

**Rule 180**  
**Insurance Holding Company System Model Rule**  
**Summary of Comments and Statement**  
**of Basis of Adopted Amendments**

The Superintendent of Insurance hereby amends Bureau of Insurance Rule 180, *Insurance Holding Company System Model Rule*, pursuant to 24 A M.R.S.A. §§ 212 and 222(18), in order to incorporate changes to the Maine Holding Company Act, 24-A M.R.S.A. § 222, and the Model Holding Company Regulation promulgated by the National Association of Insurance Commissioners (NAIC), and to maintain the Bureau's compliance with NAIC accreditation standards. The amendments have been adopted substantially as proposed, with a few technical changes in response to comments and to correct internal inconsistencies and drafting errors in the Proposed Amendments. A redlined comparison of the existing Rule, the Proposed Amendments, and the adopted Amendments appears at the end of this Basis Statement, following a section-by-section summary of comments with the Bureau's responses.

On August 28, 2015, the Superintendent issued a Notice of Rulemaking, and he held a hearing on September 29, 2015. There were no comments at the hearing. The comment period remained open through October 13, 2015, and written comments were submitted by the Unum Group, represented by Charles Piacentini, its Vice-President for State Legislative Affairs, and by the American Council of Life Insurers (ACLI), represented by Daniel C. Bryant, its Regional Vice President for State Relations. No other comments were submitted.

**General Comments:** ACLI commented: "We appreciate the Bureau's effort to update Rule Chapter 180 to reflect statutory changes enacted by 2013 PL ch. 238. Uniform state adoption of the current version of the NAIC's Insurance Holding Company System Model Regulation with Reporting Forms and Instructions (#450) is important to our member companies, and we encourage insurance departments around the country to amend their regulations to match that Model as closely as possible." ACLI added, however, that "The Bureau has proposed several changes to Rule Chapter 180 that are not consistent with the Model, and while we understand that some of those proposed changes are minor, there are some of greater concern." Unum submitted similar comments and added that it agreed with ACLI's comments. Both comments identified the same five provisions of the Model as specific areas of concern, as discussed with more particularity below in the order in which they appear in the Rule: Section 20, Item 3 of Form A, Items 6 and 7 of Form B, and the final paragraph of Text in Form C.

**Section 1 (Authority):** The only changes proposed to this Section were stylistic. No comments were received on this Section, which is adopted as proposed.

**Section 2 (Purpose):** The only changes proposed to this Section were stylistic. No comments were received on this Section, which is adopted as proposed.

**Section 3 (Severability):** The only changes proposed to this Section were stylistic. No comments were received on this Section, which is adopted as proposed.

**Section 4 (Forms – General Requirements):** The Proposed Amendments to this Section incorporate recent amendments to the NAIC Model Regulation that strongly encourage electronic filing, require filing Form A with the NAIC if the applicant is requesting a consolidated multistate review of the transaction, and add a new enterprise risk report to the list of required forms. Miscellaneous stylistic changes have also been proposed, and a competitive impact statement based on the NAIC Model Regulation has been added to the list of required forms as required by recent amendments to the Maine Holding Company Act. No comments were received on this Section. It has been further revised to clarify that quadruplicate filings are only required if documents are filed as hard copy, and is otherwise adopted as proposed with one further nonsubstantive editorial clarification.

**Section 5 (Forms – Incorporation by Reference, Summaries, and Omissions):** This Section has been amended to reference the additional required forms. The only other changes proposed to this Section were stylistic. No comments were received on this Section, which is adopted as proposed with two nonsubstantive editorial clarifications.

**Section 6 (Forms – Information Unknown or Unavailable and Extension of Time to Furnish):** This Section incorporates recent amendments to the NAIC Model Regulation that require filers who do not possess all required information to request an extension of time to obtain the information. Current Subsection 6(A), excusing compliance entirely if certain conditions are met, is repealed consistent with the repeal of its counterpart in the Model Regulation. A punctuation change was also made. No comments were received on this Section, which is adopted as proposed with a nonsubstantive editorial clarification.

**Section 7 (Forms -- Additional Information and Exhibits):** This Section has been amended to reference the additional required forms and to clarify the Superintendent’s authority to request additional information as determined necessary. No comments were received on this Section, which is adopted as proposed.

**Section 8 (Definitions):** The definition of “foreign insurer” was removed because the term is not used anywhere in the Rule. The only other changes proposed to this Section were stylistic. No comments were received on this Section, which is adopted as proposed.

**Section 9 (Subsidiaries of Domestic Insurers):** The only changes proposed to this Section were stylistic. No comments were received on this Section, which is adopted as proposed.

**Section 10 (Acquisition of Control – Statement Filing [Forms A and E]):** Subsection B has been added, as required by recent amendments to the Maine Holding Company Act, to require the filing of a competitive impact statement for acquisitions of domestic insurers that would increase the market share of any insurer with a market share exceeding 5% in any line of

insurance; the language is based on the corresponding provisions of the NAIC Model Regulation as applied to domestic insurers. A cross-reference to the Holding Company Act was also updated. The Competitive Impact Statement has been designated as Form E, consistent with the NAIC Model Regulation, which requires renumbering the disclaimer form as Form A-1, as discussed below. No comments were received on this Section, which is adopted as proposed with two nonsubstantive editorial clarifications.

**Section 11 (Amendments to Form A):** The only changes proposed to this Section were to clarify the cross-references to the Form B registration requirement. No comments were received on this Section, which is adopted as proposed.

**Section 12 (Acquisition of Person in Control of a Domestic Insurer):** No comments were received on this Section, which is left unchanged as proposed with two nonsubstantive editorial clarifications.

**Section 13 (Annual Registration of Insurers – Statement Filing [Form B]):** The only changes proposed to this Section were stylistic. No comments were received on this Section, which is adopted as proposed.

**Section 14 (Summary of Changes to Registration – Statement Filing [Form C]):** This Section incorporates a recent amendment to the NAIC Model Regulation that eliminates the requirement to file a copy of Form C in other states at the request of their respective insurance regulators. Primary jurisdiction over such requests lies with the requesting state, not with Maine, and the Superintendent retains the power to provide assistance should it be necessary. The title of the Section has also been changed to reflect the new title of Form C in the Model Regulation, which more accurately reflects the purpose and contents of this form, and some stylistic changes have been made. No comments were received on this Section, which is adopted as proposed with a nonsubstantive editorial clarification.

**Section 15 (Amendments to Form B):** The only change proposed to this Section is the correction of a grammatical error. No comments were received on this Section, which is adopted as proposed.

**Section 16 (Alternative and Consolidated Registrations):** The only changes proposed to this Section were stylistic. For example, the reference to an “authorized insurer ... provided ... the filing insurer is the principal insurance company in the insurance holding company system” has been simplified. No comments were received on this Section, which is adopted as proposed with two further nonsubstantive editorial clarifications.

**Section 17 (Disclaimers and Termination of Registration [Form A-1]):** Subsections C and D have been added to permit a disclaimer of affiliation to be filed by the subject insurer or its affiliate, and to require reporting of divestitures of control if the transaction is not reported by the counterparty as an acquisition, in accordance with recent amendments to the NAIC Model Holding Company Act, codified in Maine at 24-A M.R.S.A. §§ 222(4-C)(B) & (8)(I). In addition, Subsection A has been amended to require disclosure of any future transactions in the subject insurer’s securities that are currently planned or anticipated, along with various technical and stylistic changes to this Section. The reporting form for disclaimers and divestitures, currently designated as “Form E,” has been renumbered as “Form A-1” to avoid confusion,

because other states, following the NAIC Model Regulation, use “Form E” to designate the Competitive Impact Statement. As discussed above, NAIC Form E is now required in Maine as a result of recent amendments to the Maine Holding Company Act. No comments were received on this Section, which is adopted as proposed.

**Section 18 (Transactions Subject to Prior Notice – Notice Filing [Form D]):** A new Subsection B has been added, incorporating recent amendments to the NAIC Model Regulation specifying minimum standards for cost-sharing services and management services agreements, as required by recent amendments to the Model Act, codified in Maine at 24-A M.R.S.A. § 222(9)(A-1). The only other changes proposed to this Section were stylistic. No comments were received on this Section, which is adopted as proposed with three nonsubstantive editorial clarifications.

**Section 19 (New) (Enterprise Risk Report [Form F]):** This Section implements the new requirement of the NAIC Model Holding Company Act, codified in Maine at 24-A M.R.S.A. § 222(8)(B-1), requiring an annual Enterprise Risk Report. The language follows the new section of the Model Regulation, with stylistic revisions. No comments were received on this Section, which is adopted as proposed.

**Section 20 (Formerly 19) (Dividends and Other Distributions):** The only comments relating to the body of the Rule were the comments submitted by Unum and ACLI, objecting to the revisions to Subsection A of this Section, which as originally proposed would have required insurers “to obtain affirmative approval of an ordinary dividend.” We agree that this language is inconsistent with the Model Regulation, and also with the requirements of the Maine Holding Company Act, 24-A M.R.S.A. § 222(11-C), which requires notice of all dividends and distributions but only requires affirmative regulatory approval for extraordinary dividends. Therefore, the reference to “requests for approval” in Subsection A has been corrected to refer to “notice of proposed dividends or distributions.” The existing language of Subsection B has the same problem, so it has been revised to refer to the statutory requirements for “regulatory review” of dividends and distributions. A new Paragraph A(4) has been added to provide that a request for approval is only required if the insurer has determined that the proposed dividend is extraordinary; otherwise, for ordinary dividends, the insurer is directed to provide notice that the proposed dividend was not determined to be extraordinary. The title of this Section has also been changed to clarify that it applies to all dividends and distributions.

The comments also objected to the proposed amendments clarifying that a notice of an ordinary dividend should provide the same information as a request for approval of an extraordinary dividend. However, the information required is basic information that applies equally in both cases, including the calculation the insurer is required by law to conduct in order to determine in the first instance whether the dividend is ordinary or extraordinary. Maine law requires notice of ordinary as well as extraordinary dividends so that the Superintendent has the opportunity to review whether the insurer’s determination that a proposed dividend is ordinary was performed accurately, and to review whether a proposed ordinary dividend complies with the statutory restrictions imposed by 24-A M.R.S.A. § 222(11-C)(B). These amendments are therefore adopted as proposed.

Some stylistic revisions were also made to this section. No comments were received on those revisions, which are adopted as proposed.

**Section 21 (Formerly 20) (Adequacy of Surplus):** The only changes proposed to this Section were stylistic. No comments were received on this Section, which is adopted as proposed with two further nonsubstantive editorial clarifications.

**Section 22 (New) (Effective Date):** The existing Rule does not have an effective-date section. The proposed language has been updated to reflect the 2016 adoption of these Amendments. No comments were received on this Section, which is otherwise adopted as proposed.

**Form A (Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer):** ACLI and Unum objected to the proposed amendment to Subitem 3(d) that repeals the ten-year limitation on the reportability of criminal convictions. The current language here and in Item 4 of Form B were adopted before the Violent Crime Control and Law Enforcement Act of 1994, 18 U.S.C. § 1033, established a lifetime bar from the business of insurance for felony convictions involving dishonesty or breach of trust. Recent amendments to the NAIC Model Holding Company Regulation removed the 10-year limitation from Form B but not from Form A. This inconsistency defeats the purpose of the reporting requirement. It would not make sense to allow individuals to withhold certain convictions from disclosure under Form A and then, only after Form A is approved, to require immediate reporting to those same convictions under Form B.

In addition, the Proposed Amendments add a new Subitem 4(d) inquiring whether the applicant has met the triggers requiring the filing of Form E; they incorporate recent amendments to the NAIC Model Regulation that eliminate an exemption from reporting small affiliates with assets less than 0.5% of the ultimate controlling person's assets, require biographical affidavits and third-party background checks for key individuals, require three-year financial projections, and agree to provide the enterprise risk information required in Form F; and they also make some technical and stylistic changes. No comments were received on these revisions, which are adopted as proposed with an editorial revision to make the biographical affidavit requirement explicit and the correction of some additional punctuation errors.

**Form A-1 (Formerly Form E) (Disclaimer of Control or Affiliation with a Maine Stock Insurer):** Although it is not in the appendix to the Model Regulation, this Form is included in existing Rule 180 as "Form E." This nonstandard numbering is confusing, especially now that Maine requires NAIC Form E, the Competitive Impact Statement, so the Disclaimer has been renumbered as Form A-1. Pairing it with Form A is logical, because the transactions that trigger Form A-1 are all transactions that would trigger Form A if they involved the acquisition of actual control. The Form has been revised to reflect recent amendments to the NAIC Model Holding Company Act, codified in Maine at 24-A M.R.S.A. § 222(4-C)(B) & (I) and discussed above in the overview of Section 17, which require notice of all divestitures of control and allow a disclaimer of control to be filed on or behalf of a subject insurer that denies being controlled. Additional revisions require notice of pending and anticipated transactions as now specified in Section 17, require disclosure of all further relationships and transactions that might reasonably be perceived as material and any additional information that would assist the Superintendent in evaluating the application, correct drafting errors, and make other technical and stylistic changes. No comments were received on the revisions to Form A-1, which are adopted as proposed with the correction of some additional typographical errors.

**Form B (Insurance Holding Company System Annual Registration Statement):** ACLI and Unum objected to two proposed revisions to Form B. One is the proposed revision to Item 7, which currently requires a “statement that” the registrant’s recent transactions were not part of a plan or series of related transactions entered into for the purpose of avoiding the reporting thresholds. The proposed revisions would have changed this to a “statement certifying that” no recent transactions were entered into for that purpose, and further certifying that all plans or series that exceed the applicable threshold have been properly aggregated and reported in Item 5, and if applicable in a timely Form D. We agree with the comments, which noted that the word “certifying” does not appear in the corresponding provision of the NAIC Model Regulation, that Form B must already be certified in its entirety, and that adding additional certifications within this certifications is confusing and unnecessarily complex. Therefore, the proposal to add the word “certifying” has been withdrawn, and the clarification that plans and series of related transactions must be aggregated and reported if they exceed the applicable thresholds has been moved to Item 5 and to Form D, which contain the underlying reporting requirements.

ACLI and Unum also objected to the revision of Subitem 6(a), to add civil enforcement proceedings to the list of governmental actions against the ultimate controlling person or its directors or officers that must be reported if they “may be relevant to the trustworthiness of any party thereto.” The comments noted that the NAIC Model Regulation, like the existing language of Maine Form B, only mentions criminal prosecutions and administrative proceedings, and suggested that this “could” (ACLI) or “would potentially” (Unum) require some insurers to collect information that they do not currently collect. They did not, however, say that they are aware of insurers that do not make any effort to ascertain whether government agencies have initiated civil enforcement proceedings against their directors and officers that may be relevant to their trustworthiness. Even if some companies would be required to enhance their due diligence procedures, such a change would not be unduly burdensome, since administrative enforcement actions are already reportable and civil enforcement proceedings generally reflect more serious charges that are all the more important to bring to the attention of the insurer and its regulators. This revision is therefore adopted as proposed.

The Proposed Amendments also eliminate a restriction (not found in the Model Regulation) that required reinsurance transactions to be reported only if they ceded all or substantially all of a line of business, and they incorporate recent amendments to the NAIC Model Regulation that eliminate the 10-year limitation for reporting criminal convictions (as discussed above in response to the comments on Form A), eliminate an exemption from reporting small affiliates with assets less than 0.5% of the ultimate controlling person’s assets, clarify the reporting requirements when the ultimate controlling person is an individual, expressly require statutory financial statements where available, or in the alternative SEC filings or audited GAAP financial statement, and clarify that Form C is a summary of changes from the prior Form B filing. Item 9 was also revised to clarify that Form C is not required if there was no prior Form B filing, and other technical and stylistic revisions were also made to Form B. No comments were received on any of these revisions. Due to a clerical error, the Proposed Amendments only incorporated one of the two revisions to the criminal history inquiry in Model Item 4. That oversight has been corrected. The revisions described in this paragraph are otherwise adopted as proposed with three nonsubstantive editorial clarifications.

**Form C (Summary of Changes to Registration Statement):** ACLI and Unum objected to a proposed revision that would have required the registrant to file a statement “certifying that” its recent transactions were not part of a plan or series of related transactions entered into for the purpose of avoiding the reporting thresholds. For the reasons discussed in response to their comments on a similar revision to Form B, we agree with the comments and have withdrawn the proposal to add the word “certifying.”

The Proposed Amendments also change the title of Form C to reflect its purpose and contents more accurately, following recent amendments to the NAIC Model Regulation, and add a requirement to report a change in the ultimate controlling person’s chief executive officer, which is currently reportable only if the president and the CEO are the same office. The only other revisions to Form C are technical and stylistic. No comments were received on any of these revisions, which are adopted as proposed.

**Form D (Prior Notice of a Transaction Involving an Affiliate):** The title of this Form has been changed because the reporting requirements encompass some transactions that are not, strictly speaking, transactions “with an affiliate,” and Item 3 has been revised to clarify, consistent with Form B, Item 5, that the Superintendent may adjust the materiality threshold by order. The Proposed Amendments also incorporate recent amendments to the NAIC Model Regulation that require a statement explaining how the transaction meets the “fair and reasonable” standard of the Holding Company Act, require reporting of all reinsurance pooling agreements and modifications to such agreements, and enhance the reporting requirements for management and service agreements and cost-sharing arrangements. The only other proposed revisions to Form D are technical and stylistic. In addition, as discussed above, Item 3 of Form D has been changed in response to the comments on Form B to clarify that any plan or series of like transactions shall be aggregated and evaluated as a single transaction for purposes of the reporting requirement. No comments were received on the revisions to Form D, which are otherwise adopted as proposed.

**Form E (New) (Competitive Impact Statement):** This Form is one of the standard forms provided in the appendix to NAIC Model Regulation, but was not previously required in Maine. As discussed earlier, the form for Disclaimer of Control, now redesignated as Form A-1, was previously designated as Form E. Because the provisions of the NAIC Model Holding Company Act regulating transactions between licensed foreign insurers are not accreditation standards and could lead to jurisdictional conflicts, the new competitive impact statement requirement in the Maine Holding Company Act, 24-A M.R.S.A. § 222(4-C)(C)(14) applies only when a change of control of a domestic insurer is involved. NAIC Model Form E has been revised to reflect the narrower scope of Maine’s reporting requirement, to clarify that information must be reported for both the acquiring and target companies, to require the market share disclosure to include MGA activity and business transacted through fronting arrangements, and to provide clearer guidance on market share reporting, based on standards set forth in Section 3.1 of the NAIC Model Holding Company Act. No comments were received on Form E, which is adopted as proposed with a nonsubstantive editorial clarification.

**Form F (New) (Enterprise Risk Report):** This Form was recently added to the NAIC Model Regulation to implement recent amendments to the Model Holding Company Act and Regulation, codified in Maine at 24-A M.R.S.A. § 222(8)(B-1) and new Section 19 of this Rule, requiring holding company systems to report on various factors that may have a material impact

on enterprise risk. The language is substantially similar to NAIC Model Form F, with some technical and stylistic revisions. No comments were received on Form F, which is adopted as proposed with the correction of three clerical errors.

### Comparison of Proposed and Adopted Amendments

Changes from existing Rule 180 are shown as follows:

- Language added as proposed: underlined
- Further additions that have been adopted: double underlined
- Proposed additions that were not adopted: underlined and struck through
- Language deleted as proposed: ~~struck through~~
- Further deletions that have been adopted: ~~double struck through~~

## Amendments to Chapter 180 Insurance Holding Company System Model Rule With Reporting Forms and Instructions

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### Section 1. Authority

~~These rules are promulgated~~ This rule is adopted pursuant to the authority granted by Sections 212 and 222 of the Maine Insurance Code (Title 24-A M.R.S.A.).

## Section 2. Purpose

The purpose of ~~these rules~~ this rule is to prescribe the content of required filings and to establish procedural requirements which the Superintendent deems necessary to carry out the provisions of the Insurance Holding Company System Regulatory Act ("~~the Act~~"), § Section 222 of the Insurance Code, (~~Title 24-A M.R.S.A.~~), ~~hereinafter referred to as "the Act."~~ The information called for by ~~these rules~~ this rule is hereby declared to be necessary and appropriate to the program administration of the Act in the public interest and for the protection of the policyholders in this State.

## Section 3. Severability Clause

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

## Section 4. Forms – General Requirements

- A. Forms A, ~~A-1~~, B, C, D, ~~and E, and F~~ are intended to be guides in the preparation of the statements required by ~~Section 222 of~~ the Act. They are not intended to be blank forms which are to be filled in. ~~These~~ 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.
- B. ~~Four complete copies of each statement including exhibits and all other papers and documents filed as a part thereof, shall be filed with the Superintendent by personal delivery or mail addressed to: Insurance Superintendent of the State of Maine, State House Station #34, Augusta, Maine 04333. A copy of Form C shall be filed in each state in which an insurer is authorized to do business, if the Commissioner or Superintendent of that state has notified the insurer of its request in writing, in which case the insurer has thirty days from receipt of the notice to file such form. At least one of the copies~~ All forms and statements filed pursuant to this rule shall be ~~manually~~ signed in the manner prescribed on the ~~form forms~~. ~~Unsigned copies shall be conformed.~~ If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of such power of attorney or other authority shall also be filed with the statement.
- C. ~~If an applicant requests a hearing on a consolidated basis under Subsection 7-A of the Act, the applicant shall file a copy of Form A with the National Association of Insurance Commissioners (NAIC) in electronic form in addition to filing Form A with the Superintendent.~~
- ~~C.D.~~ Statements should be prepared ~~on paper 8½" × 11" or 8½" × 14" in size and preferably bound at the top or the top-left hand corner~~ electronically. ~~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 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 any form, part of a form, or supporting material is filed in hard copy, four complete and conformed copies shall be filed with the Superintendent by personal delivery or mail addressed to: Superintendent of Insurance, 34 State House Station, Augusta, Maine 04333.~~

## Section 5. Forms – Incorporation by Reference, Summaries, and Omissions

- A. Information required by any item of Form A, ~~Form A-1~~, Form B, Form D, ~~or~~ 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, Form D, or Form E, ~~provided such if 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 Superintendent which were filed within the preceding 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.

- B. Where an item requires a summary or outline of the provisions of any document, ~~only~~ a brief statement shall be made as to the 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 Superintendent which was filed within the preceding 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, together with a schedule identifying the omitted documents and setting forth the material details in which ~~such the omitted~~ documents differ from the filed documents ~~a copy of which is filed~~. The Superintendent ~~may at any time in his~~ has the discretion to require the filing of copies of any omitted documents at any time.

#### Section 6. Forms – Information Unknown or Unavailable and Extension of Time to Furnish

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

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

~~B. If it is impractical to furnish any required information, document, or report at the time it is required to be filed, an application for extension may shall be filed with the Superintendent as a separate document:~~

- ~~(1) A. identifying Identifying~~ the information, document, or report in question;
- ~~(2) B. stating Stating~~ why the filing thereof at the time required is impractical; and
- ~~(3) C. 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 Superintendent within 30 days after receipt thereof enters an order denying the request.

#### Section 7. Forms -- Additional Information and Exhibits

In addition to the information expressly required to be included in Form A, Form A-1, Form B, Form C, Form D, ~~and~~ Form E, and Form F, 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. Amendments to Forms A, A-1, B, C, D, ~~or E, or F~~ shall include on the top of the cover page the phrase: "Amendment No. (insert number) to" and shall indicate the date of the amendment and not the date of the original filing. The Superintendent may also request, at any time, such additional information as the Superintendent reasonably determines to be necessary to an informed determination of the matters addressed by the filing.

#### Section 8. Definitions

- A. "Executive officer" means chief executive officer, chief operating officer, chief financial officer, treasurer, secretary, controller, any other individual charged with active management and control in an executive capacity, and any other individual ~~whether incorporated or unincorporated~~, performing functions corresponding to those performed by the foregoing officers under whatever title.

~~B. “Foreign insurer” shall include an alien insurer except where clearly noted otherwise.~~

~~C. “Ultimate controlling person” means that person which is not controlled by any other person.~~

~~D. Unless the context otherwise requires, other terms found in these rules and in Section 222(2) defined in Subsection 2 of the Act are used as defined in Section 222(2) therein. Other terminology shall be defined according to the Insurance Code, or industry usage if not defined by the Code.~~

#### **Section 9. Subsidiaries of Domestic Insurers**

The authority to invest in subsidiaries is specified in ~~§ 222(3) Subsection 3~~ of the Act.

#### **Section 10. Acquisition of Control – Statement Filing (Forms A and E)**

~~A. A person required to file a statement pursuant to Section 222(4-A) and (4-B) Subsection 4-C of the Act shall furnish the required information on Form A, hereby made a part of this rule. The statement shall not be considered to be filed until the Superintendent determines that all required information has been furnished.~~

~~B. The filer must also furnish the information required on Form E, hereby also made a part of this rule, if the proposed transaction will result in an increase in market share in this State in any line of insurance, as specified in the annual statement required to be filed under section 24-A M.R.S.A. § 423, for one or more insurers with combined market share greater than 5% in that line of insurance. If indicated by the circumstances of the transaction, the Superintendent may modify the scope of the information requested in Form E; and may require an opinion of an economist as to the competitive impact of the acquisition in this State.~~

#### **Section 11. Amendments to Form A**

The applicant shall promptly advise the Superintendent of any changes in the information furnished on Form A arising subsequent to the date upon which such information was furnished but prior to the Superintendent’s disposition of the application. This requirement shall continue to apply until a registration statement has been filed pursuant to ~~§ 222(8) Subsection 8 of the Act and Section 13 of this rule.~~

#### **Section 12. Acquisition of Person in Control of a Domestic Insurer**

A. If the person being acquired controls a domestic insurer, the name of the domestic insurer should be indicated as follows on the cover page of Form A:

“ABC Insurance Company, a subsidiary of XYZ Holding Company.”

B. Where control of a domestic insurer is being acquired through acquisition of its controlling person, references to “the insurer” contained in Form A shall refer to both the domestic subsidiary insurer and the person being acquired.

#### **Section 13. Annual Registration of Insurers – Statement Filing (Form B)**

An insurer required to file an annual registration statement pursuant to ~~Section 222(8) Subsection 8~~ of the Act shall furnish the required information on Form B, hereby made a part of ~~these rules this rule~~. Each insurer which is subject to registration shall register within 15 days after it becomes subject to registration and annually thereafter unless the Superintendent, for good cause shown, extends the time for registration, and then within the extended time.

#### **Section 14. Summary of Changes to Registration – Statement Filing (Form C)**

An insurer required to file an annual registration statement pursuant to ~~Section 222(8) Subsection 8~~ of the Act is also required to furnish information required on Form C, hereby made a part of ~~these rules this rule~~. ~~An insurer shall file a copy of Form C in each state in which the insurer is authorized to do business, if requested by the Commissioner of that state.~~

#### **Section 15. Amendments to Form B**

A. An amendment to Form B shall be filed within 15 days after the end of any month in which there is a material change to the information provided in the annual registration statement.

- B. Amendments shall be filed in the Form B format with only those items which are being amended ~~and~~ 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 and not the date of the original filings.

#### Section 16. Alternative and Consolidated Registrations

- A. Any authorized insurer may file a registration statement on behalf of any affiliated insurer or insurers which are required to register under Section 222(8) Subsection 8 of the Act. A registration statement may include information not required by the Act regarding any insurer in the insurance holding company system, even if ~~such the~~ insurer is not authorized to do business in this State. In lieu of filing a registration statement on Form B, the ~~authorized insurer principal insurance company in the insurance holding company system~~ may file a copy of the registration statement or similar report which it is required to file in its ~~State state~~ of domicile, provided ~~that:~~
- ~~(1) — the statement or report contains information substantially similar to that required to be furnished on Form B; and~~
  - ~~(2) — the filing insurer is the principal insurance company in the insurance holding company system.~~
- B. The question of whether the filing insurer is the principal insurance company in the insurance holding company system is a question of fact and an insurer filing a registration statement or report in lieu of Form B on behalf of an affiliated insurer shall set forth a 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 Superintendent, an unauthorized insurer may follow any of the procedures which could be done by an authorized insurer under paragraph Subsection A above.
- D. ~~Any An authorized~~ insurer ~~may take advantage of the provisions of Section 222(8)(F) or (G) of the Act without obtaining is not required to obtain~~ the prior approval of the Superintendent in order to file on behalf of one or more affiliated insurers under Subsection A. The Superintendent, however, may require individual filings ~~if he deems upon a determination that~~ such filings are necessary in the interest of clarity, ease of administration, or the public good.

#### Section 17. Disclaimers and Termination of Registration (Form A-1)

- A. A disclaimer of affiliation or a request for termination of registration claiming that a person (the “disclaiming person”) does not, or will not upon the taking of some proposed action, control another person (~~hereinafter referred to as~~ the “subject”) shall be submitted on Form E A-1 and shall contain the following information:
- ~~(1) the~~ The number of authorized, issued, and outstanding voting securities of the subject;
  - ~~(2) with~~ With respect to the disclaiming person ~~whose control is denied~~ and all affiliates of ~~such the disclaiming~~ person, the number and percentage of shares of the subject’s voting securities which are held of record or known to be beneficially owned, and the number of such shares concerning which there is a right to acquire, directly or indirectly ~~as well as information;~~
  - ~~(3) Information~~ as to all transactions in any voting securities of the subject ~~which were effected that are currently planned or anticipated, or that occurred~~ during the past twelve months ~~by such persons, in which the disclaiming person or any affiliate of the disclaiming person was involved;~~
  - ~~(3) (4) all~~ All material relationships and bases for affiliation between the subject and the disclaiming person ~~whose control is denied~~ and all affiliates of ~~such the disclaiming~~ person;
  - ~~(4) (5)~~ A statement explaining why ~~such the disclaiming~~ person should not be considered to control the subject; and
  - ~~(5) (6)~~ Such further information as is required by Form E A-1.
- B. A disclaimer of affiliation or request for termination of registration shall be deemed to have been granted unless the Superintendent, within 30 days after ~~he receives receiving~~ the request, notifies the ~~registrant person filing Form A-1~~ otherwise.

- C. Form A-1 may be filed by or on behalf of the disclaiming person, or may be filed by the subject or by an affiliate of the subject.
- D. At least 30 days before any person divests a controlling interest in a domestic insurer, or in a person directly or indirectly controlling a domestic insurer, the divesting person shall report the proposed divestiture to the Superintendent on Form A-1, unless the divestiture transaction consists of the transfer of the divesting person's interest to one or more acquiring persons, all of whom have reported their respective acquisitions on Form A pursuant to Section 10. A partial divestiture is subject to the reporting requirements of this subsection if the divesting person will lose either presumptive or actual control as the result of the partial divestiture.

**Section 18. Transactions Subject to Prior Notice – Notice Filing (Form D)**

- A. An insurer required to give notice of a proposed transaction pursuant to ~~Section 222(9)~~ Subsection 9 of the Act shall furnish the required information on Form D, hereby made a part of ~~these regulations~~ this rule.
- B. Agreements for cost-sharing services and management services shall at a minimum, 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 quarterly, and compliance with the requirements in the NAIC *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 shall maintain oversight for functions provided to the insurer by the affiliate and that the insurer shall monitor services at least 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 Superintendent under Chapter 57 of the Insurance Code:
    - (a) ~~all~~ All of the rights of the insurer under the agreement extend to the receiver or Superintendent; and
    - (b) ~~all~~ All books and records shall immediately be made available to the receiver or the Superintendent, and shall be turned over to the receiver or Superintendent immediately upon the receiver's or the Superintendent's request;
  - (12) Specify that the affiliate has no automatic right to terminate the agreement if the insurer is placed in receivership; and
  - (13) Specify that the affiliate shall continue to maintain any systems, programs, or other infrastructure, notwithstanding a seizure by the Superintendent under Chapter 57 of the Insurance Code, and shall make them available to the receiver, for so long as the affiliate continues to receive timely payment for services rendered.

## Section 19. Enterprise Risk Report (Form F)

The ultimate controlling person of an insurer required to file an enterprise risk report pursuant to Paragraph 8(B-1) of the Act shall furnish the required information on Form F, hereby made a part of this rule.

## Section 19 20. Extraordinary Dividends and Other Distributions

- A. ~~Requests for approval of extraordinary~~ Notice of proposed dividends or ~~any other extraordinary distribution distributions~~ 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 an explanation of the basis for valuation;
  - ~~(4)~~ A request for approval of an extraordinary dividend or a notice that the proposed dividend was not determined to be extraordinary;
  - ~~(5)~~ (5) A copy of the calculations determining ~~that whether or not~~ the proposed dividend is extraordinary. The work paper shall include the following information:
    - ~~(i)~~ (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.
    - ~~(ii)~~ (b) Surplus as regards policyholders (total capital and surplus) as of the 31st day of December next preceding;
    - ~~(iii)~~ (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~~ most recent complete calendar year;
    - ~~(iv)~~ (d) If the insurer is not a life insurer, the net gain from operations for ~~those the 12-month periods period ending the 31st day of December next preceding and the two preceding 12-month periods~~ each of the three most recent complete calendar years; and
    - ~~(v)~~ (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.
  - ~~(6)~~ (6) A balance sheet and statement of income for the period intervening from the last annual statement filed with the Superintendent and the end of the month preceding the month in which the request for dividend approval is submitted; and
  - ~~(7)~~ (7) 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. ~~Requests for approval~~ Regulatory review of dividends and other distributions to shareholders ~~are is~~ subject to the filing requirements and other provisions of ~~§ 222(11-A) Subsection 11-C~~ of the Act ~~in the case of extraordinary dividends and distributions and § 222(11-B) in the case of all other dividends and distributions to shareholders.~~

## Section 20 21. Adequacy of Surplus

The factors set forth in ~~Section 222(10) Subsection 10~~ of the Act 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 Superintendent, instead, ~~will~~ shall 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 Superintendent ~~will~~ shall 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 Superintendent ~~will~~ shall consider the individual subsidiary and may discount or disallow its valuation to the extent that the individual investments so warrant.

**Section 22. Effective Date**

This rule is effective October 15, 1975. The 1993 amendments to this rule are effective August 11, 1993. The ~~2014~~ 2016 amendments to this rule are effective \_\_\_\_\_.

Drafting Note: Insert date five days after the adopted Rule as approved by the Attorney General has been filed with the Secretary of State.

**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 Bureau of Insurance ~~Department~~ of the State of Maine

Dated: \_\_\_\_\_, 20\_\_\_\_\_

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

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

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

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

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

- (a) State the name and address of the applicant seeking to acquire control over the insurer.
- (b) If the applicant is not an individual, state the nature of its business operations for the past five years or for such lesser period as ~~such person~~ the applicant and any predecessors thereof shall have been in existence. Briefly describe the business intended to be done by the applicant and the applicant's subsidiaries.
- (c) Furnish a chart or listing clearly presenting the identities of the inter-relationships among the applicant and all affiliates of the applicant. ~~No affiliate need be identified if its total assets are equal to less than 1/2 of 1 percent of the total assets of the ultimate controlling person affiliated with the applicant.~~ Indicate in ~~such~~ the 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~~ the 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

~~State~~ ~~On the~~ ~~Provide a biographical affidavit, include including a third-party background check, and state stating~~ the following ~~information,~~ with respect to: (1) the applicant if (s)he is an individual; or (2) ~~all persons who are directors, executive officers, or owners~~ each person who is a director, executive officer, or owner of 10 percent or more of the voting securities of the applicant if the applicant is not an individual.

- (a) Name and business address~~;~~
- (b) Present principal business activity, occupation~~,~~ or employment~~,~~ including position and office held and the name, principal business~~,~~ and address of any corporation or other organization in which such employment is carried on~~;~~
- (c) Material occupations, positions, offices~~,~~ or employment during the last five years, giving the starting and ending dates of each and the name, principal business~~,~~ and address of any business corporation or other organization in which each such occupation, position, office~~,~~ or employment was carried on; ~~if indicate whether~~ any such occupation, position, office~~,~~ or employment required licensing by or registration with any federal, state~~,~~ or municipal governmental agency~~;~~ ~~and if so,~~ indicate ~~such fact,~~ the current status of ~~each~~ such licensing or registration~~;~~ and an explanation of any surrender, revocation, suspension~~,~~ or disciplinary proceedings in connection therewith.
- (d) Whether or not ~~such the~~ person has ever been convicted in a criminal proceeding (excluding minor traffic violations) ~~during the last ten years;~~ and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case.

### ITEM 4. NATURE, SOURCE~~,~~ AND AMOUNT OF CONSIDERATION

- (a) Describe the nature, source~~,~~ and amount of funds or other ~~considerations~~ consideration 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~~ the applicant must specifically request that the identity be kept confidential.
- (d) Do the applicant, the insurer, and their affiliates collectively have a market share in excess of 5% of direct written premium in this State in one or more lines of insurance as specified in the NAIC annual statement? If so, a Form E, Pre-Acquisition Notification Form Regarding Potential Competitive Impact, must be prepared and filed with this Form A, unless the applicant states that one of the following exceptions applies:
  - (1) The transaction is an internal reorganization within an existing holding company system, which does not result in any new affiliations between the insurer and any other insurer;
  - (2) There is no line of insurance in which both the applicant's holding company system and the insurer's holding company system actively transact business in Maine; or
  - (3) For every line of business in which both the applicant's holding company system and the insurer's holding company system actively transact business in Maine, other than ocean marine insurance, at least one holding company system's market share is less than 2% and their combined market share is less than 12%.

#### **ITEM 5. FUTURE PLANS ~~OF~~ FOR INSURER**

Describe any plans or proposals which the applicant may have to declare an extraordinary dividend, to liquidate ~~such the~~ 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 Each~~ description shall identify the persons with whom such contracts, arrangements, or understandings have been entered into.

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

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

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

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

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

Describe the terms of any agreement, contract, or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender and the amount of any fees, commissions, or other compensation to be paid to broker-dealers with regard thereto.

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

- (a) Financial statements, ~~and~~ exhibits, ~~and three-year financial projections of the insurer(s)~~ shall be attached to this statement as an appendix, ~~but list.~~ 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 the~~ applicant and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of ~~each~~ such person's last fiscal year, if such information is available. Such statements may be prepared on either an individual basis, or, unless the Superintendent 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 the~~ 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 applicant's Annual Statement ~~of such person~~ filed with the insurance department of the person's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of such that state.

- (c) File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory, or management contracts concerning the insurer, annual reports to the stockholders of the insurer and the applicant for the last two fiscal years, and any additional documents or papers required by ~~Rule~~ Sections 4 and 6 of Bureau of Insurance Rule 180.

**ITEM 13. AGREEMENT TO REPORT ENTERPRISE RISK**

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

**ITEM ~~13~~ 14. SIGNATURE AND CERTIFICATION**

Signature and certification required as follows:

SIGNATURE:

Pursuant to the requirements of 24-A M.R.S.A. § 222 and ~~Chapter~~ Bureau of Insurance Rule 180, \_\_\_\_\_ 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 \_\_\_\_\_, 19 20, for and on behalf of \_\_\_\_\_ (Name of Applicant); that (s)he is the \_\_\_\_\_ (Name of Applicant) \_\_\_\_\_ (Title of Officer) of ~~such company~~ the Applicant; and that (s)he is authorized to execute and file such this instrument.

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Type or Print Name Beneath)

FORM ~~E~~ A-1

DISCLAIMER OF CONTROL OR AFFILIATION WITH A MAINE ~~STOCK~~ INSURER  
OR NOTICE OF DIVESTITURE OF CONTROL OR AFFILIATION

FILED BY

\_\_\_\_\_  
Name of Applicant

on behalf of

\_\_\_\_\_  
Name of ~~Applicant~~ Disclaiming or Divesting Party and name(s) of any  
controlled subsidiaries or affiliates of ~~applicant~~ Disclaiming or Divesting Party

regarding control of

\_\_\_\_\_  
Name of ~~Company~~ domestic insurer (the "Subject Insurer")  
whose control or affiliation is disclaimed or will be divested

including its following controlled subsidiaries and/or affiliates:

\_\_\_\_\_  
Filed with the Bureau of Insurance of the State of Maine

Dated: \_\_\_\_\_, 20\_\_\_\_

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

**ITEM 1. IDENTITY AND STATUS OF APPLICANT**

~~The State whether the applicant is the Disclaiming or Divesting Party, the Subject Insurer, or a representative of one or both of those parties. If the applicant is filing in a representative capacity, explain the applicant's relationship to the party(ies) the applicant represents.~~

**ITEM 2. PURPOSE OF APPLICATION**

- (a) ~~State whether there is a pending or anticipated transaction or event that might affect or be perceived as affecting the relationship between the Disclaiming or Divesting Party and the Subject Insurer, or whether this application is being filed solely to certify that the Disclaiming Party currently does not directly or indirectly exercise, have a right to exercise, or intend to exercise control, within the meaning of the Maine Holding Company Act, Title 24-A, M.R.S.A., Section 222 and Regulation, Chapter 180, and instructions issued thereunder, in respect to, over the Subject Insurer(s).~~
- (b) ~~If this application is filed in whole or part because of some pending or anticipated transaction or event, describe that transaction or event, and explain whether the applicant represents: (1) that the transaction or event will not cause the Disclaiming Party to acquire control or the right or ability to acquire or exercise control over the Subject Insurer(s); or (2) that the transaction or event will cause the Divesting Party to lose control, or the presumption or inference of control, or the right or ability to acquire or exercise control over the Subject Insurer(s).~~

**ITEM 23. DISCLOSURE REGARDING CONTROL**

State whether the applicant controls, is directly or indirectly controlled by, or under common control with the ~~above named person~~ Subject Insurer(s).

**ITEM 34. MATERIAL RELATIONSHIPS**

Insofar as is known to applicant, all relationships, potentially subject to materiality standards of the Maine Insurance Code, between the ~~applicant~~ Disclaiming or Divesting Party, its affiliates, other persons, and ~~an insurer~~ the Subject Insurer(s) are described as follows:

- (a) The total number of authorized, issued, and outstanding voting securities or rights, of ~~said insurer~~ the Subject Insurer(s) (listed by class) is:
- (b) Of such shares or voting rights, the ~~applicant~~ Disclaiming or Divesting Party owns, controls, or holds (beneficially or otherwise) a discretionary right to vote (by proxy or otherwise) the following shares or voting rights of the ~~insurer~~ Subject Insurer(s):
- (c) If the answer to the preceding inquiry would have varied more than 20 percent on any date within the preceding 14 months or is anticipated to vary by more than 20 percent as the result of a pending or anticipated transaction, give the maximum number of shares of each class of voting security or voting rights the ~~applicant~~ Disclaiming or Divesting Party owned, controlled or held a discretionary right to vote (by proxy or otherwise) at any time during the preceding 14 months or at the close of the pending or anticipated transaction:

Class of Stock	Number of Shares or Voting Rights		Approximate % of total Issued and Outstanding Shares or Voting Rights	
	Present	If <del>Exercised</del> <u>Exercised/Converted</u>	Present	If Exercised/Converted

- (d) ~~Interest~~ Interests in the total number of issued and outstanding voting securities or voting rights of the ~~insurer subject of this filing and~~ Subject Insurer(s) held by persons who actively exercise control over said insurer are listed as follows:

Person	Class	Number of Shares or <u>Voting Rights</u>

- (e) Respecting shares or voting rights held by controlling interests in the ~~insurer identified in (d) supra,~~ applicant Subject Insurer(s), the Disclaiming or Divesting Party and its affiliates (if any) exercise a discretionary right to vote (by proxy or otherwise) those classes and number of voting securities or voting rights hereinafter listed.

<u>Person</u>	<u>Class</u>	<u>Number of Shares or Voting Rights</u>

- (f) Other material relationships:
  - (1) State the nature of any transactions which ~~effected~~ have affected or are anticipated to affect the extent of the Disclaiming or Divesting Party's or its affiliates' affiliates' interest in ~~company or companies with which a control relationship is disclaimed~~ the Subject Insurer(s), and give in monetary terms the value of ~~such~~ those transactions on an annualized basis.

- (2) Give the extent of trading activity in shares of ~~insurer respecting which this filing is made the~~ Subject Insurer and/or its affiliate(s) and/or parent(s) which occurred during the 12 calendar months preceding the filing of this disclaimer which in the aggregate resulted in an acquired interest in the insurer in excess of 10 percent, along with any such transactions that are currently pending or anticipated.

Date	Person(s)	Security	Number of Shares	Price per Share	Transaction
_____	_____	_____	_____	_____	_____

- (3) State any abilities, rights, or powers (whether exercised or not) of ~~applicant the Disclaiming or Divesting Party,~~ either directly or through an affiliate, to influence management of the ~~insurer with whom controlled relationship is disclaimed~~ Subject Insurer(s), including but not limited to placement of a representative or representatives of applicant on the Board of Directors of ~~such insurer a Subject Insurer or one of its affiliates.~~ As applicable, give in monetary terms the value of such transactions on an annualized basis.

- (4) Describe any other relationships or transactions not previously listed, between the Disclaiming Party or any of its affiliates, principal shareholders, or executive officers and the Subject Insurer(s), that are material or might reasonably be perceived as material.

**ITEM 4.5. BASIS FOR DISCLAIMER**

The Describe the basis for disclaiming the ~~applicant's Disclaiming or Divesting Party's~~ present or ~~immediate~~ future affiliation with ~~said insurer is that: the Subject Insurer(s), and provide any additional information that would assist the Superintendent in evaluating this application.~~

**ITEM 5.6. SIGNATURES AND CERTIFICATION**

SIGNATURE:

Pursuant to the requirements of the Maine Holding Company Law, Title 24-A, M.R.S.A., Section 222, and ~~Regulation, Chapter Bureau of Insurance Rule~~ 180, issued thereunder, the applicant has caused this disclaimer or notice of divestiture to be duly signed on its behalf in the City of \_\_\_\_\_ and the State of \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 19 20.

BY

(SEAL) \_\_\_\_\_

ATTEST:

\_\_\_\_\_

~~Pursuant to the requirements of Section 222(9) of the Act, the applicant has caused this notice to be duly signed on its behalf in the City of \_\_\_\_\_ and \_\_\_\_\_ State \_\_\_\_\_ of \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.~~

(SEAL) \_\_\_\_\_  
Name of Applicant

BY \_\_\_\_\_  
(Name) (Title)

ATTEST:

\_\_\_\_\_  
(Signature of Officer)

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

CERTIFICATION:

The undersigned deposes and says that (s)he has duly executed the attached application dated \_\_\_\_\_, 19 20, for and on behalf of \_\_\_\_\_ (Name of Applicant); that (s)he is the \_\_\_\_\_ (Title of Officer) of the Applicant; and that (s)he is authorized to execute and file such this instrument.

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

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
(Name and Title)

**FORM B**  
**INSURANCE HOLDING COMPANY SYSTEM**  
**ANNUAL REGISTRATION STATEMENT**

Filed with the Bureau of Insurance Department of the State of Maine

BY

\_\_\_\_\_  
Name of Registrant

On Behalf of the Following Insurance Companies:

Name/Address \_\_\_\_\_  
\_\_\_\_\_

Dated: \_\_\_\_\_, .20

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

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

**ITEM 1. IDENTITY AND CONTROL OF REGISTRANT**

Furnish the exact name of each insurer registering or being registered (hereinafter called "the Registrant"); the home office address and principal executive offices of each; the date on which each Registrant became part of the insurance holding company system; and the method(s) by which control of each Registrant was acquired and is maintained.

**ITEM 2. ORGANIZATIONAL CHART**

Furnish a chart or listing clearly presenting the identities of and interrelationships among all affiliated persons within the insurance holding company system. ~~No affiliate need be shown if its total assets are equal to less than 1/2 of 1 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 which is owned, directly or indirectly, by another affiliate. If control of any person within the system is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing indicate the type of organization (e.g., - corporation, trust, partnership) and the state or other jurisdiction of domicile.

### ITEM 3. THE ULTIMATE CONTROLLING PERSON

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

- (a) Name.
- (b) Home office address.
- (c) Principal executive office address.
- (d) The organizational structure of the person, ~~i.e. e.g.~~, 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 percent or more of any class of voting security, the class of such security held or owned, the number of shares held of record or known to be beneficially owned, and the percentage of class so held or owned.
- (g) If court proceedings involving a reorganization or liquidation are pending, indicate the title and location of the court, the nature of the proceedings, and the date when commenced.

### ITEM 4. BIOGRAPHICAL INFORMATION

~~Furnish~~ 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 five years, and any conviction of crimes other than minor traffic violations ~~during the past ten years~~. 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 five years, and any conviction of crimes other than minor traffic violations.

### ITEM 5. TRANSACTIONS AND AGREEMENTS

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

- ~~(1)~~ (a) ~~loans~~ Loans, other investments, or purchases, sales, or exchanges of securities of the affiliates by the Registrant or of the Registrant by its affiliates;
- ~~(2)~~ (b) ~~purchases~~ Purchases, sales, or exchanges of assets;
- ~~(3)~~ (c) ~~transactions~~ Transactions not in the ordinary course of business;
- ~~(4)~~ (d) ~~guarantees~~ 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)~~ (e) ~~all~~ All management agreements, and service contracts, and all cost-sharing arrangements, other than cost allocation arrangements, based upon generally accepted accounting principles;
- ~~(6)~~ (f) ~~reinsurance~~ Reinsurance agreements ~~covering all or substantially all of one or more lines of insurance of the ceding insurer;~~
- ~~(7)~~ (g) ~~dividends~~ Dividends and other distributions to shareholders;
- ~~(8)~~ (h) ~~consolidated~~ Consolidated tax allocation agreements; and
- ~~(9)~~ (i) ~~any~~ 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~~ it is not considered material for purposes of 24-A M.R.S.A. § 222(8)(C).

Sales, purchases, exchanges, loans or extensions of credit, investments, or guarantees involving one-half of ~~+~~ one percent or less of the Registrant's admitted assets as of the 31st day of December ~~next~~ immediately preceding ~~shall~~

~~not be deemed are not considered~~ material, ~~unless the Superintendent by order provides otherwise or they are part of a plan or series of like transactions that is material when evaluated in the aggregate. (Note: The Superintendent may by rule, regulation or order provide otherwise.)~~

The description shall be provided in a manner ~~as to permit the~~ that permits proper evaluation ~~thereof~~ by the Superintendent, 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 the relationship of the affiliated parties to the Registrant.

#### ITEM 6. LITIGATION OR ADMINISTRATIVE PROCEEDINGS

~~A~~ Furnish 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 any such litigation or proceeding is or was pending:

- (a) Criminal prosecutions, civil enforcement proceedings, 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. STATEMENT REGARDING PLAN PLANS OR SERIES OF TRANSACTIONS

~~The insurer shall furnish~~ Furnish a statement certifying 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, ~~and certifying further that any series of like transactions under the reporting threshold has been properly reported in response to Item 5 and on a timely Form D filing if the series of transactions in the aggregate triggers the applicable reporting requirements.~~

#### ITEM 8. FINANCIAL STATEMENTS AND EXHIBITS

- (a) ~~Financial~~ List all financial statements and exhibits ~~should be attached furnished pursuant to this Item, and attach them~~ 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 Superintendent otherwise requires, on a consolidated basis if ~~such~~ consolidated statements are prepared in the usual course of business.

Furnish documentation and financial statements filed with the Securities and Exchange Commission for entities that make such filings. To the extent that such documents and statements are unavailable or do not provide current and complete information for the holding company system, furnish audited GAAP financial statements or statements in a standard form and format adopted by the National Association of Insurance Commissioners, unless an alternative form is accepted by the Superintendent.

Unless the Superintendent 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 that they are based on the Annual Statement of ~~such that~~ insurer filed with the insurance

department of the insurer's domiciliary ~~State~~ 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 ~~Rule~~ Sections 4 and 6 of Bureau of Insurance Rule 180.

**ITEM 9. FORM C REQUIRED**

A Unless this is the initial Form B filing, a Form C, Summary of Changes to 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 ~~Section 222(8) of the Act~~ 24-A M.R.S.A. § 222(8), the Registrant has caused this annual registration statement to be duly signed on its behalf in the City of \_\_\_\_\_ and State of \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_, 19 20.

(SEAL) \_\_\_\_\_  
Name of Registrant

BY \_\_\_\_\_  
(Name) (Title)

ATTEST:

\_\_\_\_\_  
(Signature of Officer)

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

CERTIFICATION:

The undersigned deposes and says that (s)he has duly executed the attached annual registration statement dated \_\_\_\_\_, 19 20, for and on behalf of \_\_\_\_\_ (Name of Company); that (s)he is the \_\_\_\_\_ (Title of Officer) of ~~such company~~ the Registrant; and that (s)he is authorized to execute and file ~~such this~~ instrument.

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Type or Print Name Beneath)

FORM C

SUMMARY OF CHANGES TO REGISTRATION STATEMENT

Filed with the Bureau of Insurance ~~Department~~ of the State of Maine

BY

\_\_\_\_\_  
Name of Registrant

On Behalf of the Following Insurance Companies:

Name/Address

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

Dated: \_\_\_\_\_, 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~~ that permits proper evaluation ~~thereof~~ by the Superintendent, 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, reportable in Item 2 of Form B,~~ need only be included where such changes ~~are ones which~~ 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~~ reportable in 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 a~~ new president or chief executive officer of the ultimate controlling person is named.

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 pending or anticipated 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~~ Furnish a statement certifying 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 ~~Section 222(8) of the Act~~ 24-A M.R.S.A. § 222(8), the Registrant has caused this summary of changes to registration statement to be duly signed on its behalf in the City of \_\_\_\_\_ and State of \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_, 19 20.

(SEAL) \_\_\_\_\_  
Name of Registrant

BY \_\_\_\_\_  
(Name) (Title)

**ATTEST:**

\_\_\_\_\_  
(Signature of Officer)

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

**CERTIFICATION:**

The undersigned deposes and says that (s)he has duly executed the attached summary of changes to registration statement dated \_\_\_\_\_, 19 20, for and on behalf of \_\_\_\_\_ (Name of Company); that (s)he is the \_\_\_\_\_ (Title of Officer) of ~~such company~~ the Registrant; and that (s)he is authorized to execute and file ~~such~~ this instrument.

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Type or Print Name Beneath)

**FORM D**

**PRIOR NOTICE OF A TRANSACTION WITH INVOLVING AN AFFILIATE**

Filed with the Bureau of Insurance ~~Department~~ of the State of Maine

BY

\_\_\_\_\_  
Name of Registrant

On Behalf of the Following Insurance Companies:

Name/Address \_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_, 20

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

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### 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. e.g.~~, 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 held by any other parties to the transaction in the insurer seeking approval, or interest held 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 ~~Section 222(9)(E)(1) Subparagraph (1) (sales, purchases, exchanges, loans or extensions of credit, guarantees, or investments)~~, (2) ~~(financing for third-party transactions with insurer's affiliates)~~, (3) ~~(reinsurance)~~, (4) ~~(management, cost-sharing, and service agreements)~~, (5) ~~(plans or series of transactions)~~, or (6) ~~(other material transactions)~~ of ~~the Act 24-A M.R.S.A. § 222(9)(E)~~.
- (b) A statement of the nature of the transaction.
- ~~(c) A statement explaining how the transaction meets the "fair and reasonable" standard of 24-A M.R.S.A. § 222(9)(A).~~
- ~~(c) (d)~~ 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 this 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, an extension of credit, or a guarantee, furnish a description of the maximum amount which the insurer will be obligated to make available under ~~such the~~ 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 similar 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, investment~~ 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 percent of the insurer's admitted assets or 25 percent of surplus as regards policyholders; (b) in the case of life insurers, 3 percent of the insurer's admitted assets, ~~each as of the 31st day of December next preceding;~~ or, (c) in the case of nonprofit hospital and medical service organizations and their 100 per cent controlled affiliates that operate as monoline health insurers or health maintenance organizations, the lesser of 5 percent of the entity's admitted assets ~~as of December 31st of the preceding year~~ or 25 per cent of surplus to ~~policy holders policyholders.~~ For purposes of these materiality thresholds, assets and surplus shall be measured as of December 31st of the preceding year unless otherwise ordered by the Superintendent, and any plan or series of like transactions shall be aggregated and evaluated as a single transaction.

#### 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~~ that 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 lend~~ to, extend credit to, purchase assets of, or make investments in any affiliate. Describe the amount and source of funds, securities, property, or other consideration for the loan or extension of credit and, if the transaction is one involving consideration other than cash, a description of its cost and its fair market value together with an explanation of the basis for evaluation. Furnish a brief statement as to the effect of the transaction upon the insurer's ~~surplus.~~

~~No surplus. No notice need be given if the loan or extension of credit is one which equals less than (a) in the case of non-life insurers, the lesser of 3 percent of the insurer's admitted assets or 25 percent of surplus as regards policyholders, (b) in the case of life insurers, 3 percent of the insurer's admitted assets, or (c) in the case of nonprofit hospital and medical service organizations and their 100 percent controlled affiliates that operate as monoline health insurers or health maintenance organizations, the lesser of 5 percent of the entity's admitted assets as of December 31st of the preceding year or 25 percent surplus falls below the materiality thresholds specified above in Item 3.~~

#### ITEM 5. REINSURANCE

If the transaction is a reinsurance or reinsurance pooling agreement or modification thereto, as described by 24-A M.R.S.A. § 222(9)(E)(3) of the Act, 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 ~~affiliate 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.

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

#### ITEM 6. MANAGEMENT AGREEMENTS, SERVICE AGREEMENTS, AND COST-SHARING ARRANGEMENT 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 brief description of the purpose of the agreement.
- (b) ~~#~~ A description of the period of time during which the agreement is to be in effect.
- (c) ~~#~~ A brief description of each party's expenses or costs covered by the agreement.
- (d) ~~#~~ A brief description of the accounting basis to be used in calculating each party's costs under the agreement.
- ~~(e) A brief statement as to the effect of the transaction upon the insurer's policyholder surplus.~~
- ~~(f) A statement specifying whether the amounts to be allocated are based on cost or market. For market-based allocation, include the rationale for using market instead of cost and a justification for the company's determination that the amounts are fair and reasonable.~~
- ~~(g) A statement describing how the insurer has verified compliance with the requirements in the NAIC Accounting Practices and Procedures Manual.~~

**ITEM 7. SIGNATURE AND CERTIFICATION**

Signature and certification required as follows:

**SIGNATURE:**

Pursuant to the requirements of ~~Section 222(9) of the Act~~ 24-A M.R.S.A. § 222(9), the applicant has caused this notice 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) and (Title)

**ATTEST:**

\_\_\_\_\_  
(Signature of Officer)

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

**CERTIFICATION:**

The undersigned deposes and says that (s)he has duly executed the attached notice dated \_\_\_\_\_, ~~19~~ 20, for and on behalf of \_\_\_\_\_ (Name of Applicant); that (s)he is the \_\_\_\_\_ (Title of Officer) of ~~such company~~ the Applicant; and that (s)he is authorized to execute and file ~~such~~ this instrument.

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Name and Title)

**[NEW] FORM E**

**PRE-ACQUISITION NOTIFICATION FORM  
REGARDING THE POTENTIAL COMPETITIVE IMPACT  
OF A PROPOSED ACQUISITION OF A DOMESTIC INSURER  
OR MERGER WITH A DOMESTIC INSURER**

\_\_\_\_\_  
Name of Applicant

\_\_\_\_\_  
Name of Domestic Insurer ("Subject Insurer")  
Involved in Merger or Acquisition

Filed with the Bureau of Insurance of the State of Maine

Dated: \_\_\_\_\_, 20 \_\_\_\_

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

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

**ITEM 1. NAME AND ADDRESS OF SUBJECT INSURER  
AND AFFILIATED INSURERS**

State the names and addresses of the applicant(s) and all insurers affiliated with the applicant(s).

**ITEM 2. NAME AND ADDRESS OF APPLICANT  
AND AFFILIATED INSURERS**

State the names and addresses of the subject insurer(s) and all insurers affiliated with the subject insurer(s). Please note that this form is not required for internal reorganizations within the same holding company system. If any insurer named here was also named in Item 1, please explain why the proposed transaction is not an internal reorganization.

**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 insurers identified in response to Item 1 and Item 2.

**ITEM 5. MARKET AND MARKET SHARE**

- (a) For each line of business, as contained in the annual statement required to be filed by insurers licensed to do business in this State, specify the market share the insurers identified in Item 1 and Item 2 currently collectively enjoy in this State, as a percentage of direct written premium, calculated no less precisely than the nearest percentage point.
- (b) If any insurer named in Item 1 or 2 participates in the insurance market in this State through one or more fronting arrangements with insurers not named in Item 1 or 2, is there any line of business for which the direct premium for such assumed business exceeds 1% of direct written premium in this State and, when combined with the collective market shares of the insurers named in Items 1 and 2, equals or exceeds 5% of direct written premium in this State? For purposes of this question, "fronting arrangements" include any reinsurance or retrocession under which the insurer has assumed 50% or more of the risk or under which

the insurer or its agents have taken on substantial responsibility for sales, marketing, underwriting, or claims handling for the direct business.

- (c) If any insurer named in Item 1 or 2 or any of its noninsurance affiliates acts as a managing general agent or otherwise materially participate in the placement of insurance business with one or more insurers not named in Item 1 or 2, is there any line of business for which such placements in the aggregate exceed 1% of direct written premium in this State and, when combined with the collective market shares of the insurers named in Items 1 and 2, including any fronted premium disclosed in Subitem (d), exceeds 5% of direct written premium in this State
- (d) For each line of business where the collective market share of the insurers identified in Item 1 and Item 2 equals or exceeds 5%, including where applicable any fronted or placed business identified in Subitems (b) and (c), provide historical market and market share data for each of those insurers for the past five years and identify the source(s) of the data.
- (e) If instructed by the Superintendent or if the applicant considers it relevant:
  - (1) Include an opinion of an economist as to the competitive impact of the acquisition in this [state State](#), accompanied by a summary of the economist’s education and experience indicating his or her ability to render an informed opinion.
  - (2) Provide information on significant markets with scope that is different from the statewide market for a particular line of business. Scope refers to both geography and product, and different may mean larger, smaller, or overlapping.
  - (3) Evaluate market power based on a relevant standard other than percentage share of direct written premium.
- (f) Provide a determination as to whether the proposed acquisition or merger, if consummated, would trigger a presumption of adverse competitive impact under any of the tests below, and if so, provide justification demonstrating that the acquisition or merger would not substantially lessen competition or create a monopoly in this State in any of the affected lines of business, or if applicable any other relevant market identified in accordance with Subitem (e). For purposes of these tests, market share includes where applicable any fronted or placed business identified in Subitems (b) and (c). For each line of business, the “Primary Group” means the insurers listed in Item 1 or the insurers listed in Item 2, whichever group has the larger market share for that line. If there are any insurers in both groups, they should be allocated to the Secondary Group. Any justification submitted must address whether the acquisition will yield substantial economies of scale or economies in resource utilization that cannot be feasibly achieved in any other way; whether the public benefits which would arise from such economies exceed the public benefits which would arise from not lessening competition; whether the acquisition will substantially increase the availability of insurance; and whether the public benefits of such increased availability exceed the public benefits which would arise from not lessening competition. Relevant factors the justification should consider include, but are not limited to, market shares, volatility of ranking of market leaders, number of competitors, concentration, trend of concentration in the industry, and ease of entry and exit into the market. A presumption of adverse competitive impact exists in any market described by one or more of the standards below:
  - (1) The market is highly concentrated, meaning that the four largest insurance groups have a combined market share of 75% or more, and the Primary and Secondary Groups have the following market shares:

Primary	Secondary
4% or more	4% or more
7% or more	3% or more
10% or more	2% or more
15% or more	1% or more

- (2) The market is not highly concentrated, and the Primary and Secondary Groups have the following market shares:

Primary	Secondary
5% or more	5% or more
10% or more	4% or more
15% or more	3% or more
17% or more	2% or more
19% or more	1% or more

- (3) The transaction might contribute to a significant trend toward increased concentration in the market, meaning that the Primary Group is one of the N largest insurance groups in the market, where N is less than or equal to 8, and the aggregate market share of the N largest insurance groups has increased by 7 percentage points or more, relative to some base year 5 to 10 years before the year used to calculate current market shares, and the Secondary Group's current market share is at least 2%.
- (4) The Superintendent has advised the applicant that there may be substantial evidence warranting concern that the proposed acquisition or merger could result in adverse competitive impact in the market.

**ITEM 6. SIGNATURE AND CERTIFICATION**

Signature and certification required as follows:

**SIGNATURE:**

Pursuant to the requirements of 24-A M.R.S.A. § 222 and Bureau of Insurance Rule 180, \_\_\_\_\_ has caused this application to be duly signed on its behalf in the City of \_\_\_\_\_ and State of \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_, 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 \_\_\_\_\_, 20\_\_\_\_, for and on behalf of \_\_\_\_\_ (Name of Applicant); that (s)he is the \_\_\_\_\_ (Title of Officer) of the Applicant; and that (s)he is authorized to execute and file this instrument.

Deponent further says that (s)he is familiar with this instrument and the contents hereof, and that the facts herein set forth are true to the best of his/her knowledge, information, and belief.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Type or Print Name)

**[NEW] FORM F**  
**ENTERPRISE RISK REPORT**

Filed with the Bureau of Insurance of the State of Maine

BY

\_\_\_\_\_  
Name of Registrant/Applicant

On Behalf/ Related to the Following Insurance Companies:

Name/Address

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

Dated: \_\_\_\_\_, 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 24-A M.R.S.A. § 222(2)(B-2). If relevant information has been disclosed in the Insurance Holding Company System Annual Registration Statement (Form B) filed on behalf of itself or another insurer for which it is the ultimate controlling person, such information may simply be referenced here in lieu of making a duplicative filing:

- 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 reallocation of existing financial or insurance entities within the insurance holding company system;
- Any changes of shareholders of the insurance holding company system exceeding ten percent 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 the next 12 months;
- Identification of material concerns of the insurance holding company system raised by a supervisory college, if any, in the 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 assessments of and within the insurance holding company system (including 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 other 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 respond to the extent relevant by attaching the appropriate form most recently filed with the United States Securities and Exchange Commission, or its most recent public audited financial statement filed in its country of domicile if that country is not the United States, provided that the Registrant/Applicant includes specific references to those areas listed in Item 1 for which the form 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.

**ITEM 3. SIGNATURE AND CERTIFICATION**

Signature and certification required as follows:

SIGNATURE:

Pursuant to the requirements of 24-A M.R.S.A. § 222 and Bureau of Insurance Rule 180, \_\_\_\_\_ has caused this application to be duly signed on its behalf in the City of \_\_\_\_\_ and State of \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_, 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 \_\_\_\_\_, 20\_\_, for and on behalf of \_\_\_\_\_ (Name of Applicant); that (s)he is the \_\_\_\_\_ (Title of Officer) of the Applicant; and that (s)he is authorized to execute and file this instrument.

Deponent further says that (s)he is familiar with this instrument and the contents hereof, and that the facts herein set forth are true to the best of his/her knowledge, information, and belief.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Type or Print Name)