



NOTICES OF FINAL EXEMPT RULEMAKING

This section of the Arizona Administrative Register contains Notices of Final Exempt Rulemaking.

The Office of the Secretary of State is the filing office and publisher of these rules.

Questions about the interpretation of the final exempt rules should be addressed to the agency proposing them.

Refer to item #5 to contact the person charged with the rulemaking.

NOTICE OF EXEMPT RULEMAKING

TITLE 20 COMMERCE, FINANCIAL INSTITUTIONS, AND INSURANCE

CHAPTER 6. DEPARTMENT OF INSURANCE

Editor's Note: The following Notice of Final Exempt Rulemaking was reviewed per Executive Order 2012-03 as issued by Governor Brewer, and submitted for publication in the Register while this order was still in effect. (See the text of the executive order on page 102). The Governor's Office (under the Brewer administration) authorized the notice to proceed through the rulemaking process on August 14, 2013.

[R14-211]

PREAMBLE

- 1. Article, Part, or Section Affected (as applicable) Rulemaking Action
2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific), and the statute or session law authorizing the exemption:
3. The effective date of the rule and the agency's reason it selected the effective date:
4. A list of all notices published in the Register as specified in R1-1-409(A) that pertain to the record of the exempt rulemaking:
5. The agency's contact person who can answer questions about the rulemaking:



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Phoenix, AZ 85018
Telephone: (602) 364-3476
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- 6. An agency's justification and reason why a rule should be made, amended, repealed, or renumbered to include an explanation about the rulemaking:**
To retain its accreditation with the National Association of Insurance Commissioners, the Department recently updated A.R.S. §§ 20-481 through 20-481.32 (Insurance Holding Company Systems). It now needs to amend its rules to make them conform to current statutory authority.
- 7. A reference to any study relevant to the rule that the agency reviewed and either relied on or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**
None
- 8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:**
Not applicable
- 9. The summary of the economic, small business, and consumer impact, if applicable:**
Not applicable
- 10. A description of any changes between the proposed rulemaking, including any supplemental proposed rulemaking, and the final rulemaking package (if applicable):**
Not applicable
- 11. An agency's summary of the public or stakeholder's comments made about the rulemaking and the agency response to the comments, if applicable:**
Not applicable
- 12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules. When applicable, matters shall include, but not be limited to:**
- a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:**
A.R.S. § 20-216 authorizes the Department to issue a certificate of authority to insurers doing business in Arizona if they meet statutorily specified criteria. No general permit is used.
- b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than the federal law and if so, citation to the statutory authority to exceed the requirements of federal law:**
Not applicable
- c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:**
Not applicable
- 13. A list of any incorporated by reference material and its location in the rule:**
Not applicable
- 14. Whether the rule was previously made, amended, repealed or renumbered as an emergency rule. If so, the agency shall state where the text changed between the emergency and the exempt rulemaking packages:**
Not applicable
- 15. The full text of the rules follows:**

TITLE 20. COMMERCE, FINANCIAL INSTITUTIONS, AND INSURANCE

CHAPTER 6. DEPARTMENT OF INSURANCE

ARTICLE 14. INSURANCE HOLDING COMPANY

Section	
R20-6-1401.	Definitions
R20-6-1402.	Acquisition of Control – Statement Filing
R20-6-1403.	Annual Registration of Insurers – Statement Filing
R20-6-1404.	Summary of Registration – Statement Filing
R20-6-1405.	Alternative and Consolidated Registrations
R20-6-1406.	Disclaimers and Termination of Registration



- R20-6-1407. Transactions Subject to Prior Notice – Notice Filing
- R20-6-1408. ~~Extraordinary Dividends and Other Distributions~~ Enterprise Risk Report
- R20-6-1409. ~~Extraordinary Dividends and Other Distributions~~
- R20-6-1410. Adequacy of Surplus
- Appendix A. Form A – Statement Regarding the Acquisition of, Control of, or Merger with a Domestic Insurer
- Appendix B. Form B – Insurance Holding Company System Annual Registration Statement
- Appendix C. Form C – Summary of Changes to Registration Statement
- Appendix D. Form D – Prior Notice of a Transaction
- Appendix E. ~~Instructions on Forms A, B, C, D~~ Form E – Pre-Acquisition Notification Form Regarding the Potential Competitive Impact of a Proposed Merger or Acquisition by a Non-Domiciliary Insurer Doing Business in this State or by a Domestic Insurer
- Appendix F. Enterprise Risk Report
- Appendix G. Instructions on Forms A, B, C, D, E and F

ARTICLE 14. INSURANCE HOLDING COMPANY

R20-6-1401. Definitions

- A. ~~“Executive officer” means chief executive officer, chief operating officer, chairman of the board, president, chief financial officer, treasurer, secretary, controller, and any other individual performing functions corresponding to those performed by the foregoing officers under whatever title.~~ “The Act” means the Insurance Holding Company Systems Act, A.R.S. §§ 20-481 through 20-481.32.
- B. ~~“Foreign insurer” shall include an alien insurer except where expressly noted otherwise.~~ “Executive officer” means chief executive officer, chief operating officer, chief financial officer, treasurer, secretary, controller, and any other individual performing functions corresponding to those performed by the foregoing officers under whatever title.
- C. ~~“Ultimate controlling person” means that person within a holding company system~~ which is not controlled by any other person.
- D. Unless the context otherwise requires, other terms found in these ~~rules~~ regulations and in A.R.S. § 20-481 are used as defined in ~~A.R.S. § 20-481~~ the Act. Other nomenclature or terminology is according to Title 20, A.R.S. or industry usage if not defined by Title 20, A.R.S.

R20-6-1402. Acquisition of Control – Statement Filing

- A. A person required to file a statement pursuant to A.R.S. § 20-481.02 shall furnish the required information on Form A, attached hereto as Appendix A, ~~in accordance with the instructions contained in Appendix E.~~ and on Form E, attached hereto as Appendix E, and described in subsections (D) and (E) of this section.
- B. The applicant shall promptly advise the Director of any changes in the information furnished on Form A arising subsequent to the date upon which the information was furnished but prior to the Director’s disposition of the application.
- ~~B-C.~~ If the person being acquired is deemed to be a “domestic insurer” solely because it is a person controlling an insurer pursuant to A.R.S. § 20-481.01(A) of the provisions of A.R.S. § 20-481.02(G), the name of the domestic insurer on the cover page shall ~~shall~~ should be indicated as follows: “[ABC Insurance Company), a subsidiary of [XYZ Holding Company].” Where ~~such a~~ A.R.S. § 20-481.02(G) insurer is being acquired, references to “the insurer” contained in Form A shall refer to both the domestic subsidiary insurer and the person being acquired.
- D. If a domestic insurer, including any person controlling a domestic insurer, is proposing a merger or acquisition pursuant to A.R.S. § 20-481.02(A), that person shall file a pre-acquisition notification form, Form E, which was developed pursuant to A.R.S. § 20-481.25(C).
- E. Additionally, if a non-domiciliary insurer licensed to do business in this state is proposing a merger or acquisition pursuant to A.R.S. § 20-481.25, that person shall file a pre-acquisition notification form, Form E. No pre-acquisition notification form need be filed if the acquisition is beyond the scope of A.R.S. § 20-481.25 as set forth in A.R.S. § 20-481.25(B).
- F. In addition to the information required by Form E, the Director may wish to require an expert opinion as to the competitive impact of the proposed acquisition.

R20-6-1403. Annual Registration of Insurers – Statement Filing

- A. An insurer required to file an annual registration statement pursuant to A.R.S. § 20-481.09 shall furnish the required information on Form B, attached hereto as Appendix B, in accordance with the instructions contained in ~~Appendix E~~ Appendix G.
- B. Amendments to Form B shall be filed in the Form B format with only those items which are being amended reported. Each such amendment shall include at the top of the cover page “Amendment No. (insert number) to Form B for (insert year)” and shall indicate the date of the ~~change~~ amendment and not the date of the original filings.

R20-6-1404. Summary of Registration – Statement Filing

An insurer required to file an annual registration statement ~~shall also furnish pursuant to A.R.S. § 20-481.09 is also required to furnish~~ information required on Form C, attached hereto as Appendix C, ~~in accordance with the instructions in Appendix B.~~ An insurer shall file a copy of Form C in each state in which the insurer is authorized to do business, if requested by the Commissioner of that state.

**R20-6-1405. Alternative and Consolidated Registrations**

- A. Any authorized insurer may file a registration statement on behalf of any affiliated insurer or insurers which are required to register pursuant to ~~under~~ A.R.S. § 20-481.09. A registration statement may include information not required by ~~this Article~~ the Act regarding any insurer in the insurance holding company system even if such insurer is not authorized to do business in this state. In lieu of filing a registration statement on Form B, the authorized insurer may file a copy of the registration statement or similar report which it is required to file in its state of domicile, provided:
1. The statement or report contains substantially similar information required to be furnished on Form B; and
 2. The filing insurer is the principal insurance company in the insurance holding company system.
- B. The question of whether the filing insurer is the principal insurance company in the insurance holding company system is a question of fact and ~~At~~ an insurer filing a registration statement or report in lieu of Form B on behalf of an affiliated insurer, shall set forth a brief statement of facts which will substantiate the filing insurer's claim that it, in fact, is the principal insurer in the insurance holding company system.
- C. With the prior approval of the Director, an unauthorized insurer may follow any of the procedures which could be done by an authorized insurer under subsection (A) above.
- D. Any insurer may take advantage of the provisions of ~~this rule~~ A.R.S. §§ 20-481.15 or 20-481.16 without obtaining the prior approval of the Director. The Director, however, reserves the right to require individual filings if he or she deems such filings necessary in the interest of clarity, ease of administration or the public good.

R20-6-1406. Disclaimers and Termination of Registration

- A. A disclaimer of affiliation or a request for termination of registration claiming that a person does not, or will not upon the taking of some proposed action, control another person, hereinafter referred to in this rule as the "subject," shall contain the following information:
1. The number of authorized, issued and outstanding voting securities of the subject;
 2. With respect to the person whose control is denied and all affiliates of such person, ~~The~~ the number and percentage of shares of the subject's voting securities which are held of record or known to be beneficially ~~owned by the person disclaiming control and all affiliates~~ owned, and the number of ~~such~~ shares concerning which there is a right to acquire, directly or indirectly;
 3. All material relationships and bases for affiliation between the subject and the person disclaiming whose control is denied and all affiliates of such person;
 4. A statement explaining why such the person should not be considered to control the subject.
- B. A request for termination of registration shall be deemed to have been granted unless the director, within 30 days after ~~receiving receipt of~~ the request, notifies the registrant otherwise.

R20-6-1407. Transactions Subject to Prior Notice – Notice Filing

- A. An insurer required to give notice of a proposed transaction pursuant to A.R.S. § 20-481.12 shall furnish the required information on Form D, attached hereto as Appendix D, in accordance with the instructions in ~~Appendix E~~ Appendix G.
- B. Agreements for cost sharing services and management services shall at a minimum and as applicable:
1. Identify the person providing services and the nature of such services;
 2. Set forth the methods to allocate costs;
 3. Require timely settlement, not less frequently than on a quarterly basis, and compliance with the requirements in the Accounting Practices and Procedures Manual;
 4. Prohibit advancement of funds by the insurer to the affiliate except to pay for services defined in the agreement;
 5. State that the insurer will maintain oversight for functions provided to the insurer by the affiliate and that the insurer will monitor services annually for quality assurance;
 6. Define books and records of the insurer to include all books and records developed or maintained under or related to the agreement;
 7. Specify that all books and records of the insurer are and remain the property of the insurer and are subject to control of the insurer;
 8. State that all funds and invested assets of the insurer are the exclusive property of the insurer, held for the benefit of the insurer and are subject to the control of the insurer;
 9. Include standards for termination of the agreement with and without cause;
 10. Include provisions for indemnification of the insurer in the event of gross negligence or willful misconduct on the part of the affiliate providing the services;
 11. Specify that, if the insurer is placed in receivership or seized by the Director under the Arizona Receivership Act:
 - a. all of the rights of the insurer under the agreement extend to the receiver or Director; and,
 - b. all books and records will immediately be made available to the receiver or the Director, and shall be turned over to the receiver or Director immediately upon the receiver or Director's request;



- 12. Specify that the affiliate has no automatic right to terminate the agreement if the insurer is placed in receivership pursuant to the Arizona Receivership Act; and
- 13. Specify that the affiliate will continue to maintain any systems, programs, or other infrastructure notwithstanding a seizure by the Director under the Arizona Receivership Act, and will make them available to the receiver, for so long as the affiliate continues to receive timely payment for services rendered.

R20-6-1408. ~~Extraordinary Dividends and Other Distributions Repealed~~

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

- ~~1. The amount of the proposed dividend;~~
- ~~2. The date established for payment of the dividend;~~
- ~~3. 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 all explanation of the basis for valuation;~~
- ~~4. A copy of the calculations determining that the proposed dividend is extraordinary, including:~~
 - ~~a. The amounts, dates and form of payment of all dividends or distributions, including regular dividends and 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 last preceding year.;~~
 - ~~b. Surplus as regards policyholders, total capital and surplus, as of the 31st day of December next preceding;~~
 - ~~c. If the insurer is a life insurer, the net gain from operations for the 12-month period ending the 31st day of December next preceding;~~
 - ~~d. If the insurer is not a life insurer, the net investment income, net realized capital gains for the 12-month period ending the 31st day of December next preceding and the two preceding 12-months 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 preceding two calendar years.~~
- ~~5. A balance sheet and statement of income for the period intervening from 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. 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 and assets relative to the insurer’s financial needs.~~

~~B. Each registered insurer shall report to the Director all dividends and other distributions to shareholders within 1 business day following the declaration thereof, including the same information required by subsection (A)(4)(a) through (e) of this rule.~~

Enterprise Risk Report

The ultimate controlling person of an insurer required to file an enterprise risk report pursuant to A.R.S. § 481.10(D) shall furnish the required information on Form F, attached hereto as Appendix F.

R20-6-1409. Extraordinary Dividends and Other Distributions

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

- 1. The amount of the proposed dividend;
- 2. The date established for payment of the dividend;
- 3. 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 all explanation of the basis for valuation;
- 4. A copy of the calculations determining that the proposed dividend is extraordinary. The work paper shall include the following information:
 - a. The amounts, dates and form of payment of all dividends or 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 last preceding year.;
 - b. Surplus as regards policyholders, total capital and surplus, as of the 31st day of December next preceding;
 - c. If the insurer is a life insurer, the net gain from operations for the 12-month period ending the 31st day of December next preceding;
 - d. If the insurer is not a life insurer, the net investment income, net realized capital gains for the 12-month period ending the 31st day of December next preceding and the two preceding 12-months 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 preceding two calendar years.
 - 5. A balance sheet and statement of income for the period intervening from 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. A brief statement as to the effect of the proposed dividend upon the insurer's surplus and the reasonableness of surplus in relation to the insurer's outstanding liabilities and the adequacy of surplus relative to the insurer's financial needs.
- B.** Subject to A.R.S. § 20-481.19, each registered insurer shall report to the Director all dividends and other distributions to shareholders within 5 business days following the declaration thereof and at least 10 business days before payment of the dividend or distribution, including the same information required by subsection (A)(4)(a) through (e) of this rule.

R20-6-1410. Adequacy of Surplus

The factors set for in A.R.S. §§ 20-481.01(F) and 20-481.24 are not intended to be an exhaustive list. In determining the adequacy and reasonableness of an insurer's surplus no single factor is necessarily 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 may discount or disallow its valuation to the extent that the individual investments so warrant.



APPENDIX A

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 Arizona Department of Insurance

Dated: , 4920

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

ITEM 1. ~~INSURER AND~~ METHOD OF ACQUISITION

[State the name and address of the domestic insurer to which this application relates and a brief description of how control is to be acquired. State the federal identification number and the NAIC number of the domestic insurer.]

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, including NAIC numbers for all insurers. No affiliate need be identified if its total assets are equal to less than 1/2 of 1% of the total assets of the ultimate controlling person affiliated with the applicant. Indicate in such chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant or by any other such person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing indicate the type of organization (e.g. corporation, trust, partnership) and the state or other jurisdiction of domicile. If court proceedings involving 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

[On the biographical affidavit, include a third party background check, and state the following with respect to (1) The the applicant if (s)he is an individual, or (2) all persons who are directors, executive officers or owners of 10% or more of the voting securities of the applicant if the applicant is not an individual shall provide the following information as to the in affidavit form:]

(a) ~~Affiant's full name, other names used at any time, home and business addresses and telephone numbers, social security number, date and place of birth, and residences for the last 10 years; Name and business address;~~

(b) ~~Affiant's education, including dates, names of institutions, locations and degrees awarded;~~

(c) ~~Affiant's membership in professional societies and associations;~~

(d)(b) Affiant's Present principal business activity, occupation or employment history for the past 20 years, including positions position and office held, dates, employers' names and mailing addresses and the name, principal business and address of any corporation or other organization in which such employment is carried on;

(e) ~~Whether Affiant has ever been in a position which imposed a fidelity bond, and if so, name of the insuring company and/ or place of employment, whether any claims were made on the bond, and whether Affiant has ever been denied a fidelity bond or had a bond cancelled or revoked;~~

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

(f) ~~Any professional, occupational or vocational licenses issued to Affiant by any public or governmental licensing agent or regulatory authority presently held or held in the past, including dates licenses issued, issuer of license, date of termination and reasons for termination, and whether any such license has ever been refused, suspended or revoked;~~

(g) ~~Whether Affiant controls directly or indirectly or owns legally or beneficially 1% or more of the outstanding stock of any insurer, and if so, name and type of insurer, percent of ownership, how insurer is controlled, and details related to any pledging of the stock, with or without title transfer;~~

(h) ~~Whether members of Affiant's immediate family subscribe or own, beneficially or of record, shares of stock of the applicant organization or its affiliates and whether any of the shares are pledged or hypothecated in any way;~~



(i) ~~Whether Affiant has been adjudged or designated a bankrupt or a debtor under the United States Bankruptcy Code, Title 11 of the United States Code;~~

~~(j)(d) Whether Affiant has been convicted, served with a criminal summons, questioned, arrested, taken into custody, indicted, charged with, tried for or ever been the subject of an investigation concerning the violation of any law, including convictions or judgments that have been expunged, set aside, reversed or dismissed, excluding only traffic violations which resulted in a penalty not exceeding \$200 and those incidents which occurred prior to the individual's 18th birthday; Whether or not such person has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last 10 years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case;~~

~~(k) Whether Affiant has ever been the subject of disciplinary proceedings before any federal or state regulatory authority;~~

~~(l) Whether Affiant has ever been a management consultant, administrator, officer, director, trustee, investment committee member, key employee or controlling stockholder of any company or company affiliate which became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship or had its certificate of authority suspended or revoked while you occupied such position.~~

Such persons ~~shall~~ may also submit fingerprints and the fingerprint processing fee in accordance with A.R.S. § 20-481.03(B).]

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

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

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

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

ITEM 5. FUTURE PLANS OF INSURER

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

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

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

ITEM 7. OWNERSHIP OF VOTING SECURITIES

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

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

[Give a full description of any contracts, arrangements or understandings with respect to any voting security of the insurer in which the applicant, its affiliates or any person 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~~ the 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~~ statement. Include in ~~such~~ the description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefore. 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, and three-year financial projections of the insurers~~ shall be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.]

(b) The financial statements shall include the annual financial statements of the persons identified in Item 2(c) for the preceding five 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~~ The statements may be prepared on either an individual basis, or, unless the Director 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 the~~ 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 the~~ state.]

~~If the applicant is an individual and annual financial statements have not been prepared for the preceding years, the financial statements for years other than the two most recent years may consist of true and correct copies of the applicant's federal income tax returns which have been signed by the applicant(s) and filed with the Internal Revenue Service.~~

(c) File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory or management contracts concerning the insurer, annual reports to the stockholders of the insurer and the applicant for the last two fiscal years, and any additional documents or papers required by Form A or Appendix G.)

~~ITEM 13. SIGNATURE AND CERTIFICATION AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT~~
~~Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.~~

ITEM 14. SIGNATURE AND CERTIFICATION

[Signature and certification required as follows:]

SIGNATURE

Pursuant to the requirements of A.R.S. § 20-481.02 _____ has caused this application to be duly signed on its behalf in the City of _____ and State of _____ on the _____ day of _____, 19 20_____.

(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 _____, 1920_____, for and on behalf of _____; that (s)he is the _____

(Name of Applicant) (Title of Officer)

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

(Signature)

(Type or print name beneath)



APPENDIX B

FORM B

INSURANCE HOLDING COMPANY SYSTEM ANNUAL REGISTRATION STATEMENT

Filed with the Insurance Department of the State of Arizona

By

[Name of Registrant]

On Behalf of Following Insurance Companies

Name	Address

Date: , 4920

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 federal identification number and the NAIC number of each, 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. 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 the chart or listing, indicate the type of organization (e.g., - corporation, trust, partnership) and the state or other jurisdiction of domicile.]

ITEM 3. THE ULTIMATE CONTROLLING PERSON

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

- (a) Name;
- (b) Home office address;
- (c) Principal executive office address;
- (d) The organizational structure of the person, i.e., corporation, partnership, individual, trust, etc.;
- (e) The principal business of the person;
- (f) The name and address of any person who holds or owns 10% or more of any class of voting security, the class of such security, the number of shares held of record or known to be beneficially owned, and the percentage of class so held or owned; and
- (g) If court proceedings involving 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

[All persons who are directors, executive officers and/or owners of 10% or more of the voting securities of the ultimate controlling person shall provide the following information in an affidavit form:

- (a) Affiant's full name, other names used at any time, home and business addresses and telephone numbers, social security number, date and place of birth, and residences for the last 10 years;
- (b) Affiant's education, including dates, names of institutions, locations and degrees awarded;
- (c) Affiant's membership in professional societies and associations;
- (d) Affiant's employment history for the past 20 years, including positions held, dates, employers' names and mailing addresses;
- (e) Whether Affiant has ever been in a position which imposed a fidelity bond, and if so, name of the insuring company and/or place of employment, whether any claims were made on the bond, and whether Affiant has ever been denied a fidelity bond or had a bond cancelled or revoked;
- (f) Any professional, occupational or vocational licenses issued to Affiant by any public or governmental licensing agent or regulatory authority presently held or held in the past, including dates licenses issued, issuer of license, date of termination and reasons for termination, and whether any such license has ever been refused, suspended or revoked;



(g) Whether Affiant controls directly or indirectly or owns legally or beneficially 1% or more of the outstanding stock of any insurer, and if so, name and type of insurer, percent of ownership, how insurer is controlled, and detail related to any pledging of the stock, with or without title transfer;

(h) Whether members of Affiant's immediate family subscribe or own, beneficially or of record, shares of stock of the ultimate controlling person or its subsidiaries or affiliates and whether any of the shares are pledged or hypothecated in any way;

(i) Whether Affiant has been adjudged or designated a bankrupt or a debtor under the United States Bankruptcy Code, Title 11 of the United States Code;

(j) Whether Affiant has been convicted, served with a criminal summons, questioned, arrested, taken into custody, indicted, charged with, tried for or ever been the subject of an investigation concerning the violation of any law, including convictions or judgments that have been expunged, set aside, reversed or dismissed, excluding only traffic violations which resulted in a penalty not exceeding \$200 and those incidents which occurred prior to Affiant's 18th birthday;

(k) Whether Affiant has ever been the subject of disciplinary proceedings before any federal or state regulatory authority;

(l) Whether Affiant has ever been a management consultant, administrator, officer, director, trustee, investment committee member, key employee of controlling stockholder of any company or company affiliate which became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship or had its certificate of authority suspended or revoked while Affiant occupied such position.)

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

ITEM 5. TRANSACTIONS AND AGREEMENTS

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

(1) ~~loans~~ (a) 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~~ (b) Purchases, sales or exchanges of assets;

(3) ~~transactions~~ (c) Transactions not in the ordinary course of business;

(4) ~~guarantees~~ (d) 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~~ (e) All management agreements, service contracts and all cost-sharing arrangements;

(6) ~~reinsurance~~ (f) Reinsurance agreements;

(7) ~~dividends~~ (g) Dividends and other distributions to shareholders;

(8) ~~consolidated~~ (h) Consolidated tax allocation agreements; and

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

No information need be disclosed if such information is not material for purposes of A.R.S. § 20-481.09.

Sales, purchases, exchanges, loans or extensions of credit, investments or guarantees involving 1/2 of 1% or less of the Registrant's admitted assets as of the 31st day of December next preceding shall not be deemed material.

The description shall be in a manner as to permit the proper evaluation thereof by the Director 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~~ the transaction, and relationship of the affiliated parties to the Registrant.]

ITEM 6. LITIGATION OR ADMINISTRATIVE PROCEEDINGS

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

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

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

ITEM 7. a. STATEMENT REGARDING PLAN OR SERIES OF TRANSACTIONS

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



ITEM 7.b. STATEMENT REGARDING CORPORATE GOVERNANCE AND INTERNAL CONTROLS

[The insurer shall furnish a statement that the insurer’s board of directors oversees corporate governance and internal controls of the insurer and that the insurer’s officers or senior management have approved, implemented and maintain and monitor corporate governance and internal control procedures.]

ITEM 8. FINANCIAL STATEMENTS AND EXHIBITS

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

(b) ~~The~~ If the ultimate controlling person is a corporation, an organization, a limited liability company, or other legal entity, the financial statements shall include the annual financial statements of the ultimate controlling person in the 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 Director otherwise requires, on a consolidated basis if ~~such~~ consolidated statements are prepared in the usual course of business.

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

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

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

(c) Exhibits shall include copies of the latest annual reports to shareholders of the ultimate controlling person and proxy material used by the ultimate controlling person; and any additional documents or papers required by ~~Form~~ Forms B and G.]

ITEM 9. FORM C REQUIRED

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

ITEM 10. SIGNATURE AND CERTIFICATION

[Signature and certification required as follows:]

SIGNATURE

Pursuant to the requirements of A.R.S. § ~~20-481 et seq.~~ 20-481.09, Registrant _____ has caused this application ~~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 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 _____, ~~19~~20_____, for and on behalf of _____; that (s)he is the _____

(Name of Applicant)

(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 the~~ instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature)

(Type or print name beneath)



APPENDIX C
FORM C
SUMMARY OF CHANGES TO REGISTRATION STATEMENT

Filed with the Insurance Department of the State of Arizona

By

[Name of Registrant]

On Behalf of Following Insurance Companies

Name Address

Four horizontal lines for listing insurance companies.

Dated: 1/19/20

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 annual registration statement which represent changes from the prior year's annual registration statement. The description shall be in a manner as to permit the proper evaluation thereof by the Director, and shall include specific references to Item numbers in the annual registration statement and to the terms contained therein.

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

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

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

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

SIGNATURE AND CERTIFICATION

[Signature and certification required as follows:]

SIGNATURE

Pursuant to the requirements of A.R.S. § 20-481 et seq. 20-481.09, Registrant _____ has caused this application 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 Applicant

BY _____ (Name)

_____ (Title)



Attest:

(Signature of Officer)

(Title)
CERTIFICATION

The undersigned deposes and says that (s)he has duly executed the attached ~~application~~ annual registration statement dated _____, ~~1920~~, for and on behalf of _____; that (s)he is the

(Name of Applicant) (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~~ the instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature)

(Type or print name beneath)



APPENDIX D

FORM D
PRIOR NOTICE OF A TRANSACTION

Filed with the Insurance Department of the State of Arizona

By

[Name of Registrant]

On Behalf of Following Insurance Companies

Name Address

Three horizontal lines for listing insurance companies.

Dated: 1/9/20

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 parties' business operations;
(f) Relationship, if any, of other parties to the transaction to the insurer filing the notice, including any ownership or debtor/creditor interest by any other parties to the transaction in the insurer seeking approval, or by the insurer filing the notice in the affiliated parties;
(g) Where the transaction is with a non-affiliate, the name(s) of the affiliate(s) which will receive, in whole or in substantial part, the proceeds of the transaction.]

ITEM 2. DESCRIPTION OF THE TRANSACTION

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

- (a) A statement as to whether notice is being given under A.R.S. § 20-481.12(B);
(b) A statement of the nature of the transaction;
(c) If a notice for amendments or modifications, the reasons for the change and the financial impact on the domestic insurer;
(d) A statement of how the transaction meets the "fair and reasonable" standard of A.R.S. § 20-481.12(A)(1); and
(e) The proposed effective date of the transaction.]

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

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

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

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

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



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

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

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

ITEM 5. REINSURANCE

[If the transaction is a reinsurance agreement or modification thereto, as described by A.R.S. § 20-481.12(B)(3)(b), or a reinsurance pooling agreement or modification thereto as described by A.R.S. § 20-481.12(B)(3)(a), furnish a description of the known and/or estimated amount of liability to be ceded and/or assumed in each calendar year, the period of time during which the agreement will be in effect, and a statement whether an agreement or understanding exists between the insurer and non-affiliate to the effect that any portion of the assets constituting the consideration for the agreement will be transferred to one or more of the insurer's affiliates. Furnish a brief description of the consideration involved in the transaction, and a brief statement as to the effect of the transaction upon the insurer's surplus.

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

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

[For management and service agreements, furnish:

- (a) ~~a~~ A brief description of the managerial responsibilities, or services to be performed;
- (b) ~~a~~ A brief description of the agreement, including a statement of its duration, together with brief descriptions of the basis for compensation and the terms under which payment or compensation is to be made.]

[For cost-sharing arrangements, furnish:

- (a) ~~a~~ A brief description of the purpose of the agreement;
- (b) ~~a~~ A description of the period of time during which the agreement is to be in effect;
- (c) ~~a~~ A brief description of each party's expenses or costs covered by the agreement;
- (d) ~~a~~ A brief description of the accounting basis to be used in calculating each party's costs under the agreement;
- (e) A brief statement as to the effect of the transaction upon the insurer's policyholder surplus;
- (f) A statement regarding the cost allocation methods that specifies whether proposed charges are based on "cost or market." If market based, rational for using market instead of cost, including justification for the company's determination that amounts are fair and reasonable; and
- (g) A statement regarding compliance with the NAIC Accounting Practices and Procedure Manual regarding expense allocation.]

ITEM 7. SIGNATURE AND CERTIFICATION

[Signature and certification required as follows:]

SIGNATURE

Pursuant to the requirements of A.R.S. § ~~20-481 et seq.~~ 20-481.09, _____ has caused this application to be duly signed on its behalf in the City of _____ and State of _____ on the _____ day of _____, +9 20.

(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 _____, ~~19~~ 20_____, for and on behalf of _____; that (s)he is the _____

(Name of Applicant)

(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 the~~ instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature)

(Type or print name beneath)



APPENDIX E
INSTRUCTIONS ON FORMS A, B, C, D RENUMBERED

Forms A, B, C, and D are intended to be guides in the preparation of the statements required by A.R.S. §§ 20-481.02 and 20-481.07. They are not intended to be blank forms which are to be filled in. The statements shall contain the numbers and captions of all items, but the text of the items may be omitted provided the answers thereto are prepared in such a manner as to indicate clearly the scope and coverage of the items. All instructions, whether appearing under the items of the form or elsewhere therein, are to be omitted. Unless expressly provided otherwise, if any item is inapplicable or the answer thereto is in the negative, an appropriate statement to that effect shall be made.

Two complete copies of each statement including exhibits, and all other papers and documents filed as a part thereof, shall be filed with the Director by personal delivery or mail addressed to: Insurance Director of the State of Arizona, Attention: Corporate and Financial Affairs Division. A copy of Form C shall be filed in each state in which an insurer is authorized to do business, if the Director of that state has notified the insurer of its request in writing. 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 also be filed with the statement.

Statements shall be prepared on paper 8 1/2" x 11" in size and 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.

Information required by any item of Form A, Form B or Form D may be incorporated by reference in answer or partial answer to any other item. Information contained in any financial statement, annual report, proxy statement, statement filed with a governmental authority, or any other document may be incorporated by reference in answer or partial answer to any item of Form A, Form B or Form D provided such document or paper is filed as an exhibit to the statement. Excerpts of documents may be filed as exhibits if the documents are extensive. Documents currently on file with the Director which were filed within three years 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 pertinent provisions of the document. In addition to such statement, the summary or outline may incorporate by reference particular parts of any exhibit or document currently on file with the Director which was filed within three years 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.

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

- (1) The person filing shall give such information on the subject as it possesses or can acquire without unreasonable effort or expense, together with the sources thereof; and
(2) The person filing shall include a statement either showing that unreasonable effort or expense would be involved or indicating the absence of any affiliation with the person within whose knowledge the information rests and stating the result of a request made to such person for the information.

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 Director as a separate document:

- (1) identifying the information, document or report in question;
(2) stating why the filing thereof at the time required is impractical; and
(3) requesting an extension of time for filing the information, document or report to a specified date. The request for extension shall be deemed granted unless the Director within 60 days after receipt thereof enters an order denying the request.

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



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

Name of Applicant

Name of Other Person Involved in Merger or Acquisition

Filed with the Arizona Department of Insurance

Dated: . 20

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

ITEM 1. NAME AND ADDRESS

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

ITEM 2. NAME AND ADDRESSES OF AFFILIATED COMPANIES

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

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

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

ITEM 4. NATURE OF BUSINESS

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

ITEM 5. MARKET AND MARKET SHARE

[State specifically what market and market share in each relevant insurance market the persons identified in Item 1 and Item 2 currently enjoy in this state. Provide historical market and market share data for each person identified in Item 1 and Item 2 for the past five years and identify the source of such data. Provide a determination as to whether the proposed acquisition or merger, if consummated, would violate the competitive standards of the state as stated in A.R.S. § 20-481.25(D). If the proposed acquisition or merger would violate competitive standards, provide justification of why the acquisition or merger would not substantially lessen competition or create a monopoly in the state.]

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



APPENDIX F

FORM F

ENTERPRISE RISK REPORT

Filed with the Arizona Department of Insurance

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:

ITEM 1. ENTERPRISE RISK

[The Registrant/Applicant, to the best of its knowledge and belief, shall provide information regarding the following areas that could produce enterprise risk as defined in A.R.S. § 20-481(4), provided such information is not disclosed in the Insurance Holding Company System Annual Registration Statement filed on behalf of itself or another insurer for which it is the ultimate controlling person:

Any material developments regarding strategy, internal audit findings, compliance or risk management affecting the insurance holding company system;

Acquisition or disposal of insurance entities and reallocating of existing financial or insurance entities with the insurance holding company system;

Any changes of shareholders of the insurance holding company system exceeding ten percent (10%) or more of voting securities;

Developments in various investigations, regulatory activities or litigation that may have a significant bearing or impact on the insurance holding company system;

Business plan of the insurance holding company system and summarized strategies for next 12 months;

Identification of material concerns of the insurance holding company system raised by supervisory college, if any, in last year;

Identification of insurance holding company system capital resources and material distribution patterns;

Identification of any negative movement, or discussions with rating agencies which may have caused, or may cause, potential negative movement in the credit ratings and individual insurer financial strength ratings assessment of the insurance holding company system (include both the rating score and outlook);

Information on corporate or parental guarantees throughout the holding company and the expected source of liquidity should such guarantees be called upon; and

Identification of any material activity or development of the insurance holding company system that, in the opinion of senior management, could adversely affect the insurance holding company system.

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

ITEM 2. OBLIGATION TO REPORT

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

**APPENDIX G****INSTRUCTIONS ON FORMS A, B, C, D, E AND F****FORMS - GENERAL REQUIREMENTS**

Forms A, B, C, ~~and D, E and F~~ are intended to be guides in the preparation of the statements required by A.R.S. §§ 20-481.02, ~~and 20-481.07~~ 20-481.09, 20-481.12 and 20-481.25. They are not intended to be blank forms which are to be filled in. The statements filed shall contain the numbers and captions of all items, but the text of the items may be omitted provided the answers thereto are prepared in such a manner as to indicate clearly the scope and coverage of the items. All instructions, whether appearing under the items of the form or elsewhere therein, are to be omitted. Unless expressly provided otherwise, if any item is inapplicable or the answer thereto is in the negative, an appropriate statement to that effect shall be made.

~~Two complete copies of each~~ One original paper statement ~~including~~ excluding exhibits, and all other papers and documents ~~filed as a part thereof~~, shall be filed with the Director. The statement shall be signed in the manner prescribed on the form, by personal delivery or mail addressed to: Insurance Director of the State of Arizona, Attention: Corporate and Financial Affairs Division. ~~A copy of Form C shall be filed in each state in which an insurer is authorized to do business, if the Director of that state has notified the insurer of its request in writing. 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 also be filed with the statement. All paper filings shall be by personal delivery or mail addressed to: Arizona Department of Insurance, Financial Affairs Division.

In addition to the filed paper statement, a copy of the statement, including exhibits, and all other papers and documents filed as a part thereof, shall be filed electronically.

~~Statements shall be prepared on paper 8 1/2" x 11" in size and 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, filed documents shall be easily readable and suitable for photocopying review and reproduction. Debits in credit categories and credits in debit categories shall be designated so as to be clearly distinguishable as such on photocopies. 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.~~

If an applicant requests a hearing on a consolidated basis under A.R.S. § 20-481.07, in addition to filing the Form A with the Director, the applicant shall file a copy of Form A with the National Association of Insurance Commissioners (NAIC) in electronic form.

FORMS - INCORPORATION BY REFERENCE, SUMMARIES AND OMISSIONS

Information required by any item of Form A, Form B, ~~or Form D, Form E or Form F~~ may be incorporated by reference in answer or partial answer to any other item. Information contained in any financial statement, annual report, proxy statement, statement filed with a governmental authority, or any other document may be incorporated by reference in answer or partial answer to any item of Form A, Form B, ~~or Form D, Form E or Form F~~ provided ~~such the~~ 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 currently on file with the Director which were filed within three years 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 pertinent provisions of the document. In addition to ~~such the~~ statement, the summary or outline may incorporate by reference particular parts of any exhibit or document currently on file with the Director which was filed within three years 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 the~~ documents need be filed with a schedule identifying the omitted documents and setting forth the material details in which ~~such the~~ documents differ from the documents, a copy of which is filed.

FORMS - INFORMATION UNKNOWN OR UNAVAILABLE AND EXTENSION OF TIME TO FURNISH

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 Director as a separate document:

- (1) ~~identifying~~ Identifying the information, document or report in question;
- (2) ~~stating~~ Stating why the filing thereof at the time required is impractical; and
- (3) ~~requesting~~ Requesting an extension of time for filing the information, document or report to a specified date.

The request for extension shall be deemed granted unless the Director within 60 days after receipt thereof enters an order denying the request.

FORMS - ADDITIONAL INFORMATION AND EXHIBITS



In addition to the information expressly required to be included in Form A, Form B, Form C, ~~and Form D, Form E and Form F, the Director may request 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 forms. Such~~ The exhibits shall be so marked as to indicate clearly the subject matters to which they refer. Changes to Forms A, B, C, ~~or D, E or F~~ shall include on the top of the cover page the phrase: "Change No. (insert number) to" and shall indicate the date of the change and not the date of the original filing.