies. Such description shall
5 identify the persons with whom the contracts, arrangements or
6 understandings have been entered into.

7 **ITEM 9. RECENT PURCHASES OF VOTING SECURITIES**

8 Describe any purchases of any voting securities of the insurer by the
9 applicant, its affiliates or any person listed in Item 3 during the 12
10 calendar months preceding the filing of this statement. Include in the
11 description the dates of purchase, the names of the purchasers, and the
12 consideration paid or agreed to be paid therefor. State whether any shares
13 so purchased are hypothecated.

14 **ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE**

15 Describe any recommendations to purchase any voting security of the
16 insurer made by the applicant, its affiliates or any person listed in Item
17 3, or by anyone based upon interviews or at the suggestion of the
18 applicant, its affiliates or any person listed in Item 3 during the 12
19 calendar months preceding the filing of this statement.

20 **ITEM 11. AGREEMENTS WITH BROKER-DEALERS**

21 Describe the terms of any agreement, contract or understanding made
22 with any broker-dealer as to solicitation of voting securities of the

1 insurer for tender and the amount of any fees, commissions or other
2 compensation to be paid to broker-dealers with regard thereto.

3 **ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS**

4 (a) Financial statements, exhibits, and three-year financial
5 projections of the insurer(s) shall be attached to this statement as an
6 appendix, but list under this item the financial statements and exhibits so
7 attached.

8 (b) The financial statements shall include the annual financial
9 statements of the persons identified in Item 2(c) for the preceding 5
10 fiscal years (or for such lesser period as such applicant and its
11 affiliates and any predecessors thereof shall have been in existence), and
12 similar information covering the period from the end of such person's last
13 fiscal year, if the information is available. The statements may be
14 prepared on either an individual basis, or, unless the Commissioner
15 otherwise requires, on a consolidated basis if consolidated statements are
16 prepared in the usual course of business.

17 The annual financial statements of the applicant shall be accompanied
18 by the certificate of an independent public accountant to the effect that
19 such statements present fairly the financial position of the applicant and
20 the results of its operations for the year then ended, in conformity with
21 generally accepted accounting principles or with requirements of insurance
22 or other accounting principles prescribed or permitted under law. If the
23 applicant is an insurer which is actively engaged in the business of
24 insurance, the financial statements need not be certified, provided they
25 are based on the Annual Statement of the person filed with the insurance

1 department of the person's domiciliary state and are in accordance with the
2 requirements of insurance or other accounting principles prescribed or
3 permitted under the law and regulations of the state.

4 (c) File as exhibits copies of all tender offers for, requests or
5 invitations for, tenders of, exchange offers for, and agreements to acquire
6 or exchange any voting securities of the insurer and (if distributed) of
7 additional soliciting material relating thereto, any proposed employment,
8 consultation, advisory or management contracts concerning the insurer,
9 annual reports to the stockholders of the insurer and the applicant for the
10 last two fiscal years, and any additional documents or papers required by
11 Form A or Rules 482-1-055-.04 and 482-1-044-.06.

12 ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

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

16 ITEM 13 14. SIGNATURE AND CERTIFICATION

17 Signature and certification required as follows:

18 SIGNATURE

19 Pursuant to the requirements of Section 27-29-3, Code of Alabama
20 1975, _____ has caused this
21 application to be duly signed on its behalf in the City of
22 _____ and State of _____ on the _____ day of
23 _____, 20 ____.

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(SEAL)

Name of Applicant

BY

(Name)

(Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that (s)he has duly executed the attached application dated _____, 20 _____, for and on behalf of _____ (Name of Applicant); that (s)he is the _____ (Title of Officer) of such company and that (s)he is authorized to execute and file such instrument. Deponent

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

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(Signature)

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(Type or print name)

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FORM B

INSURANCE HOLDING COMPANY SYSTEM

ANNUAL REGISTRATION STATEMENT

Filed with the ALABAMA DEPARTMENT OF INSURANCE

BY

Name of Registrant

On Behalf of Following Insurance Companies:

Name	Address

Date: _____, 1920 _____

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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 1/2 of 1% of the total assets of the ultimate controlling person within the insurance holding company system unless it has assets valued at or exceeding \$500,000.~~ The chart or listing should show the percentage of each class of voting securities of each affiliate

1 which is owned, directly or indirectly, by another affiliate. If control
2 of any person within the system is maintained other than by the ownership
3 or control of voting securities, indicate the basis of control. As to each
4 person specified in the chart or listing indicate the type of organization
5 (e.g., corporation, trust, partnership) and the state or other jurisdiction
6 of domicile.

7 **ITEM 3. THE ULTIMATE CONTROLLING PERSON**

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

10 (a) Name.

11 (b) Home office address.

12 (c) Principal executive office address.

13 (d) The organizational structure of the person, i.e., corporation,
14 partnership, individual, trust, etc.

15 (e) The principal business of the person.

16 (f) The name and address of any person who holds or owns 10% or more
17 of any class of voting security, the class of such security, the number of
18 shares held of record or known to be beneficially owned, and the percentage
19 of class so held or owned.

20 (g) If court proceedings involving a reorganization or liquidation
21 are pending, indicate the title and location of the court, the nature of
22 proceedings and the date when commenced.

1 **ITEM 4. BIOGRAPHICAL INFORMATION**

2 If the ultimate controlling person is a corporation, an organization,
3 a limited liability company, or other legal entity, ~~Furnish~~ furnish the
4 following information for the directors and executive officers of the
5 ultimate controlling person: the individual's name and address, his or her
6 principal occupation and all offices and positions held during the past 5
7 years, and any conviction of crimes other than minor traffic violations
8 ~~during the past 10 years.~~ If the ultimate controlling person is an
9 individual, furnish the individual's name and address, his or her principal
10 occupation and all offices and positions held during the past 5 years, and
11 any conviction of crimes other than minor traffic violations.

12 **ITEM 5. TRANSACTIONS AND AGREEMENTS**

13 Briefly describe the following agreements in force, and transactions
14 currently outstanding or which have occurred during the last calendar year
15 between the registrant and its affiliates:

16 (a) Loans, other investments, or purchases, sales or exchanges of
17 securities of the affiliates by the Registrant or of the Registrant by its
18 affiliates.

19 (b) Purchases, sales or exchanges of assets.

20 (c) Transactions not in the ordinary course of business.

21 (d) Guarantees or undertakings for the benefit of an affiliate which
22 result in an actual contingent exposure of the Registrant's assets to
23 liability, other than insurance contracts entered into in the ordinary
24 course of the registrant's business.

1 (e) All management agreements, service contracts and all cost-sharing
2 arrangements.

3 (f) Reinsurance agreements.

4 (g) Dividends and other distributions to shareholders.

5 (h) Consolidated tax allocation agreements.

6 (i) Any pledge of the registrant's stock and/or of the stock of any
7 subsidiary or controlling affiliate, for a loan made to any member of the
8 insurance holding company system.

9 No information need be disclosed if such information is not material
10 for purposes of Section 27-29-4.

11 Sales, purchases, exchanges, loans or extensions of credit,
12 investments or guarantees involving one-half of 1% or less of the
13 registrant's admitted assets as of the 31st day of December next preceding
14 shall not be deemed material.

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

21 **ITEM 6. LITIGATION OR ADMINISTRATIVE PROCEEDINGS**

22 A brief description of any litigation or administrative proceedings
23 of the following types, either then pending or concluded within the
24 preceding fiscal year, to which the ultimate controlling person or any of

1 its directors or executive officers was a party or of which the property of
2 any such person is or was the subject; give the names of the parties and
3 the court or agency in which the litigation or proceeding is or was
4 pending:

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

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

12 **ITEM 7. STATEMENT REGARDING PLAN OR SERIES OF TRANSACTIONS**

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

18 **ITEM 8. FINANCIAL STATEMENTS AND EXHIBITS**

19 (a) Financial statements and exhibits should be attached to this
20 statement as an appendix, but list under this item the financial statements
21 and exhibits so attached.

22 (b) ~~The~~ If the ultimate controlling person is a corporation, an
23 organization, a limited liability company, or other legal entity, the

1 financial statements shall include the annual financial statements of the
2 ultimate controlling person in the insurance holding company system as of
3 the end of the person's latest fiscal year.

4 If at the time of the initial registration, the annual financial
5 statements for the latest fiscal year are not available, annual statements
6 for the previous fiscal year may be filed and similar financial information
7 shall be filed for any subsequent period to the extent such information is
8 available. Such financial statements may be prepared on either an
9 individual basis; or, unless the Commissioner otherwise requires, on a
10 consolidated basis if consolidated statements are prepared in the usual
11 course of business.

12 Other than with respect to the foregoing, such financial statement
13 shall be filed in a standard form and format adopted by the National
14 Association of Insurance Commissioners, unless an alternative form is
15 accepted by the Commissioner. Documentation and financial statements filed
16 with the Securities and Exchange Commission or audited GAAP financial
17 statements shall be deemed to be an appropriate form and format.

18 Unless the Commissioner otherwise permits, the annual financial
19 statements shall be accompanied by the certificate of an independent public
20 accountant to the effect that the statements present fairly the financial
21 position of the ultimate controlling person and the results of its
22 operations for the year then ended, in conformity with generally accepted
23 accounting principles or with requirements of insurance or other accounting
24 principles prescribed or permitted under law. If the ultimate controlling
25 person is an insurer which is actively engaged in the business of
26 insurance, the annual financial statements need not be certified, provided
27 they are based on the Annual Statement of the insurer ~~filed with the~~

1 ~~insurance department of the insurer's domiciliary state and are in~~
2 accordance with requirements of insurance or other accounting principles
3 prescribed or permitted under the law and regulations of that state.

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

14 (c) Exhibits shall include copies of the latest annual reports to
15 shareholders of the ultimate controlling person and proxy material used by
16 the ultimate controlling person; and any additional documents or papers
17 required by Form B or ~~regulation Sections 4 and 6~~ Rules 482-1-055-.04 and
18 482-1-055-.06.

19 **ITEM 9. FORM C REQUIRED**

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

22 **ITEM 10. SIGNATURE AND CERTIFICATION**

23 Signature and certification required as follows:

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SIGNATURE

Pursuant to the requirements of Section 27-29-4, Code of Alabama 1975, Registrant has caused this annual registration statement to be duly signed on its behalf in the City of _____ and State of _____ on the _____ day of _____, 19 20 ____.

(Seal)

Name of Registrant

BY

(Name) (Title)

Attest:

(Signature of Officer)

(Title)

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CERTIFICATION

The undersigned deposes and says that (s)he has duly executed the attached annual registration statement dated _____, 19 20 ____, for and on behalf of _____ (Name of Registrant); that (s)he is the _____ (Title of Officer) of such company and that (s)he 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)

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FORM C

SUMMARY OF CHANGES TO REGISTRATION STATEMENT

Filed with the ALABAMA DEPARTMENT OF INSURANCE

BY

Name of Registrant

On Behalf of 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:

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8 Furnish a brief description of all items in the current annual
9 registration statement which represent changes from the prior year's annual
10 registration statement. The description shall be in a manner as to permit
11 the proper evaluation thereof by the Commissioner, and shall include
12 specific references to Item numbers in the annual registration statement
13 and to the terms contained therein.

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

19 Changes occurring under Item 4 of Form B need only be included where
20 an individual is, for the first time, made a director or executive officer
21 of the ultimate controlling person; a director or executive officer
22 terminates his or her responsibilities with the ultimate controlling
23 person; or in the event an individual is named president of the ultimate
24 controlling person.

25 If a transaction disclosed on the prior year's annual registration
26 statement has been changed, the nature of such change shall be included.

1 If a transaction disclosed on the prior year's annual registration
2 statement has been effectuated, furnish the mode of completion and any flow
3 of funds between affiliates resulting from the transaction.

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

8 **SIGNATURE AND CERTIFICATION**

9 Signature and certification required as follows:

10 SIGNATURE

11 Pursuant to the requirements of Section 27-29-4, Code of Alabama
12 1975, the Registrant has caused this summary of registration statement to
13 be duly signed on its behalf in the City of _____ and State of
14 _____ on the _____ day of _____, 19 20 ____.

15

16 (SEAL)

17

Name of Registrant

18

19

By _____

20

(Name)

(Title)

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23

CERTIFICATION

24

1 The undersigned deposes and says that (s)he has duly executed the
2 attached summary of registration statement dated _____, 19 20 _____,
3 for and on behalf of _____ (Name of
4 Company); that (s)he is the _____ (Title of Officer) of such
5 company and that (s)he is authorized to execute and file such instrument.
6 Deponent further says that (s)he is familiar with such instrument and the
7 contents thereof, and that the facts therein set forth are true to the best
8 of his/her knowledge, information and belief.

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(Signature)

(Type or print name)

FORM D

PRIOR NOTICE OF A TRANSACTION

Filed with the ALABAMA DEPARTMENT OF INSURANCE

BY

Name of Registrant

On Behalf of Following Insurance Companies:

Name	Address
_____	_____
_____	_____
_____	_____
_____	_____

Date: _____, 19 20 _____

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

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10 **ITEM 1. IDENTITY OF PARTIES TO TRANSACTION**

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

- 13 (a) Name.
- 14 (b) Home office address.
- 15 (c) Principal executive office address.
- 16 (d) The organizational structure, i.e. corporation, partnership,
17 individual, trust, etc.
- 18 (e) A description of the nature of the parties' business operations.
- 19 (f) Relationship, if any, of other parties to the transaction to the
20 insurer filing the notice, including any ownership or debtor/creditor
21 interest by any other parties to the transaction in the insurer seeking
22 approval, or by the insurer filing the notice in the affiliated parties.

1 (g) Where the transaction is with a non-affiliate, the name(s) of the
2 affiliate(s) which will receive, in whole or in substantial part, the
3 proceeds of the transaction.

4 **ITEM 2. DESCRIPTION OF THE TRANSACTION**

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

7 (a) A statement as to whether notice is being given under ~~provisions~~
8 in the Act paragraphs a., b., c., d., or e. of Section 27-29-5(b)(1).

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

10 (c) A statement of how the transaction meets the "fair and
11 reasonable" standard of Section 27-29-5(a)(1).

12 ~~(e)~~(d) The proposed effective date of the transaction.

13 **ITEM 3. SALES, PURCHASES, EXCHANGES, LOANS, EXTENSIONS OF CREDIT,**
14 **GUARANTEES OR INVESTMENTS**

15 Furnish a brief description of the amount and source of funds,
16 securities, property or other consideration for the sale, purchase,
17 exchange, loan, extension of credit, guarantee, or investment, whether any
18 provision exists for purchase by the insurer filing notice, by any party to
19 the transaction, or by any affiliate of the insurer filing notice, a
20 description of the terms of any securities being received, if any, and a
21 description of any other agreements relating to the transaction such as
22 contracts or agreements for services, consulting agreements and the like.
23 If the transaction involves other than cash, furnish a description of the

1 consideration, its cost and its fair market value, together with an
2 explanation of the basis for evaluation.

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

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

14 No notice need be given if the maximum amount which can at any time
15 be outstanding or for which the insurer can be legally obligated under the
16 loan, extension of credit or guarantee is less than (a) in the case of non-
17 life insurers, the lesser of 3% of the insurer's admitted assets or 25% of
18 surplus as regards policyholders, or (b) in the case of life insurers, 3%
19 of the insurer's admitted assets, each as of the 31st day of December next
20 preceding.

21 **ITEM 4. LOANS OR EXTENSION OF CREDIT TO A NON-AFFILIATE**

22 If the transaction involves a loan or extension of credit to any
23 person who is not an affiliate, furnish a brief description of the
24 agreement or understanding whereby the proceeds of the proposed
25 transaction, in whole or in substantial part, are to be used to make loans

1. or extensions of credit to, to purchase the assets of, or to make
2 investments in, any affiliate of the insurer making such loans or
3 extensions of credit, and specify in what manner the proceeds are to be
4 used to loan to, extend credit to, purchase assets of or make investments
5 in any affiliate. Describe the amount and source of funds, securities,
6 property or other consideration for the loan or extension of credit and, if
7 the transaction ~~is~~ is one involving consideration other than cash, a
8 description of its cost and its fair market value together with an
9 explanation of the basis for evaluation. Furnish a brief statement as to
10 the effect of the transaction upon the insurer's surplus.

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

16 **ITEM 5. REINSURANCE**

17 If the transaction is a reinsurance agreement or modification
18 thereto, as described by Section 27-29-5(b)(1)c.2., or a reinsurance
19 pooling agreement or modification thereto as described by Section 27-29-
20 5(b)(1)c.1., furnish a description of the known and/or estimated amount of
21 liability to be ceded and/or assumed in each calendar year, the period of
22 time during which the agreement will be in effect, and a statement whether
23 an agreement or understanding exists between the insurer and non-affiliate
24 to the effect that any portion of the assets constituting the consideration
25 for the agreement will be transferred to one or more of the insurer's

1 affiliates. Furnish a brief description of the consideration involved in
2 the transaction, and a brief statement as to the effect of the transaction
3 upon the insurer's surplus.

4 No notice need be given for reinsurance agreements or modifications
5 thereto if the reinsurance premium or a change in the insurer's
6 liabilities, or the projected reinsurance premium or change in the
7 insurer's liabilities in any of the next three years, in connection with
8 the reinsurance agreement or modification thereto is less than 5% of the
9 insurer's surplus as regards policyholders, as of the 31st day of December
10 next preceding. Notice shall be given for all reinsurance pooling
11 agreements including modifications thereto.

12 **ITEM 6. MANAGEMENT AGREEMENTS, SERVICE AGREEMENTS AND COST-SHARING**
13 **ARRANGEMENTS**

14 For management and service agreements, furnish:

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

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

21 For cost-sharing arrangements, furnish:

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

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

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

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

5 (e) A brief statement as to the effect of the transaction upon the
6 insurer's policyholder surplus.

7 (f) A statement regarding the cost allocation methods that specifies
8 whether proposed charges are based on "cost or market." If market based,
9 rationale for using market instead of cost, including justification for the
10 company's determination that amounts are fair and reasonable.

11 (g) A statement regarding compliance with the NAIC Accounting
12 Practices and Procedure Manual regarding expense allocation.

13 **ITEM 7. SIGNATURE AND CERTIFICATION**

14 Signature and certification required as follows:

15 SIGNATURE

16 Pursuant to the requirements of Section ~~4 of the Act~~ 27-29-5, Code of
17 Alabama 1975, Registrant has caused this ~~annual registration~~ statement to
18 be duly signed on its behalf ~~of~~ in the City of _____ and State
19 of _____ on the _____ day of _____,
20 ~~19~~ 20 ____.

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22 (SEAL)

Name of ~~Applicant~~ Registrant

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BY _____
(Name) (Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that (s)he has duly executed the attached ~~annual registration~~ statement dated _____, 19 20 _____, for and on behalf of _____ (Name of ~~Applicant~~ Registrant); that (s)he is the _____ (Title of Officer) of such company and that (s)he 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.

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(Signature)

(Type or print name)

1 FORM E

2
3 PRE-ACQUISITION NOTIFICATION FORM
4 REGARDING THE POTENTIAL COMPETITIVE IMPACT
5 OF A PROPOSED MERGER OR ACQUISITION BY A
6 NON-DOMICILIARY INSURER DOING BUSINESS IN THIS
7 STATE OR BY A DOMESTIC INSURER
8

9
10 _____
11 Name of Applicant
12

13
14 _____
15 Name of Other Person
16 Involved in Merger or
17 Acquisition
18

19
20 Filed with the **Alabama Department of Insurance**
21

22
23 Dated: _____, 20 _____
24

25
26 Name, title, address and telephone number of person completing this
27 statement:

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10 **ITEM 1. NAME AND ADDRESS**

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

14 **ITEM 2. NAME AND ADDRESSES OF AFFILIATED COMPANIES**

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

17 **ITEM 3. NATURE AND PURPOSE OF THE PROPOSED MERGER OR ACQUISITION**

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

19 **ITEM 4. NATURE OF BUSINESS**

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

1 **ITEM 5. MARKET AND MARKET SHARE**

2 State specifically what market and market share in each relevant
3 insurance market the persons identified in Item 1 and Item 2 currently
4 enjoy in this state. Provide historical market and market share data for
5 each person identified in Item 1 and Item 2 for the past five years and
6 identify the source of such data. Provide a determination as to whether the
7 proposed acquisition or merger, if consummated, would violate the
8 competitive standards of the state as stated in Section 3.1D of the Act. If
9 the proposed acquisition or merger would violate competitive standards,
10 provide justification of why the acquisition or merger would not
11 substantially lessen competition or create a monopoly in the state.

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

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FORM F

ENTERPRISE RISK REPORT

Filed with the Alabama Department of Insurance

By

Name of Registrant/Applicant

On Behalf of/Related to Following Insurance Companies

Name

Address

Date: _____, 20____

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

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8 **ITEM 1. ENTERPRISE RISK**

9 The Registrant/Applicant, to the best of its knowledge and belief,
10 shall provide information regarding the following areas that could produce
11 enterprise risk as defined in Section 27-29-1, provided such information is
12 not disclosed in the Insurance Holding Company System Annual Registration
13 Statement filed on behalf of itself or another insurer for which it is the
14 ultimate controlling person:

- 15 • Any material developments regarding strategy, internal audit
16 findings, compliance or risk management affecting the insurance
17 holding company system.
- 18 • Acquisition or disposal of insurance entities and reallocating of
19 existing financial or insurance entities within the insurance holding
20 company system.
- 21 • Any changes of shareholders of the insurance holding company system
22 exceeding ten percent (10%) or more of voting securities.
- 23 • Developments in various investigations, regulatory activities or
24 litigation that may have a significant bearing or impact on the
25 insurance holding company system.

- 1 • Business plan of the insurance holding company system and summarized
2 strategies for next 12 months.
- 3 • Identification of material concerns of the insurance holding company
4 system raised by supervisory college, if any, in last year.
- 5 • Identification of insurance holding company system capital resources
6 and material distribution patterns.
- 7 • Identification of any negative movement, or discussions with rating
8 agencies which may have caused, or may cause, potential negative
9 movement in the credit ratings and individual insurer financial
10 strength ratings assessment of the insurance holding company system
11 (including both the rating score and outlook).
- 12 • Information on corporate or parental guarantees throughout the
13 holding company and the expected source of liquidity should such
14 guarantees be called upon.
- 15 • Identification of any material activity or development of the
16 insurance holding company system that, in the opinion of senior
17 management, could adversely affect the insurance holding company
18 system.

19 The Registrant/Applicant may attach the appropriate form most
20 recently filed with the U.S. Securities and Exchange Commission, provided
21 the Registrant/Applicant includes specific references to those areas listed
22 in Item 1 for which the form provides responsive information. If the
23 Registrant/Applicant is not domiciled in the U.S., it may attach its most
24 recent public audited financial statement filed in its country of domicile,
25 provided the Registrant/Applicant includes specific references to those
26 areas listed in Item 1 for which the financial statement provides
27 responsive information.

1 **ITEM 2: OBLIGATION TO REPORT.**

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