

ORDER R 92-08 ADOPTING, AMENDING, OR REPEALING
REGULATIONS OF THE DIVISION OF INSURANCE

The attached 43 pages of regulations, dealing with requirements and forms necessary to be filed by insurance holding companies, to implement, interpret, and make specific AS 21.22, are hereby adopted and certified to be a correct copy of the regulations that the Division of Insurance amends, adopts, or repeals (3 AAC 21.010 -- 3 AAC 21.195) under the authority of AS 21.06.090 and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

This order takes effect on the 30th day after it has been filed by the lieutenant governor, as provided in AS 44.62.180.

DATED this 7th day of August, 1992, at Anchorage, Alaska.



David J. Walsh, Director
Division of Insurance
Department of Commerce and
Economic Development

FILING CERTIFICATION

I, John B. Coghill, Lieutenant Governor for the State of Alaska, certify that on Sept 21, 1992 at 8:45 A m., I filed the attached regulations according to the provisions of AS 44.62.040 -- 44.62.120.


Lieutenant Governor

Effective October 21, 1992

Register 12A, January 1993

HOLCOOR, RBK

TITLE 3. COMMERCE AND ECONOMIC DEVELOPMENT

PART 2. DIVISION OF INSURANCE

CHAPTER 21. INSURER -- FINANCIAL

Article 1. Insurance Holding Companies

Section

10. Forms; general requirements

20. Forms; incorporation by reference; summaries and omissions

40. Forms; additional information and exhibits

50. Forms; amendments

60. Acquisition of control; statement filing; Form A

90. Registration of insurers; statement filing; Form B

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140. Extraordinary dividends and other distributions

150. Adequacy of surplus

160. (Repealed)

170. Subsidiaries of domestic insurers

180. Summary of registration; statement filing; Form C

185. Transactions subject to prior notice; required or voluntary requests for approval or pre-approval; notice filing; Form D

195. Definitions

3 AAC 21.010 is amended to read:

3 AAC 21.010. FORMS; GENERAL REQUIREMENTS. (a) Forms A, [AND] B, C, and D are intended to be guides in the preparation of the statements required under AS 21.22[BY THE ACT]. They are not intended to be blank forms that [WHICH] are to be filled in. A [THE] statement[S] filed must contain the numbers and captions of all items indicated on a form, but the text of the items may be omitted if the answers to them are [SO] prepared [AS] to indicate the coverage of the items without the necessity of referring to the text of the items or the instructions to them. All instructions, whether appearing under the items of the form or elsewhere in it, are to be omitted. Unless expressly provided otherwise, if an [ANY] item is not [IN]applicable or the answer to it is in the negative, an appropriate explanation [STATEMENT] to that effect must be made.

(b) A [ONE] complete copy of a [EACH] statement required under AS 21.22, including exhibits and all other papers and documents filed as a part of it, must be filed with the director by personal delivery or mail addressed to: Director, Division of Insurance of the State of Alaska, P.O. Box 110805 [POUCH D], Juneau, Alaska 99811-0805. Each [THE] copy must be manually signed in the manner prescribed on the form. If the signature of a [ANY] person is affixed under a power of attorney or other similar authority, a copy of the power of attorney or other authority must also be filed with the statement. If the commissioner or director of the insurance department or division of a state in which an insurer is authorized to do business has submitted a written request for a copy of a statement filed under this section, the insurer shall file a copy of Form C in that state within 10 days of receipt of the request.

(c) A statement [STATEMENTS] should be prepared on paper 8 1/2" x 11" [OR 8 1/2" x 13"] in size and preferably bound at the top or the top left-hand corner. An exhibit [EXHIBITS] or [AND] financial statement [STATEMENTS], unless specifically prepared for the filing, may be submitted in its [THEIR] original size. All copies of a [ANY] statement, financial statement [STATEMENTS], or exhibit [EXHIBITS] must be clear, easily readable, and suitable for photocopying. Debits in credit categories and credits in debit categories must be designated so they are [AS TO BE] clearly distinguishable on [SUCH THINGS AS] photocopies. A statement [STATEMENTS] must be in the English

language and a monetary value [VALUES] must be stated in United States currency. If an [ANY] exhibit or other paper or document filed with the statement is in a foreign language, it must be accompanied by a translation into the English language and a [ANY] monetary value normally shown in a foreign currency must be converted into United States currency.

(d) A person may request prefiling conference with division personnel.

(Eff. 6/30/77, Register 62; am 10/21/92, Register 124)

Authority: AS 21.06.090

AS 21.22.130

3 AAC 21.020 is amended to read:

3 AAC 21.020. FORMS; INCORPORATION BY REFERENCE; SUMMARIES AND OMISSIONS. (a) Information required by an [ANY] item of Form A₁ [OR FORM] B₁ or D may be incorporated by reference in answer or partial answer to another [ANY OTHER] item. Information contained in a [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 an [ANY] item of Form A₁ [OR

FORM] B, or D if that document or paper is filed as an exhibit to the statement. An excerpt [EXCERPTS] of a document [DOCUMENTS] may be filed as an exhibit [EXHIBITS] if the document [DOCUMENTS] is [ARE] extensive. A document [DOCUMENTS] already on file with the director, that was filed within the three years before the due date of the form being filed, need not be attached as an exhibit [EXHIBITS]. A reference [REFERENCES] to information contained in an exhibit [EXHIBITS] or [IN] a document [DOCUMENTS] already on file must clearly identify the material and [MUST] specifically indicate that the material is to be incorporated by reference in answer to an [THE] item. Material [Matter] may not be incorporated by reference in a [ANY] case where incorporation by reference would render the statement incomplete, unclear, or confusing.

(b) Where an item requires a summary or outline of the provisions of a [ANY] document, only a brief statement of [SHALL BE MADE AS TO] the most important provisions of the document is required. In addition to the brief [SUCH A] statement, the summary or outline may incorporate by reference a particular part [PARTS] of an [ANY] exhibit or document that has been filed [ON FILE] with the director within the three years before the date of the form being filed and may be qualified in its entirety by that reference. In a [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 to it, the

dates of execution, or other details, a copy of only one of the documents need be filed with a schedule identifying the omitted documents and setting out the material details in which those documents differ from the documents filed. (Eff. 6/30/77, Register 62; am 10/21/92, Register 124)

Authority: AS 21.06.090
 AS 21.22.130

3 AAC 21.040 is repealed and readopted to read:

3 AAC 21.040. FORMS; ADDITIONAL INFORMATION AND EXHIBITS. In addition to the information expressly required to be included in Forms A, B, C, and D, additional information must be provided if it is necessary to make the information contained in Forms A, B, C, and D not misleading. A person may also file any exhibits in addition to those expressly required by the form. An exhibit must be clearly marked to indicate the subject matter to which it refers. (Eff. 6/30/77, Register 62; am 10/21/92, Register 124)

Authority: AS 21.06.090

AS 21.22.130

3 AAC 21.050 is amended to read:

3 AAC 21.050. FORMS; AMENDMENTS. An amendment must be filed in the format of the original form identifying only those items that are being amended. An [ANY] amendment of [FOR] Form A, [OR FORM] B, C, or D must include on the top of the cover page the phrase: "Amendment No. to:" and must indicate the date of the amendment and not the date of the original filing. (Eff. 6/30/77, Register 62; am 10/21/92, Register 124)

Authority: AS 21.06.090

AS 21.22.130

Item 12 of Form A in 3 AAC 21.060 is amended to read:

3 AAC 21.060. ACQUISITION OF CONTROL; STATEMENT FILING; FORM A.
A person required to file a statement under AS 21.22.010 shall furnish the required information on Form A, made a part of this section in substantially the following form:

FORM A

ITEM 1. INSURER AND METHOD OF ACQUISITION

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a)

(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 the [SUCH] applicant, [AND] its affiliates, and any of its predecessors [THEREOF SHALL] have been in existence), and similar information covering the period from the end of the [SUCH] person's last fiscal year, if the [SUCH] information is available. The [SUCH] statements may be prepared either on an individual basis, or, unless the director otherwise requires, on a consolidated basis if the [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 the [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 or with requirements of insurance or other accounting principles prescribed or permitted under law. If the applicant is an insurer that [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 the [SUCH] person filed with the insurance department of the person's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under law and regulations of that [SUCH] state.

If the person identified in Item 2(c) is an individual, a personal financial statement accompanied by an opinion from a certified public accountant is not required. The director will, in the director's discretion, and after notice to the applicant, require that the personal financial statement of the individual be compiled, reviewed, or audited by a certified public accountant if the

- (i) individual will have a controlling interest in the domestic insurer by reason of ownership of some of the domestic insurer's shares but not through an intermediate entity;

(ii) individual will have a direct contractual relationship with the domestic insurer other than by being an officer, director, or employee of the domestic insurer;

(iii) domestic insurer will be a guarantor of an obligation of the individual;
or

(iv) individual will be directly indebted to the domestic insurer.

(Eff. 6/30/77, Register 62; am 10/21/92, Register 124)

Authority: AS 21.06.090

AS 21.22.130

3 AAC 21.090 is repealed and readopted read:

3 AAC 21.090. REGISTRATION OF INSURERS; STATEMENT FILING; FORM

B. Except as provided in 3 AAC 21.110, an insurer required to file a statement under

AS 21.22.060 shall furnish the required information on Form B, made a part of this section in substantially the following form:

FORM B
INSURANCE HOLDING COMPANY SYSTEM
REGISTRATION STATEMENT
Filed with the Insurance Division 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:

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

registrant; the date on which each registrant became part of the insurance holding company system; and the method by which control of each registrant was acquired and is maintained.

ITEM 2. ORGANIZATION CHART

Furnish a chart or listing that clearly presents the identity of and interrelationship of each affiliated person within the insurance holding company system. An affiliate need not be shown if its total assets are equal to less than one-half of one percent of the total assets of the ultimate controlling person within the insurance holding company system. The chart or listing should show the percentage of each class of voting securities of each affiliate that is directly or indirectly owned 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 the control. Indicate the type of organization (e.g., corporation, trust, partnership) and the state or other jurisdiction of domicile of each person specified in the chart or listing.

ITEM 3. THE ULTIMATE CONTROLLING PERSON

Furnish the following information about the ultimate controlling person in the insurance holding company system:

- (a) name;
- (b) home office address;

(c) principal executive office address;

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

(e) the principal business of the person;

(f) the name and address of a person who holds or owns 10 percent or more of any class of voting security, the class of the security, the number of shares held of record or known to be beneficially owned, and the percentage of class so held or owned; and

(g) if a court proceeding involving a reorganization or liquidation is pending, the title and location of the court, the nature of the proceeding, and the date when commenced.

ITEM 4. BIOGRAPHICAL INFORMATION

Furnish the following information for the directors and executive officers of the ultimate controlling person: the individual's name, address, and principal occupation; all offices and positions held during the past five years; and any conviction of a crime during the past 10 years, other than a minor traffic violation.

ITEM 5. TRANSACTIONS, RELATIONSHIPS, AND AGREEMENTS

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

- (a) a loan, other investment or purchase, or sale or exchange of securities of the affiliate by the registrant or of the registrant by its affiliate;
- (b) a purchase, sale, or exchange of assets;
- (c) a transaction not in the ordinary course of business;
- (d) a guarantee or undertaking for the benefit of an affiliate that results in an actual contingent exposure of the registrant's assets to liability, other than an insurance contract entered into in the ordinary course of the registrant's business;
- (e) a management agreement, service contract, or cost-sharing arrangement, other than a cost-allocation arrangement based upon generally accepted accounting principles;
- (f) a reinsurance agreement covering all or substantially all of one or more lines of insurance of the ceding company;
- (g) dividends and other distributions to shareholders;
- (h) a consolidated tax allocation agreement; and
- (i) a pledge of the registrant's stock or of the stock of a subsidiary or controlling affiliate for a loan made to a member of the insurance holding company system, other

than a pledge to a commercial lending institution that is not affiliated with the registrant for a loan to a member of the insurance holding system made upon usual and customary terms.

Information need not be disclosed if the information is not material. A sale, purchase, exchange, loan, or extension of credit or investment involving one-half of one percent or less of the registrant's admitted assets as of the immediately preceding 31st day of December is not material.

The description of a transaction must be in a manner that permits proper evaluation by the director and must include at least the following: the nature and purpose of the transaction, the nature and amount of any payment or transfer of assets between the registrant and its affiliates; the identity of each party to the transaction; and the relationship of the affiliated parties to the registrant.

ITEM 6. LITIGATION OR ADMINISTRATIVE PROCEEDINGS

If the ultimate controlling person or any of its directors or executive officers is a party to it or if the property of the ultimate controlling person or any of its directors or executive officers is the subject of it, give a brief description of any litigation or administrative proceeding of the following type, whether pending or concluded within the preceding fiscal year, including the names of the parties, the case number, and the court or agency in which the litigation or proceeding is or was pending:

(a) a criminal prosecution or administrative proceeding by a governmental agency or authority that may be relevant to the trustworthiness of any party to it; or

(b) a proceeding that may have a material effect upon the solvency or capital structure of the ultimate holding company including bankruptcy, receivership, or other corporate reorganization.

ITEM 7. STATEMENT REGARDING PLAN OR SERIES OF TRANSACTIONS

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

ITEM 8. FINANCIAL STATEMENTS AND EXHIBITS

(a) Attach financial statements and exhibits to this form as an appendix, and list those attachments under this item.

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

If the annual financial statements for the latest fiscal year are not available at the time of the initial registration, annual financial statements for the previous fiscal year and similar financial information available for the subsequent period must be filed. The

financial statements may be prepared on either an individual basis or a consolidated basis if the consolidated statements are prepared in the usual course of business, unless the director requires otherwise.

Unless the director permits otherwise, the annual financial statements must be accompanied by the certificate of an independent public accountant declaring that the statements fairly present the financial position of the ultimate controlling person and the results of its operations for the year then ended, in conformity with generally accepted accounting principles, requirements of insurance, or other accounting principles prescribed by or permitted under law. If the ultimate controlling person is an insurer that 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 the insurer filed with the insurance department of the insurer's domiciliary state and meet the requirements of insurance or other accounting principles prescribed by or permitted under the law of that state.

If the ultimate controlling person is an individual, a personal financial statement accompanied by an opinion from a certified public accountant is not required. The director will, in the director's discretion, and after notice to the registrant, require that the personal financial statement of the individual be compiled, reviewed, or audited by a certified public accountant if the

- (i) individual has a controlling interest in the registrant by reason of ownership of some of the registrant's shares but not through an intermediate entity;
- (ii) individual has a direct contractual relationship with the registrant other than by being an officer, director, or employee of the registrant;
- (iii) registrant is a guarantor of an obligation of the individual; or
- (iv) individual is directly indebted to the registrant.

(c) Exhibits must include copies of the latest annual reports to the shareholders of the ultimate controlling person and proxy material used by the ultimate controlling person, as well as any additional documents or papers required by this form, 3 AAC 21.010, or 3 AAC 21.030.

ITEM 9. FORM C REQUIRED

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

SIGNATURE AND CERTIFICATION

Signature and certification are required as follows:

SIGNATURE

Under AS 21.22.060, the registrant has caused this registration statement to be signed on its behalf in the City of _____ and State of _____ on the ____ day of _____, 19__.

(SEAL)

(Name of Registrant)

BY _____
(Name) (Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that (s)he has duly executed the attached registration statement dated _____, 19_____, for and on behalf of _____ (Name of Company); that (s)he is the _____ (Title of Officer) of the company; and that (s)he is authorized to execute and file the instrument. Deponent further says that (s)he is familiar with the instrument and the contents of it and that the facts stated in it are true to the best of his/her knowledge, information, and belief.

(Signature)

(Type or print name beneath)

(Eff. 6/30/77, Register 62; am 10/21/92, Register 124)

Authority: AS 21.06.090
 AS 21.22.130

3 AAC 21 is amended by adding a new section to read:

3 AAC 21.095. ANNUAL REGISTRATION OF INSURERS. An insurer subject to registration under AS 21.22.060 shall file annually the registration statement required in 3 AAC 21.090, or, if appropriate, an alternative registration in accordance with 3 AAC 21.110. An annual statement must include all amendments to Form B under 3 AAC 21.100 and reflect the most current information available at the time the statement is filed. (Eff. 10/21/92, Register 124)

Authority: AS 21.06.090
 AS 21.22.060
 AS 21.22.130

3 AAC 21.100 is repealed and readopted to read:

3 AAC 21.100. AMENDMENTS OF FORM B. An amendment to Form B must be filed with the division within 30 days after the end of any month in which there is a

(1) change in the control of the registrant, in which case the entire Form B shall be made current; or

(2) material change in the information given in the most recently filed Form B. (Eff. 6/30/77, Register 62; am 10/21/92, Register 124)

Authority: AS 21.06.090
 AS 21.22.060
 AS 21.22.130

3 AAC 21.110 is repealed and readopted to read:

3 AAC 21.110. ALTERNATIVE AND CONSOLIDATED REGISTRATIONS. (a)
An authorized insurer may file a registration statement on behalf of an affiliated insurer that is required to register under AS 21.22.060. A registration statement may include information not required by AS 21.22 regarding an insurer in the insurance holding

company system even if the insurer is not authorized to do business in this state. Instead of filing a registration statement on Form B, 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 if

(1) the statement or report contains information that is substantially similar to the information required to be furnished on Form B; and

(2) the authorized insurer making the filing is the principal insurance company in the insurance holding company system.

(b) An insurer filing a registration statement or report in place of Form B on behalf of an affiliated insurer shall provide a brief statement of facts that will substantiate the filing insurer's claim that it is the principal insurer in the insurance holding company system. The division will determine whether the filing insurer is the principal insurance company in the insurance holding company system as a question of fact.

(c) With prior approval of the director, an unauthorized insurer may follow any of the procedures that could be followed by an authorized insurer under (a) of this section.

(d) An insurer may take advantage of the consolidation and filing provisions of AS 21.22.060(g) or 21.22.060(h) without obtaining prior approval of the director. The director will, in the director's discretion, require individual filings if the director considers

individual filings necessary for clarity, ease of administration, or the public good.
(Eff. 6/30/77, Register 62; am 10/21/92, Register 124)

Authority: AS 21.06.090
 AS 21.22.130

3 AAC 21.140 is amended to read:

3 AAC 21.140. EXTRAORDINARY DIVIDENDS AND OTHER DISTRIBUTIONS.

(a) Requests for approval of extraordinary dividends or any other extraordinary distributions to shareholders must include the following:

- (1) the amount of the proposed dividend;
- (2) the date established for payment of the dividend;
- (3)[(2)] a statement as to whether the dividend is to be in cash or other property and, if in property, a description of the property, its cost, and its fair market value together with an explanation of the basis for that valuation;
- (4) a work paper showing the calculations used to determine that the proposed dividend is extraordinary; the work paper shall include the following information:

(A)[(3)] the amounts, [AND] dates, and form of payment of all dividends and distributions (including regular dividends but excluding distributions of the insurer's own securities) 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 previous year;

(B) policyholder surplus as of the 31st day of the December preceding the date on which the request for dividend approval is submitted;

(C) if the insurer is a life insurer, the net gain from operations for the 12-month period ending the 31st day of the December preceding the date on which the request for dividend approval is submitted;

(D) if the insurer is not a life insurer, the net income for the 12-month period ending the 31st day of the December preceding the date on which the request for dividend approval is submitted and net income for each of the two preceding 12-month periods; and

(E) if the insurer is not a life insurer, the dividends paid to stockholders, excluding distributions of the insurer's own securities, in the two calendar years preceding the calendar year in which the request for dividend approval is submitted;

(5)[(4)] a balance sheet and statement of income for the period between the last annual statement filed with the director and the end of the month preceding the month in which the request for dividend approval is submitted; and

(6)[(5)] a brief statement as to the effect of the proposed dividend upon the insurer's surplus, the reasonableness of surplus in relation to the insurer's outstanding liabilities, and the adequacy of surplus relative to the insurer's financial needs.

(b) A registered insurer shall report to the director all dividends, other than extraordinary dividends that are subject to AS 21.22.100(b) and reported in Form D, and other distributions to shareholders within two business days following their declaration and shall include the information required in (a)(4) of this section. This report may be in the form of a letter and is not subject to the requirements under 3 AAC 21.185.[THE PAYMENT OF AN EXTRAORDINARY DIVIDEND BY AN INSURER WILL BE AUTOMATICALLY APPROVED IF THE INSURER'S TOTAL LIABILITIES, AS CALCULATED FOR NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS' ANNUAL STATEMENT PURPOSES, ARE LESS THAN 10 PERCENT OF ITS ASSETS BOTH BEFORE AND AFTER PAYMENT OF THE DIVIDEND. THE INSURER, HOWEVER, SHALL GIVE WRITTEN NOTICE TO THE DIRECTOR OF THE DECLARATION UNDER AS 21.22.060(e).] (Eff. 6/30/77, Register 62; am 10/21/92, Register 124)

Authority: AS 21.06.090
 AS 21.22.100
 AS 21.22.130

3 AAC 21.150 is amended to read:

3 AAC 21.150. ADEQUACY OF SURPLUS. The factors set forth in AS 21.22.090 are not intended to be an exhaustive list. In determining the adequacy and reasonableness of an insurer's surplus, no single factor listed in AS 21.22.090 is controlling. The director, 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 director 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 director will consider the individual subsidiary and will, in the director's discretion, [MAY] discount or disallow its valuation to the extent that the individual investments so warrant. (Eff. 6/30/77, Register 62; am 10/21/92, Register 124)

Authority: AS 21.06.090
 AS 21.22.130

3 AAC 21.160 is repealed:

3 AAC 21.160. DEFINITIONS. Repealed 10/21/92.

3 AAC 21 is amended by adding new sections to read:

3 AAC 21.170. SUBSIDIARIES OF DOMESTIC INSURERS. The authority to invest in a subsidiary under AS 21.21.180 is in addition to any authority to invest in a subsidiary that is contained in another provision of AS 21. (Eff. 10/21/92, Register 124)

Authority: AS 21.06.090

AS 21.22.130

3 AAC 21.180. SUMMARY OF REGISTRATION; STATEMENT FILING; FORM C. An insurer required to file a statement under AS 21.22.060 shall also furnish the required information on Form C, made a part of this section in substantially the following form:

FORM C
SUMMARY OF REGISTRATION STATEMENT

Filed with the Insurance Division 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 a brief description of all items in the current registration statement that represent changes from the most recently filed registration statement. The description shall be in a manner to permit the proper evaluation by the director, and shall include specific references to item numbers in the annual registration statement and to the terms contained in it.

Changes occurring under Item 2 of Form B, to the extent that changes in the percentage of each class of voting securities held by each affiliate are concerned, need

only be included where the changes are ones that result in ownership or holdings of 10 percent or more of voting securities, loss or transfer of control, or acquisition or loss of partnership interest.

Changes occurring under Item 4 of Form B need only be included when an individual is made a director or executive officer of the ultimate controlling person for the first time; a director's or executive officer's responsibilities for the ultimate controlling person are terminated; or an individual is named president, chief executive officer, treasurer, or chief financial officer of the ultimate controlling person.

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

The insurer shall furnish a statement affirming that transactions entered into since the filing of the prior registration statement are not part of a plan or series of like transactions the purpose of which is to avoid statutory threshold amounts and the review that might otherwise occur.

SIGNATURE AND CERTIFICATION

Signature and certification are required as follows:

SIGNATURE

Under AS 21.22.060, the registrant has caused this summary of registration statement to be signed on its behalf in the City of _____ and State of _____ on the ____ day of _____, 19____.

(SEAL)

(Name of Registrant)

BY _____
(Name) (Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that (s)he has duly executed the attached summary of registration statement dated _____, 19____, for and on behalf of _____ (Name of Company); that (s)he is the _____ (Title of Officer) of the company; and that (s)he is authorized to execute and file the instrument. Deponent further says that (s)he is familiar with the instrument and the contents of it and that the facts stated in it are true to the best of his/her knowledge, information, and belief.

(Signature)

(Type or print name beneath)

(Eff. 10/21/92, Register 124)

Authority: AS 21.06.090
 AS 21.22.060
 AS 21.22.130

3 AAC 21.185. TRANSACTIONS SUBJECT TO PRIOR NOTICE; REQUIRED OR VOLUNTARY REQUESTS FOR APPROVAL OR PRE-APPROVAL; NOTICE FILING; FORM D. An insurer required to give notice of a proposed transaction under AS 21 or desiring voluntary approval or pre-approval of a transaction under AS 21 shall furnish the required information on Form D, made a part of this section in substantially the following form:

FORM D
PRIOR NOTICE OF A TRANSACTION OR
REQUEST FOR DIRECTOR'S APPROVAL OF A TRANSACTION

Filed with the Insurance Division 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:

ITEM 1. IDENTITY OF PARTIES TO TRANSACTION

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

- (a) name;
- (b) home office address;
- (c) principal executive office address;
- (d) the organizational structure (i.e. corporation, partnership, individual, trust, etc.);
- (e) a description of the nature of the party's business operations;

(f) relationship, if any, the insurer filing the notice or requesting the approval or pre-approval may have with another party to the transaction, including any ownership or debtor/creditor interest another party to the transaction may have in the insurer or the insurer may have in another party to the transaction; and

(g) where the transaction is with a non-affiliate, the name of an affiliate that will receive, in whole or substantial part, the proceeds of the transaction.

ITEM 2. DESCRIPTION OF THE TRANSACTION

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

(a) citation of the statute section, subsection, or paragraph under which the notice is being given or the request for approval or pre-approval, either required or voluntary, is being made;

(b) a list of any other statutes applicable to the transaction;

(c) a statement of the nature of the transaction; and

(d) the proposed effective date of the transaction.

For each party to the transaction, provide a copy of the latest year-end annual report filed with that party's regulatory authority, the latest quarterly financial statement prepared for the party's regulatory authority, and any other financial information required

to be filed with the party's regulatory authority since the latest year-end report in accordance with the following:

(a) for insurers, the annual report prepared under AS 21.09.200 and, if required, the quarterly report prepared under AS 21.09.205;

(b) for non-insurers regulated by the Securities and Exchange Commission (SEC), the latest Form 10-K, 10-Q, and 8-Q, if any, and any proxy materials filed with the SEC; and

(c) for banking institutions, the latest annual and quarterly reports to the Federal Deposit Insurance Corporation, Comptroller of the Currency, Federal Reserve Bank, or state banking regulatory authority.

Further information may be requested after the filed financial statements are reviewed.

For transactions in which a non-insurer is a party, a pre-filing conference with division personnel is encouraged.

ITEM 3. CONFIDENTIAL INFORMATION

If confidentiality is requested under AS 21.06.150(g) for all or part of the information provided in this filing, list the information requested to be kept confidential and provide sufficient substantiation for the director to make a finding under AS 21.06.150(g).

ITEM 4. SALES, PURCHASES, EXCHANGES, LOANS, EXTENSIONS OF
 CREDIT, GUARANTEES, OR INVESTMENTS

Furnish a brief description of the amount and source of funds, securities, property, or other consideration involved in the sale, purchase, exchange, loan, extension of credit, guarantee, or investment related to the transaction; a statement of whether a provision exists for purchase by the insurer filing notice, by any party to the transaction, or by any affiliate of the insurer filing notice; a description of the terms of any securities being received; and a description of any other agreements relating to the transaction such as service contracts or consulting agreements. If the transaction involves consideration other than cash, furnish a description of the consideration, its cost, its fair market value, and an explanation of the basis for evaluation.

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

If the transaction involves an investment, guarantee, or other arrangement, state the time period during which the investment, guarantee, or other arrangement will remain in effect, including any provision for an extension or renewal. Furnish a brief statement regarding the effect of the transaction upon the insurer's surplus.

Unless otherwise required by the director or required by statute, a notice is not required if, as of the last December 31st, the maximum amount that can be outstanding or for which the insurer can be legally obligated under the loan, extension of credit, or guarantee is less than

(a) for non-life insurers, either three percent of the insurer's admitted assets or 25 percent of surplus as regards policyholders, whichever is less, or

(b) for life insurers, three percent of the insurer's admitted assets.

ITEM 5. LOANS OR EXTENSIONS OF CREDIT TO A NON-AFFILIATE

If the transaction involves a loan or extension of credit to a person that is not an affiliate, furnish a brief description of the agreement or understanding in which the proceeds of the proposed transaction, in whole or substantial part, are to be used to make a loan or extension of credit to, purchase the assets of, or make an investment in, an affiliate of the insurer making the loan or extension of credit. Specify in what manner the proceeds are to be used to loan to, extend credit to, purchase assets of, or make investments in an affiliate. Describe the amount and source of funds, securities, property, or other consideration for the loan or extension of credit and, if the transaction involves consideration other than cash, furnish a description of the consideration, its cost, its fair market value, and an explanation of the basis for evaluation. Furnish a brief statement regarding the effect of the transaction upon the insurer's surplus.

Unless otherwise required by the director or required by statute, a notice is not required if, as of the last December 31st, the loan or extension of credit is less than

- (a) for non-life insurers, either three percent of the insurer's admitted assets or 25 percent of surplus as regards policyholders, whichever is less, or
- (b) for life insurers, three percent of the insurer's admitted assets.

ITEM 6. REINSURANCE

If the transaction is a reinsurance agreement or modification of it under AS 21.12.020, AS 21.18.040, AS 21.22.060(b)(3)(F), AS 21.69.610, and AS 21.69.620, furnish a description of the known and estimated amounts of liability to be ceded or assumed in a calendar year, the period of time during which the agreement is in effect, and a statement regarding whether an agreement or understanding exists between the insurer and non-affiliate that provides that a portion of the assets serving as consideration for the agreement will be transferred to one or more of the insurer's affiliates. Furnish a brief description of the consideration involved in the transaction and a brief statement regarding the effect of the transaction upon the insurer's surplus.

Unless otherwise required by the director or required by statute, a notice is not required for a reinsurance agreement or modification to it if, as of the last December 31st, the reinsurance premium or a change in the insurer's liabilities in connection with a

reinsurance agreement or modification to it is less than five percent of the insurer's surplus as regards policyholders.

**ITEM 7. MANAGEMENT AGREEMENTS, SERVICE CONTRACTS, AND
 COST SHARING ARRANGEMENTS**

For a management agreement or service contract, furnish a brief description of the of the agreement or contract, including its duration, the managerial responsibilities or services to be performed, and the basis for and terms of payment of compensation.

For a cost-sharing arrangement, furnish a brief description of the purpose of the arrangement, including the duration of the arrangement, the expenses or costs of each party covered by the arrangement, and the accounting basis used to calculate the costs under the arrangement.

The descriptions required under this item must be responsive to AS 21.22.070 -- 21.22.090.

ITEM 8. OTHER APPROVALS OR PRE-APPROVALS

Furnish a brief description of the transaction and the circumstances under which it was or will be accomplished. Furnish information regarding valuation and pricing of the transaction and any other applicable information. If the transaction is an investment, provide the current purchase price, carrying value on the records of the holder of the

investment, and current market value of the investment, along with information on how each value was determined.

Describe the action requested of the director. Provide a brief discussion concerning approval or disapproval of the requested action citing applicable law and alternate actions that may be taken if approval is not received.

ITEM 9. EXTRAORDINARY DIVIDENDS OR DISTRIBUTIONS

As required under 3 AAC 21.140, provide a description of the extraordinary dividend or distribution for which approval is requested.

Provide a brief discussion concerning approval or disapproval giving consideration to AS 21.22.080(5) and 21.22.090.

ITEM 10. INVESTMENT IN SUBSIDIARIES AND INSURER ACQUISITIONS

Use this section if approval under AS 21.21.180 or AS 21.22.065 is being sought.

Furnish the calculations required to determine that the thresholds under AS 21.21.180(b) are met. Furnish discussion concerning the reason why, after the investment, the resultant policyholder surplus will be reasonable in relation to the organization's outstanding liabilities and adequate to the organization's financial needs.

If the request is for voluntary verification of an exemption under AS 21.22.065(j), furnish the relevant calculations, discussion, or other information necessary to determine the appropriateness of the exemption. Furnish the calculations necessary for the director

to make a determination under AS 21.22.065(d). Furnish calculations, discussion, or other information that would constitute "other substantial evidence" under AS 21.22.065(f) or would provide information supportive of AS 21.22.065(g).

Furnish a schedule showing the effect on the surplus of the parties to the transaction and a discussion concerning the reason why, under AS 21.22.080, the resultant policyholder surplus will be reasonable in relation to the organization's outstanding liabilities and adequate to the organization's financial needs, giving consideration to AS 21.22.090.

Furnish a description of the material transaction in which the parties intend to engage, including the amount of fees to be charged and support for the reasonableness of those fees. Provide a statement affirming that the parties to the proposed transaction will comply with AS 21.22.080.

Furnish other information pertinent to the approval or pre-approval sought. If a Form A, an application for a certificate of authority, or another filing for the company or affiliate of the company is pending before the director, identify and describe the associated filing.

ITEM 11. SIGNATURE AND CERTIFICATION

Signature and certification are required as follows:

SIGNATURE

Pursuant to the requirements of AS 21.22.060, _____ has caused this notice to be signed on its behalf in the City of _____ and State of _____ on the _____ day of _____, 19____.

(SEAL)

(Name of Applicant)

BY _____ (Title)
(Name)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that (s)he has duly executed the attached notice dated _____, 19____, for and on behalf of _____ (Name of Applicant); that (s)he is the _____ (Title of Officer) of the company; and that (s)he is authorized to execute and file the instrument. Deponent further says that (s)he is familiar with the instrument and the contents of it and that the facts stated in it are true to the best of his/her knowledge, information, and belief.

(Signature)

(Type or print name beneath)

(Eff. 10/21/92, Register 124)

Authority: AS 21.06.090

 AS 21.06.150

 AS 21.22.070

 AS 21.22.130

3 AAC 21.195. DEFINITIONS. (a) In 3 AAC 21.010 -- 3 AAC 21.195, unless the context requires otherwise,

 (1) "executive officer" means an individual charged with active management and control in an executive capacity (including a president, chief executive officer, chief operating officer, chief financial officer, vice president, treasurer, secretary, controller, or other individual performing functions corresponding to those performed by these officers) of a person, whether incorporated or unincorporated;

 (2) "foreign insurer" includes an alien insurer except where clearly noted otherwise;

 (3) "ultimate controlling person" means a person who is not controlled by another person.

(b) Unless the context requires otherwise, terms not defined in (a) of this section that are found in 3 AAC 21.010 -- 3 AAC 21.195 or in AS 21.22 are used as defined in AS 21.22.200. Other terms are is used as defined in AS 21 or in accordance with common industry usage if not defined in AS 21. (Eff. 6/30/77, Register 62; am 10/21/92, Register 124)

Authority: AS 21.06.090
 AS 21.22.130