

Declaratory Ruling 94-293-M

Holding company act, forms and instructions -- penalties for failing to file

September 12, 1994

I. BACKGROUND

Pursuant to Sections 1311, 1312, 1325, 1341 and 1343 of the Michigan Insurance Code of 1956, as amended (the Code), and the Administrative Procedures Act of 1969, as amended; MCLA 24.201 et. seq.; MSA 3.560(101 et. seq.), the Commissioner of Insurance (Commissioner) shall provide the forms for statements required by Chapter 13 of the Code, MCLA 500.1301 et. seq., MSA 24.11301 et. seq., commonly referred to as the holding company act.

The Insurance Bureau issued "Guidelines for Administration of Holding Company Act of 1970 With Forms" on September 10, 1970. Effective October 1, 1992, substantial changes were made to the holding company act by Public Act 182 of 1992. Order No. 94-100-M amended and replaced the 1970 forms and instructions.

Effective June 27, 1994, several changes were made to the holding company act by Public Act 227 of 1994. For example, Public Act 227 of 1994 incorporated and amended certain exemptions granted by Order No. 93-15569-M issued April 29, 1993 and Order No. 94-116-M issued March 31, 1994. These changes require that the forms and instructions prescribed by Order No. 94-100-M be amended.

Staff of the Insurance Bureau (Staff) have recommended that insurers file the holding company forms adopted by the National Association of Insurance Commissioners (N.A.I.C.), as modified and set forth in the instructions and forms attached to this order.

The foregoing would allow the Commissioner to continue to fill his statutory duty to prescribe the form of statements to be filed pursuant to requirements of the holding company act.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

Based upon the recommendations of Staff, the Commissioner FINDS and CONCLUDES that:

1. The holding company act forms and instructions attached to this order establish appropriate forms with instructions for persons who are subject to filing requirements of the act.
2. Order No. 94-100-M prescribing forms required by the holding company act, with instructions, pursuant to Act 182 of Public Act of 1992

issued on January 4, 1994 should be withdrawn and replaced with forms which meet the requirements of Public Act 227 of 1994.

3. Order No. 93-15569-M, Order of Exemption and Extension, issued April 29, 1993 should be withdrawn.

4. Order No. 94-116-M, Second Order of Exemption, issued March 31, 1994 should be withdrawn.

5. Failure to timely comply with all filing instructions and requirements regarding Form B registration statements will result in the rejection of the material submitted as not constituting a registration statement for purposes of the Code, and will subject the filing entity to a civil penalty of not less than \$1,000, or more than \$5,000, and an additional \$50 for every day that such insurer fails to file its information, in accordance with Section 438(5) of the Code, MCLA 500.438(5); MSA 24.1438(5).

6. Failure to comply with the filing requirements and instructions contained in this order may also subject the insurer to actions provided for in the holding company act. These actions include injunctions, sequestration of voting securities, penalties, criminal proceedings, receivership actions, and suspension or revocation of certificate of authority.

III. ORDER

Therefore, it is ORDERED that:

1. The holding company forms and instructions attached to this order are hereby adopted.

2. All companies subject to the holding company act shall file statements which comply with the forms and instructions attached to this order.

3. Failure to timely comply with all filing instructions and requirements regarding Form B registration statements will result in the rejection of the material submitted as not constituting a registration statement for purposes of the Code, and will subject the filing entity to a civil penalty of not less than \$1,000, or more than \$5,000, and an additional \$50 for every day that such insurer fails to file its information, in accordance with Section 438(5) of the Code, MCLA 500.438(5); MSA 24.1438(5).

4. Failure to comply with the filing requirements and instructions contained in this order may also subject the insurer to actions provided for in the holding company act. These actions include injunctions, sequestration of voting securities, penalties, criminal proceedings,

receivership actions, and suspension or revocation of certificate of authority.

5. Order No. 94-100-M prescribing forms required by the holding company act, with instructions, pursuant to Act 182 of Public Act of 1992 issued on January 4, 1994; Order No. 93-15569-M, Order of Exemption and Extension issued April 29, 1993; and Order No. 94-116-M, Second Order of Exemption issued March 31, 1994 are withdrawn.

6. This order and the holding company forms and instructions shall be sent to all authorized insurers.

The Commissioner specifically retains jurisdiction of the matters contained herein and the authority to issue such further order or orders as he shall deem just, necessary and appropriate.

David J. Dykhouse
Commissioner of Insurance

INSURANCE HOLDING COMPANY ACT FORMS AND INSTRUCTIONS

Section

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- Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer.
- Form B Insurance Holding Company System Annual Registration Statement.
- Form C Summary of Registration Statement.
- Form D Prior Notice of a Transaction.

Section 1. Authority

These forms are promulgated pursuant to the authority granted by Sections 249, 249a, 438, 1311, 1312, 1325, 1341, and 1343 of the Insurance Code of 1956, as amended.

Section 2. Purpose

The purpose of these forms and instructions are: to set forth forms and procedural requirements which the Commissioner deems necessary to carry out the provisions of the Insurance Holding Company System Regulatory Act, Chapter 13 of the Insurance Code, hereinafter referred to as "the Act." The information called for by these forms is hereby

declared to be necessary and appropriate in the public interest and for the protection of the policyholders in this State.

Section 3. Severability clause

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

Section 4. Forms — General requirements

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

B. One complete copy of each statement including exhibits and all other papers and documents filed as a part thereof, shall be filed with the Commissioner by personal delivery or mail addressed to: Insurance Commissioner of the State of Michigan, P.O. Box 30220, Lansing, MI 48909, or 611 W. Ottawa, Lansing, MI 48933, Attention: Company Admissions Division. A copy of Form C shall be filed in each state in which an insurer is authorized to do business, if the Commissioner of that state has notified the insurer of its request in writing, in which case the insurer has 30 days from receipt of the notice to file such form. The copy shall be manually signed in the manner prescribed on the form. If an individual or group of individuals are ultimate controlling persons, the individuals shall sign the Form A and Form B statements. Unsigned copies shall be rejected. If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of the power of attorney or other authority shall also be filed with the statement.

C. Statements should be prepared on paper 8 1/2 " x 11" in size. Exhibits and financial statement, unless specifically prepared for the filing, may be submitted in their original size. All copies of any statement, financial statements or exhibits shall be clear, easily readable and suitable for photocopying. Debits in credit categories and credits in debit categories shall be designated so as to be clearly distinguishable as such on photocopies. Statements shall be in the English language and monetary values shall be stated in United States currency. If any exhibit or other paper or document filed with the statement is in a foreign language, it shall be accompanied by a translation into the English language and any monetary value shown in a foreign currency normally shall be converted into United States currency.

Section 5. Forms — Incorporation by reference, summaries and omissions

A. Information required by any item of Form A, Form B, or Form D may be incorporated by reference in answer or partial answer to any other item. Information contained in any financial statement, annual report, proxy statement, statement filed with a governmental authority, or any other document may be incorporated by reference in answer or partial answer to any item of Form A, Form B, or Form D provided 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 Commissioner which were filed within three (3) 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 the 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 the statement, the summary or outline may incorporate by reference particular parts of any exhibit or document currently on file with the Commissioner which was filed within three (3) years and may be qualified in its entirety by such reference. In any case where two (2) or more documents required to be filed as exhibits are substantially identical in all material respects except as the parties thereto, the dates of execution, or other details, a copy of only one of the documents need be filed with a schedule identifying the omitted documents and setting forth the material details in which the documents differ from the documents, a copy of which is filed.

Section 6. Forms — Extension of time to furnish

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

- (1) Identifying the information, document or report in question;
- (2) Stating why the filing thereof at the time required is impractical; and
- (3) Requesting an extension of time for filing the information, document or report to a specified date. The request for extension shall be deemed granted unless the Commissioner within 60 days after receipt thereof denies the request.

Section 7. Forms — Additional information and exhibits

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

Section 8. Definitions

A. "Executive officer" means chief executive officer, chief operating officer, chief financial officer, treasurer, secretary, controller, and any other individual performing functions corresponding to those performed by the foregoing officers under whatever title.

B. "Ultimate controlling person" means a controlling person who is not controlled by any other person.

C. Unless the context otherwise requires, other terms found in these forms are used as defined in the Insurance Code. Other nomenclature or terminology is according to industry usage if not defined by the Code.

Section 9. Subsidiaries of domestic insurers

The authority to invest in subsidiaries under Section 1305 of the Act is in addition to any authority to invest in subsidiaries which may be contained in any other provision of the Insurance Code.

Section 10. Acquisition of control — Statement filing (Form A)

A person required to file a statement pursuant to Section 1311 of the Act shall furnish the required information on Form A, hereby made a part of these forms and instructions.

Section 11. Amendments to Form A

The applicant shall promptly advise the Commissioner of any changes in the information furnished on Form A arising subsequent to the date upon which the information was furnished but prior to the Commissioner's disposition of the application.

Section 12. Acquisition of Section 1311(3) insurers

A. If the person being acquired is deemed to be a "domestic insurer" solely because of the provisions of Section 1311(3) of the Act, the name of the domestic insurer on the cover page should be indicated as follows:

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

B. Where a Section 1311(3) insurer is being acquired, references to "the insurer" contained in Form A shall refer to both the domestic subsidiary insurer and the person being acquired.

Section 13. (Omitted)

Section 14. Annual registration of insurers — Statement filing (Form B)

An insurer required to file an annual registration statement pursuant to Section 1324 of the Act shall furnish the required information on Form B, hereby made a part of these

forms and instructions, by May 1 of each year for the immediately preceding calendar year.

Section 15. Summary of registration — Statement filing (Form C)

An insurer required to file an annual registration statement pursuant to Section 1324 of the Act is also required to furnish information required on Form C, hereby made a part of these forms and instructions, by May 1 of each year for the immediately preceding calendar year. 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 16. Amendments to Form B

A. An amendment to Form B shall be filed within fifteen (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 reported. Each 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 17. 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 1324 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 the insurer is not authorized to do business in this State. In lieu of filing a registration statement on Form B, the authorized insurer may file a copy of the registration statement or similar report which it is required to file in its State of domicile, provided:

- (1) The statement or report contains substantially similar information required to be furnished on Form B; and
- (2) The filing insurer is the principal insurance company in the insurance holding company system.

B. The question of whether the filing insurer is the principal insurance company in the insurance holding company system is a question of fact and 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 Commissioner, an unauthorized insurer may follow any of the procedures which could be done by an authorized insurer under Subsection A above.

D. Any insurer may take advantage of the provisions of Section 1329 or 1330 of the Act without obtaining the prior approval of the Commissioner. The Commissioner, however, reserves the right to require individual filings if he or she deems such filings necessary in the interest of clarity, ease of administration or the public good.

Section 18. Disclaimers of affiliation

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

- (1) The number of authorized, issued and outstanding voting securities of the subject;
- (2) With respect to the person whose control is denied and all affiliates of such person, the 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 shares concerning which there is a right to acquire, directly or indirectly;
- (3) All material relationships and bases for affiliation between the subject and the person whose control is denied and all affiliates of such person;
- (4) A statement explaining why the person should not be considered to control the subject.

Section 19. Transactions subject to prior notice — Notice filing (Form D)

An insurer required to give notice of a proposed transaction pursuant to Section 1341 of the Act shall furnish the required information on Form D, hereby made a part of these regulations.

Section 20. Extraordinary dividends and reporting of all dividends

A. Requests for approval of extraordinary dividends or any other extraordinary distribution to shareholders and the reporting of non-extraordinary dividends declared but not yet paid 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 copy of the calculations determining whether the proposed dividend is extraordinary. The work paper shall include the following information:
 - (a) The amounts, dates and form of payment of all dividends or distributions (including regular dividends but excluding distributions of the insurers own securities) paid within the period of twelve (12) consecutive months ending on the date fixed for payment of the proposed dividend for which approval is sought

- and commencing on the day after the same day of the same month in the last preceding year;
- (b) Surplus as regards policyholders (total capital and surplus) as of the 31st day of December next preceding;
 - (c) If the insurer is a life insurer, the net gain from operations for the 12-month period ending the 31st day of December next preceding;
 - (d) If the insurer is not a life insurer, the net income less realized capital gains for the 12-month period ending the 31st day of December next preceding and the two preceding 12-month periods; and
 - (e) If the insurer is not a life insurer, the dividends paid to stockholders excluding distributions of the insurer's own securities in the preceding two (2) calendar years;
- (5) A balance sheet and statement of income for the period intervening from the last annual statement filed with the Commissioner and the end of the month preceding the month in which the request for dividend approval is submitted; and
- (6) A brief statement as to the effect of the proposed dividend upon the insurer's surplus and the reasonableness of surplus in relation to the insurer's outstanding liabilities and the adequacy of surplus relative to the insurer's financial needs.

B. Subject to Section 1343(4) of the Act, any domestic insurer that is a member of an insurance holding company system and declares a shareholder dividend shall report the dividend to the commissioner within 5 business days after declaring the dividend and at least 10 business days before the payment.

Subject to Section 1343(5) of the Act, an insurer subject to registration under section 1324 of the Act shall not pay any extraordinary dividend or make any other extraordinary distribution to its shareholders until 30 days after the commissioner has received notice of the declaration and has not disapproved or has approved the payment within that period.

C. All filings pursuant to 1343 of the Act, which either report the declaration of all dividends prior to payment or request approval of an extraordinary dividend shall be directed to the attention of the Insurance Bureau's Financial Analysis Division.

Section 21. Adequacy of surplus

The factors set forth in Sections 1341, 1342, 1343, 403 and 436a of the Insurance Code 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.

FORM A

STATEMENT REGARDING THE ACQUISITION OF CONTROL OF OR MERGER
WITH A DOMESTIC INSURER

Name of Domestic Insurer

BY

Name of Acquiring Person(Applicant)

Filed with the Insurance Department of

(State of domicile of insurer being acquired)

Dated: _____, 19__

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

ITEM 1. 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 5 years or for such lesser period as such person and any predecessors thereof shall
have been in existence. 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 interrelationships
among the applicant and all affiliates of the applicant, including the ultimate controlling
person(s). No affiliate need be identified if its total assets are equal to less than 1/2 of 1%
of the total assets of the ultimate controlling person affiliated with the applicant. Indicate
in such chart or listing the percentage of voting securities of each such person which is

owned or controlled by the applicant or by any other such person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing indicate the type of organization (e.g. corporation, trust, partnership), primary business (e.g. holding company, insurance agency, manufacturer) 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 the following with respect to 1) the applicant if she or he is an individual 2) if the applicant is not an individual, all persons who are, or who have been selected to be, directors, executive officers (or others who perform or will perform functions appropriate to those positions), or owners of 10% or more of the voting securities of the applicant, and, 3) in all instances where individuals will be the direct or indirect source of funding for the acquisition:

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

(d) Whether or not such person has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last 10 years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case. Whether or not such person has had any civil judgments against the person resulting in \$25,000 or more in civil fines or penalties or injunctive or other equitable relief.

(e) Upon the request of the Commissioner, individuals shall provide fingerprint cards pursuant to Section 249a for state, multi-state, and federal criminal history record checks.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Describe the nature, source and amount of funds or other considerations used or to be used in effecting the merger or other acquisition of control. Describe any transaction where funds were or are to be obtained for such purpose, including any pledge of the insurer's stock or pledge of the stock of any of its subsidiaries or controlling affiliates. 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, the applicant must specifically request that the identity be kept confidential.

ITEM 5. FUTURE PLANS FOR INSURER

(a) Describe any plans or proposals which the applicant may have for the insurer to declare a dividend, (whether or not extraordinary), to liquidate the insurer, to sell its assets, to merge it with any person or persons, or to make any other material change in its business operations or corporate structure or management.

(b) Provide a 5 year business plan which describes the types of business to be written by the insurer, marketing plan, projected direct, assumed, ceded, and net written premiums by line, pro-forma statutory balance sheets and income statements. Also, describe proposed changes to the insurer's reinsurance program (if any), amount, timing, and type of capital contributions (if any), proposed changes to the insurer's executive officers and directors, and compliance plan with the "books and records in Michigan" requirement of Section 5256.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

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

ITEM 7. OWNERSHIP OF VOTING SECURITIES

State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the

applicant, its affiliates or any person listed in item 3.

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

Give a full description of any contracts, arrangements or understandings with respect to any voting security of the insurer in which the applicant, its affiliates or any person listed in item 3 is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Such description shall identify the persons with whom the contracts, arrangements or understandings have been entered into.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

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

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

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

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

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

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

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

(b) The financial statements shall include the audited annual financial statements of the persons (both corporate and individual) identified in item 2(c), including individuals who are applying to be the ultimate controlling persons, for the preceding 5 fiscal years (or for such lesser period as such applicant and its affiliates and any predecessors thereof shall

have been in existence), and similar information covering the period from the end of such person's last fiscal year as of a date not earlier than 90 days prior to the filing of the statement. The statements may be prepared on either an individual basis, or, unless the Commissioner otherwise requires, on a consolidated basis if consolidated statements are prepared in the usual course of business. The consolidated financial statements shall include the consolidating work sheets.

The annual financial statements of the applicant corporate entity shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the applicant and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the applicant is an insurer which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the Annual Statement of the person filed with the insurance department of the person's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of the 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, managing general agent, controlling producer, or management contracts concerning the insurer, annual reports and proxy statements to the stockholders of the insurer and the applicant for the best two fiscal years, and any additional documents or papers required by Form A forms and instructions Sections 4 and 6.

ITEM 13. SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of Section 1311 of the Ins. Code of 1956, as amended, _____ has caused this application 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 she or he has duly executed the attached application dated _____, 19 __, for and on behalf of (Name of Applicant); that she or he is the (Title of Officer) of such company and that she or he is authorized to execute and file such instrument. Deponent further says that she or he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his or her knowledge, information and belief.

(Signature) _____
(Type or print name beneath) _____

FORM B

**INSURANCE HOLDING COMPANY SYSTEM ANNUAL
REGISTRATION STATEMENT**

Filed with the Insurance Department of the State of _____

BY

Name of Registrant

On behalf of Following Insurance Companies

Name	Address
_____	_____
_____	_____
_____	_____

Dated: _____, 19__

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

ITEM 1. IDENTITY AND CONTROL OF REGISTRANT

Furnish the exact name of each insurer registering or being registered (hereinafter called "the Registrant"), the home office address and principal executive offices of each; 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, including all ultimate controlling persons (whether such persons are individuals, groups of individuals or organizations). No affiliate need be shown if its total assets are equal to less than 1/2 of 1% of the total assets of the ultimate controlling person within the insurance holding company system unless it has assets valued at or exceeding \$1,000,000. 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 control. As to each person specified in the chart or listing indicate the type of organization (e.g., corporation, trust, partnership) and the state or other jurisdiction of domicile.

ITEM 3. THE ULTIMATE CONTROLLING PERSON

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

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

held or owned; for a mutual insurer, the name and address of any person who holds or owns 10% or more of the mutual insurer's surplus through surplus notes, guarantee fund certificates or other evidence of indebtedness;

(g) If court proceedings involving a reorganization or liquidation are pending, for any ultimate or intermediate controlling person, indicate the title and location of the court, the nature of proceedings and the date when commenced.

ITEM 4. BIOGRAPHICAL INFORMATION

Furnish the following information for the directors and executive officers of the ultimate controlling person: the individual's name and address, his or her principal occupation and all offices and positions held during the past 5 years, and any conviction of crimes other than minor traffic violations during the past 10 years. If the ultimate controlling person is an individual, information shall be supplied for the highest intermediate controlling person which is a business entity (corporation, partnership, trust, etc.)

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:

List all headings (a) through (i); if no transaction has occurred or is outstanding, enter "none" under the appropriate heading.

(a) Loans, other investments, or purchases, sales or exchanges of securities of the affiliates by the Registrant or of the Registrant by its affiliates;

(b) Purchases, sales or exchanges of assets;

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

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

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

(f) Reinsurance agreements;

(g) Dividends and other distributions to shareholders;

(h) Consolidated tax allocation agreements; and

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

No information need be disclosed if such information is not material for purposes of Section 1326 of the Act.

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

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

For the first year subsequent to the execution of any agreement or contract listed above, a copy of the signed agreement or contract shall be attached to the Form B as an appendix.

ITEM 6. LITIGATION OR ADMINISTRATIVE PROCEEDINGS

A brief description of any litigation or administrative proceedings of the following types, either then pending or concluded within the preceding fiscal year, to which the ultimate or intermediate 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, or to which any insurer affiliate is or was the subject; give the names of the parties and the court or agency in which the litigation or proceeding is or was pending:

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

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

ITEM 7. STATEMENT REGARDING PLAN OR SERIES OF TRANSACTIONS

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

ITEM 8. FINANCIAL STATEMENTS AND EXHIBITS

- (a) Financial statements and exhibits should be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.
- (b) If a person ultimately or intermediately controlling the insurer is registered on a national stock exchange or is otherwise required to make periodic reports to the United States Securities and Exchange Commission or the government of the United States or of any foreign nation or jurisdiction regulating the financial condition of that person, the insurer shall file copies of such reports as an appendix.
- (c) 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.

Such financial statements may be prepared on either an individual company basis; or, unless the Commissioner otherwise requires, on a consolidated basis with consolidating work sheets if consolidated statements are prepared in the usual course of business. Such financial statements shall be filed no later than June 1 for the immediately preceding year, notwithstanding the May 1 due date for all other Form B information. In such cases, Item 8(a) shall indicate that the financial statement is not attached, but will be forwarded by June 1.

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

(d) If the person or persons ultimately controlling the insurer is an individual or group of individuals who do not meet the exemption criteria of Section 1325(3), that person shall be required to file under oath on a form provided by the Commissioner information disclosing the financial position of that person. The form for financial statements for individuals who are ultimate controlling persons is provided in Exhibit A to the Form B, attached. Financial statements of individuals who are ultimate controlling persons shall be filed no later than June 1 for the immediately preceding year, notwithstanding the May 1 due date for all other Form B information. In such cases, Item 8(a) shall indicate that the statement is not attached, but will be forwarded by June 1.

(e) If the person or persons ultimately controlling the insurer is an individual or group of individuals, the audited financial statements of the highest intermediate controlling person which is a business entity (corporation, partnership, etc.) must be submitted with

the Form B. The audited financial statements shall be as of the most recent fiscal year. Such audited statements shall be filed no later than June 1 for the immediately preceding year, notwithstanding the May 1 due date for all other Form B information. In such cases, Item 8(a) shall indicate that the statement is not attached, but will be forwarded by June 1.

(f) 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 or, if the ultimate controlling person is an individual, the annual report and proxy statement of the highest intermediate controlling person which is a business entity; and any additional documents or papers required by Form B or by Sections 4 and 6 of these forms and instructions.

ITEM 9. FORM C REQUIRED

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

ITEM 10. SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of Section 1325 of the Act, 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__.

(SEAL) _____
Name of Applicant

BY _____
(Name) (Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that she or he has duly executed the attached annual registration statement dated _____, 19 __ , for and on behalf of (Name of Registrant); that she or he is the (Title of Officer) of such company and that she or he is authorized to execute and file such instrument. Deponent further says that she or he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his or her knowledge, information and belief.

(Signature) _____

(Type or print name beneath) _____

If an individual or group of individuals is the registrant's ultimate controlling person, the Form B shall include a signature by the ultimate controlling person(s).

FORM C

SUMMARY OF REGISTRATION STATEMENT

Filed with the Insurance Department of the State of _____

BY

Name of Registrant

On behalf of Following Insurance Companies

Name Address

Date: _____, 19__

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

Furnish a brief description of all items in the current annual registration statement which represent changes from the prior year's annual registration statement. The description shall be in a manner as to permit the proper evaluation thereof by the Commissioner, and shall

include specific references to Item numbers in the annual registration statement and to the terms contained therein.

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

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

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

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

SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

Pursuant to the requirements of Section 1325 of the Act, 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__.

(SEAL) _____
Name of Applicant

BY: _____
(Name) (Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that she or he has duly executed the attached annual registration statement dated _____, 19____, for and on behalf of (Name of Registrant); that she or he is the (Title of Officer) of such company and that she or he is authorized to execute and file such instrument. Deponent further says that she or he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his or her knowledge, information and belief.

(Signature) _____

(Type or print name beneath) _____

FORM D

PRIOR NOTICE OF A TRANSACTION

Filed with the Insurance Department of the State of _____

BY

Name of Registrant

On behalf of Following Insurance Companies

Name	Address
_____	_____
_____	_____
_____	_____

Dated: _____, 19____

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

ITEM 1. IDENTITY OF PARTIES TO TRANSACTION

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

- (a) Name;
- (b) Home office address;
- (c) Principal executive office address;
- (d) The organizational structure, ie. corporation, partnership, individual, trust, etc.;
- (e) A description of the nature of the parties' business operations;
- (f) Relationship, if any, of other parties to the transaction to the insurer filing the notice, including any ownership or debtor/creditor interest by any other parties to the transaction in the insurer seeking approval, or by the insurer filing the notice in the affiliated parties;
- (g) Where the transaction is with a non-affiliate, the name(s) of the affiliate(s) which will receive, in whole or in substantial part, the proceeds of the transaction.

ITEM 2. DESCRIPTION OF THE TRANSACTION

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

- (a) A statement as to whether notice is being given under Section 1341(2), or 1341(3)(a), (b), (c), or (d) of the Act;
- (b) A statement of the nature of the transaction;
- (c) The proposed effective date of the transaction; and
- (d) A copy of the proposed agreement or contract.

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

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

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

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

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

No notice need be given under Section 1341(2) if the maximum amount of the sale, purchase, exchange, loan or extension of credit, or investment, is less than 5% of the insurer's admitted assets as of December 31 of the immediately preceding year.

No notice need be given under Section 1341(3) if the maximum amount of the sale, purchase, exchange, investment, loan, extension of credit or guarantee is less than the lesser of 3% of the insurer's admitted assets or 25% of surplus as regards policyholders, at the immediately preceding year end.

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

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

No notice need be given under Section 1341(2) if the maximum amount of the loan or extension of credit is less than 5% of the insurer's admitted assets as of December 31 of the immediately preceding year.

No notice need be given under Section 1341(3) if the maximum amount of the loan or extension of credit is less than the lesser of 3% of the insurer's admitted assets or 25% of surplus as regards policyholders, at the immediately preceding year end.

ITEM 5. REINSURANCE

If the transaction is a reinsurance agreement or modification thereto, as described by Section 1341(3)(b) 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 and the period of time during which the agreement will be in effect. 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.

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

For management and service agreements, furnish:

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

(b) 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.

ITEM 7. SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of Section 1341(2) or 1341(3) insert as appropriate of the Act, _____ has caused this application 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 she or he has duly executed the attached application dated _____, 19__ , for and on behalf of (Name of Registrant); that she or he is the (Title of Officer) of such company and that she or he is authorized to execute and file such instrument. Deponent further says that she or he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his or her knowledge, information and belief.

(Signature) _____

(Type or print name beneath) _____

If an individual or group of individuals is the registrant's ultimate controlling person, the Form B shall include a signature by the ultimate controlling person(s).

INSTRUCTIONS FOR PREPARING PERSONAL FINANCIAL STATEMENTS FOR ULTIMATE CONTROLLING PERSONS OF INSURANCE COMPANIES

General

These instructions and forms are provided pursuant to Section 1325(3) which states:

If the person or persons ultimately controlling the insurer is an individual or group of individuals or is a person not required to make reports described in subsection (2), that person shall be required to file under oath with the commissioner on a form provided by the commissioner information disclosing the financial position of that person. A person who knowingly misrepresents the financial information provided to the commissioner shall be guilty of a felony and, upon conviction, shall be punished by a fine not to exceed \$5,000.00 or by imprisonment for a term not to exceed 5 years, or by both such fine and imprisonment in the discretion of the court. The ultimate controlling person or persons shall not be required to file a financial position form if either:

- (a) There has not been a change of control of the insurer for a minimum of 5 years and

the insurer maintains a minimum surplus amount of \$25,000,000.00 if the insurer has achieved at least an "A" rating by the A.M. Best company or maintains a minimum surplus of \$75,000,000.00 if the insurer has achieved at least an "A-" rating by the A.M. Best company.

(b) The commissioner accepts the filing made by the ultimate controlling person of the periodic reports that are filed by a person who is an intermediary member within the insurance holding company system between the insurer and the individual or group of individuals controlling the insurer, with the United States securities and exchange commission or other instrumentality of a state or the government of the United States or any foreign nation or jurisdiction regulating the financial conduct of the person.

The first year personal financial statements are prepared, the statements may be for one year and present only the statement of financial condition. For the second year and subsequent years, the financial statements must be comparative (current year and prior year) and must include both a statement of financial condition (balance sheet) and a statement of changes in net worth.

Generally, the assets should be presented at cost and the liabilities should present the total amount owed. Assets could be presented at current value if adequate documentation can be supplied to support the value. For example, assets may be presented at their estimated current value if the amount can be supported by an appraisal, published price, or similar documentation. If independent documentation is not available, the asset must be presented at cost. Each asset greater than 5% of net worth should be reported as a separate line item.

Assets or liabilities are considered material if equal to or greater than 5% of net worth.

The first footnote to the financial statement should describe the individual(s) covered by the financial statement, and describe the basis of presentation.

Investments in marketable securities. An asset is considered a marketable security if it is traded on one of the securities exchanges or over the counter. For all investments greater than 5% of net worth, list the name of the company and its cost. Alternatively, the asset could be reported at its estimated current value. (The current value equals the number of shares multiplied by the market price quoted in the stock section of the newspaper.)

Investments in closely held companies. The statement of financial condition should report the original cost of the asset unless the financial statements of the closely held company are audited.

If the closely held company prepares audited financial statements, the investment may be valued at the net book value (net worth) from recently audited financial statements of the closely held company times the ownership percentage. List the following for each investment greater than 5% of net worth:

The name of the company, the percentage ownership, the nature of the business. Also, give summarized financial information about assets, liabilities, and results of operations for the most recent year based on the financial statements of the business, including information about the basis of presentation (for example, generally accepted accounting principles, income tax basis, or cash basis) and any significant loss contingencies.

Alternatively, the value of the closely held investment may be presented at its estimated current value. The individual must obtain an independent appraisal if reporting the investment at its estimated current value. If the value of the investment is based on an independent appraisal, briefly describe the method of valuation used by the appraiser.

Real estate. Real estate should be reported at cost plus the cost of improvements and be identified as personal residence, vacation home, and/or other (investments). Provide the following information for each investment greater than 5% of net worth:

1. location, (city, state)
2. year acquired
3. state equalized value (or comparable value)

Alternatively, the real estate may be reported at its estimated current value. The individual must obtain an independent appraisal if reporting the investment at its estimated current value. If the value of the investment is based on an independent appraisal, briefly describe the method of valuation used by the appraiser. Provide the following information for each investment greater than 5% of net worth:

1. location, (city, state)
2. year acquired
3. cost
4. current estimated value
5. method of valuation (example: assessed value)

Life insurance. The cash value of life insurance may be reported. Identify the amount, and type of policy.

Personal property. The footnote should disclose household furnishings separate from jewelry, furs, and fine arts.

Write in assets. Provide detail in a footnote to the financial statement.

Credit card debt. The total balance outstanding should be reported.

Mortgages. The total balance outstanding should be reported. Disclose the monthly (or other) installment, interest rate, and maturity date for each material balance outstanding. The property subject to the mortgage should be identified for each material amount.

Other liabilities. Income taxes payable and other amounts due should be reported and material amounts described in the footnotes.

Contingent liabilities. Report as a liability if the liability is likely and reasonably estimable. In all instances, describe the contingent liability in the footnotes.

Estimated income taxes. Estimate the amount of income tax payable for the year.

Write in liabilities. Provide detail in a footnote to the financial statement.

Oath of Ultimate Controlling Person. Provide a signed oath in the format provided.

Alternatively, the statements may be presented in accordance with generally accepted accounting principles. Guidance on the presentation of personal financial statements is contained in the *Personal Financial Statements Guide* (Guide) issued by the American Institute of Certified Public Accountants (AICPA) and the literature, statement of position, and pronouncements upon which the Guide is based. If the Guide, literature, statement of position, and/or pronouncements are revised, amended, or updated after the issuance of these forms and instructions, the latest version should be used. (The specific references in this paragraph are not intended to be all inclusive. All applicable authoritative literature is incorporated by this reference.)

EXHIBIT A

(NAME)

STATEMENT OF FINANCIAL CONDITION

(DATE)

ASSETS

CY PY

Cash

Amounts Receivable
Individual Retirement Accounts
and 401K plans
Investments in Marketable Securities
Investments - list each
Closely Held Business
Real Estate
Cash Value of Life Insurance
Automobiles
Personal Property
Write in assets
Total Assets

LIABILITIES

CY PY

Installment Loans
Credit Cards Debt
Automobile Loan Payable
Mortgages on Real Estate
Outstanding Balance of
Noncancellable Commitments
Income Tax Payable
Contingent liabilities
(describe in footnote)
Total Liabilities
Estimated Income Taxes
Net Worth
(total assets less liabilities
and estimated tax effect)
Total Liabilities and Net Worth

(NAME)

STATEMENT OF CHANGES IN NET WORTH

For the years ended _____

CY PY

Realized increases in net worth
Salary and bonus
Dividends and interest income
Distribution from limited partnership
Gains on sales of marketable securities
Other (describe in footnote)
Total realized increases in net worth
Realized decreases in net worth
Income taxes
Interest expense
Real estate taxes
Personal expenditures
Other (describe in footnote)
Total realized decreases in net worth
Net realized increase (decrease)
in net worth

If applicable:

Unrealized increases in net worth
Marketable securities
Unrealized decreases in net worth
Estimated income taxes on the differences
between the estimated current values of
assets and the estimated current amounts
of liabilities and their tax bases
Net unrealized increase (decrease)
in net worth

Net increase in net worth
Net worth at the beginning of year

Net worth at the end of year

OATH OF ULTIMATE CONTROLLING PERSON

STATE OF MICHIGAN

COUNTY OF _____

I, _____, an ultimate controlling person of _____ (insurer) being duly sworn under oath, state that I have personally reviewed the attached personal financial statements dated as of _____, 199__ and certify pursuant to Section 1325(3) that the information contained therein is current, complete and true.

Signature

Subscribed and sworn to before me this _____, day of _____, 199__.
_____, (Notary Public), County, Michigan.

My Commission expires: _____