

# MINNESOTA RULES 1989

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INSURANCE HOLDING COMPANY SYSTEMS 2720.0300

## CHAPTER 2720 DEPARTMENT OF COMMERCE INSURANCE HOLDING COMPANY SYSTEMS

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### 2720.0100 DEFINITIONS.

**Subpart 1. Scope.** As used in these rules, the terms defined herein shall have the meanings ascribed to them, and the terms defined in Laws of Minnesota 1971, chapter 288, section 1 shall have the meanings ascribed to them therein, unless the context of usage clearly indicates otherwise. Other nomenclature or terminology is according to the meanings given in the laws of this state relating to insurance or according to insurance industry usage, if not defined in the laws of this state.

**Subp. 2. Acquisition filing statement.** "Acquisition filing statement" means the statement that must be filed prior to the acquisition of control or an attempt to acquire control, as specified in section 2 of the act.

**Subp. 3. Act.** "The act" means Laws of Minnesota 1971, chapter 288.

**Subp. 4. Company.** "Company" means any person which is not an individual.

**Subp. 5. Executive officer.** "Executive officer" means any individual charged with active management and control in an executive capacity of a person, whether incorporated or unincorporated, including a president, vice president, treasurer, secretary, controller, and any other individual performing functions corresponding to those performed by the foregoing officers.

**Subp. 6. Foreign insurer.** "Foreign insurer" includes an alien insurer.

**Subp. 7. Registration statement.** "Registration statement" means the statement that must be filed pursuant to section 3 of the act.

**Subp. 8. Ultimate holding company.** "Ultimate holding company" means that company within an insurance holding company system that is not controlled by any other company; provided, however, that if the commissioner so determines, the ultimate holding company in a particular insurance holding company system shall be the company that the commissioner determines to be the affiliated person concerning which the disclosures required hereunder would be most meaningful and would best serve to effectuate the purposes of the act.

**Statutory Authority:** *MS s 60D.07*

### 2720.0200 AUTHORITY.

These rules are promulgated pursuant to the authority granted by Laws of Minnesota 1971, chapter 288, section 7.

**Statutory Authority:** *MS s 60D.07*

### 2720.0300 PURPOSE.

The purposes of these rules are to set forth procedural requirements that the

commissioner deems necessary to carry out the provisions of the act. The information called for by these rules is hereby declared to be necessary and appropriate, in the public interest, and for the protection of policyholders and shareholders of insurance companies in this state.

**Statutory Authority:** *MS s 60D.07*

**2720.0400 APPROVAL OF ACQUISITION OF CONTROL.**

The commissioner may order a public hearing prior to approval of an acquisition of control, but such hearing is not mandatory prior to approval.

**Statutory Authority:** *MS s 60D.07*

**2720.0500 EXTRAORDINARY DIVIDENDS AND OTHER DISTRIBUTIONS.**

Requests for approval of extraordinary dividends or any other extraordinary distribution to shareholders shall include the following:

- A. the date established for payment of the dividend;
- B. 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;
- C. the amounts and dates of all dividends (including regular dividends) paid within the period of 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;
- D. 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;
- E. 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.

**Statutory Authority:** *MS s 60D.07*

**2720.0600 ADEQUACY OF SURPLUS.**

The factors set forth in the act, section 4, subdivision 2, 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.

**Statutory Authority:** *MS s 60D.07*

**ACQUISITION FILING STATEMENTS AND REGISTRATION STATEMENTS**

**2720.1100 FORMS.**

Part 2720.9910, form A, acquisition filing statement and part 2720.9920, form B, registration statement, are merely guides in the preparation of the statements required by the act and are not intended to be blank forms 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

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referring to the text of the items or the instructions thereto. All instructions, whether appearing under the items of the form or elsewhere thereon, 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.

Two complete copies 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: Commissioner of Commerce, State of Minnesota, Metro Square Building, Saint Paul, Minnesota 55101. At least one 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 be filed with the statement.

Statements should be prepared on paper 8-1/2 inches by 11 inches or 8-1/2 inches by 13 inches 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.

**Statutory Authority:** *MS s 60D.07*

**History:** *L 1983 c 289 s 114 subd 1; L 1984 c 655 art 1 s 92*

### **2720.1200 INCORPORATIONS BY REFERENCE, SUMMARIES, AND OMISSIONS.**

Information required by any item of form A, part 2720.9910, or form B, part 2720.9920, 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 either form, 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.

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 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.

**Statutory Authority:** *MS s 60D.07*

**2720.1300 INFORMATION UNKNOWN OR UNAVAILABLE.**

**Subpart 1. Conditions for omission.** 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 particularly within the knowledge of another person not affiliated with the person filing, the information may be omitted, subject to the following conditions:

A. 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

B. 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.

**Subp. 2. Extension of time.** 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 identifying the information, document, or report in question; stating why the filing thereof at the time required is impractical; and 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 ten days after receipt thereof, shall enter an order denying the application.

**Statutory Authority:** *MS s 60D.07*

**2720.1400 ADDITIONAL INFORMATION AND EXHIBITS.**

In addition to the information expressly required to be included in the statements by these rules, 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.

**Statutory Authority:** *MS s 60D.07*

**2720.1500 AMENDMENTS.**

Any amendment for either form 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.

**Statutory Authority:** *MS s 60D.07*

**2720.1600 ACQUISITION FILING STATEMENT.**

**Subpart 1. Statement required.** A person required to file a statement pursuant to the act, section 2, shall furnish the required information as provided in these rules and in part 2720.9910 in particular.

**Subp. 2. 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.

**Subp. 3. Securities of other than domestic insurer.** If the voting securities being acquired have been issued by a person other than the domestic insurer, the domestic insurer on the cover page should be indicated as follows: "ABC Insurance Company, a subsidiary of XYZ Holding Company"; and all references to "the insurer" contained in form A, part 2720.9910, shall refer to both the domestic subsidiary insurer and the person whose voting securities are being acquired.

**Statutory Authority:** *MS s 60D.07*

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### 2720.1700 REGISTRATION STATEMENT.

Subpart 1. **Statement required.** An insurer required to file a statement pursuant to the act, section 3, and these rules shall furnish the required information as provided in these rules and in part 2720.9910 in particular.

Subp. 2. **Amendments.** An amendment to the statement required in subpart 1 shall be filed within 15 days after the end of any month in which the following occurs: there is a change in the control of the registrant, in which case the entire statement shall be made current; or there is a material change in the information required by part 2720.9920, item 5 or 6.

An amendment to the statement shall be filed within 120 days after the end of each fiscal year of the ultimate holding company. Such amendment shall make current all information in the statement.

Subp. 3. **Alternative and consolidated registrations.** Alternatives and consolidated registrations:

A. Any authorized insurer may file a registration statement on behalf of any affiliated insurer or insurers required to register under the act, section 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 as prescribed in form B, part 2720.9920, the authorized insurer may file a copy of the registration statement or similar report that it is required to file in its state of domicile; provided the statement or report contains substantially similar information required to be furnished by part 2720.9920 and 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, part 2720.9920, on behalf of an affiliated insurer shall set forth a simple statement of facts that 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 that could be done by an authorized insurer under item A.

D. Any insurer may take advantage of the provisions of the act, section 3, subdivision 6 or 7, 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.

E. The state of entry of an alien insurer shall be deemed to be its domiciliary state for the purposes of section 3 of the act.

**Statutory Authority:** *MS s 60D.07*

### 2720.1800 EXEMPTIONS FROM FILING.

The provisions of the act, section 3, shall not apply in those situations described therein and in this part.

A. The registration and amendments required in the act, section 3, shall not be required for any insurance company domiciled in the state of Minnesota if and so long as that company and all insurance company affiliates in its insurance holding company system do not sell any insurance or otherwise provide insurance protection to any person outside of the insurance holding company system, and it does not hold itself out as willing or available to sell insurance or otherwise provide insurance protection to members of the general public.

B. The registration and amendments required in the act, section 3, shall not be required for any insurance company not domiciled in the state of Minnesota that is otherwise required to file a registration statement, if the insurance

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company is included in a filing as an affiliate of another insurance company that is exempt from the requirements of the act, section 3, by virtue of the fact that it must file a registration statement in another state under statutes and regulations which are substantially similar to the act and these rules. However, the commissioner may request a copy of the registration statement filed in another state.

**Statutory Authority:** *MS s 60D.07*

## 2720.1900 DISCLAIMERS AND TERMINATION OF REGISTRATION.

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

A. the number of authorized, issued, and outstanding voting securities of the subject;

B. 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 that 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;

C. all material relationships and bases for affiliation between the subject and the person whose control is denied, and all affiliates of such person; and

D. a statement explaining why such person should not be considered to control the subject.

**Subp. 2. Automatic termination.** A request for termination of registration shall be deemed to have been granted unless the commissioner, within 30 days after he received the request, notifies the registrant otherwise.

**Statutory Authority:** *MS s 60D.07*

## 2720.9910 FORM A; ACQUISITION FILING STATEMENT. STATEMENT REGARDING THE

### ACQUISITION OF CONTROL OF A DOMESTIC INSURER

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Name of Domestic Insurer

BY

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Name of Acquiring Person (Applicant)

Filed with the Insurance Department of \_\_\_\_\_  
(State of domicile of insurer being acquired)

Dated: \_\_\_\_\_, 19\_\_\_\_\_

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

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## FORM A

### ITEM 1. 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 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 of one percent of the total assets of the ultimate holding company 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 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 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 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 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 to be used in the acquisition of control. If any part of the same is represented or is to be represented by funds, or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, or trading securities, furnish a description of the transaction, the names of the parties thereto, the relationship,

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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 OR 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 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 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 all the financial statements and exhibits so attached.



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(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, or a statement fully describing, all tender offers for, requests or invitations for, tenders of, exchange orders for and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto; and 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 parts 2720.1100 and 2720.1300.

### ITEM 13. SIGNATURE AND CERTIFICATION

Signature and certification of the following form:

#### SIGNATURE

Pursuant to the requirements of section 2 of the act, and part 2720.1600, subpart 1, \_\_\_\_\_ (name of applicant) has caused this application to be duly signed on its behalf in the city of \_\_\_\_\_ and state of \_\_\_\_\_ (seal) on the \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
(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 \_\_\_\_\_, 19\_\_, for and on behalf of \_\_\_\_\_; that he is the \_\_\_\_\_ of such company, and that he is authorized to execute and file such statement. 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.

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Signature \_\_\_\_\_

Type or print name beneath \_\_\_\_\_

Statutory Authority: *MS s 60D.07*

2720.9920 FORM B REGISTRATION STATEMENT.  
FORM B

INSURANCE HOLDING COMPANY SYSTEM

REGISTRATION STATEMENT

Filed with the Insurance Department

of the State of \_\_\_\_\_

BY

\_\_\_\_\_

Name of Registrant

On behalf of the Following Insurance Companies

Name

Address

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

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

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

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

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 of one percent of the total assets of the ultimate holding company 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. — trust, partnership, corporation) and the state or other jurisdiction of domicile.

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### ITEM 3. THE ULTIMATE HOLDING COMPANY

As to the ultimate holding company in the insurance holding company system furnish the following information;

- (a) Name
- (b) Home office address
- (c) Principal executive office address
- (d) The organization structure of the company, i.e., corporation, partnership, trust, etc.
- (e) The principal business of the company
- (f) The name and address of any person who holds or owns ten percent 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 holding company: 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 assets 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 of one percent 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 transactions; and the 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 holding company 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:

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(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 holding company 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 holding company 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 holding company 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 holding company and proxy material used by the ultimate holding company; and any additional documents or papers required by this part or part 2720.1100 or 2720.1300.

### SIGNATURES

Signatures and certification of the form as follows:

SIGNATURE

Pursuant to the requirements of section 3 of the act and part 2720.1700, subpart 1, 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)

# MINNESOTA RULES 1989

1923

INSURANCE HOLDING COMPANY SYSTEMS 2720.9920

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

## CERTIFICATION

The undersigned deposes and says that he has duly executed the attached registration statement dated \_\_\_\_\_, 19\_\_\_\_, for and on behalf of \_\_\_\_\_ (Name of Company); that he is the \_\_\_\_\_ (Title of Officer) of such company, and that he has authority to execute and file such instrument. Depo-  
nent further says that he is familiar with such instrument and that the facts therein set forth are true to the best of his knowledge, information, and belief.

(Signature) \_\_\_\_\_

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

**Statutory Authority:** *MS s 60D.07*