

Title 210 -- NEBRASKA DEPARTMENT OF INSURANCE

Chapter 24 -- HOLDING COMPANIES

001. Authority. These regulations are promulgated pursuant to the authority granted by Neb.Rev.Stat. §§44-101.01 and 44-2139.

002. Purpose. The purposes of these regulations are: to set forth rules and procedural requirements which the Director deems necessary to carry out the provisions of the Insurance Holding Company System Act (§§44-2120 through 44-2153 of the Insurance Code hereinafter referred to as "the Act"). The information called for by these regulations is hereby declared to be necessary and appropriate in the public interest and for the protection of policyholders in this State.

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

004. Forms -- General requirements.

004.01 Forms A, B, C, D, and F are intended to be guides in the preparation of statements required by Neb.Rev.Stat. §§44-2120 through 44-2133. 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 so prepared as to indicate to the reader the coverage of items without the necessity of his referring to the text of the items or the instructions thereto. 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.

004.02 Two complete copies of each statement including exhibits and all other papers and documents filed as a part thereof, shall be filed with the Director by personal delivery or mail addressed to: Insurance Director of the State of Nebraska, 941 "O" Street, Suite 400, Lincoln, Nebraska 68508, Attention: Director of Insurance. Alternatively, statements other than the Form A statement required by Neb.Rev.Stat. § 44-2126 may be submitted to the Department via electronic mail. At least one of the copies shall be signed in the manner prescribed on the form. Unsigned copies shall be conformed. If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of such power of attorney or other authority shall also be filed with the statement.

004.03 If an applicant requests a hearing on a consolidated basis under Neb.Rev.Stat. §44-2127(3) of the Act, in addition to filing the Form A with the commissioner, the applicant shall file a copy of Form A with the National Association of Insurance Commissioners (NAIC) in electronic form.

004.04 Statements should be prepared electronically. Statements shall be easily readable and suitable for 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.

005. Forms -- Incorporation by reference, summaries, and omissions

005.01 Information required by any item of Form A, Form B, Form D, 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 F provided such document is filed as an exhibit to the statement. Excerpts of documents may be filed as exhibits if the documents are extensive. Documents already on file with the Director which were filed within three years need not be attached as exhibits.

References to information contained in exhibits or in documents already on file shall clearly identify the material and shall specifically indicate that such material is to be incorporated by reference in answer to the item. Matter shall not be incorporated by reference in any case where such incorporation would render the statement incomplete, unclear or confusing.

005.02 Where an item requires a summary or outline of the provisions of any document, only a brief statement shall be made as to the most important provisions of the document. In addition to such statement, the summary or outline may incorporate by reference particular parts of any exhibit or document on file with the Director which was filed within three years and may be qualified in its entirety by such reference. In any case where two or more documents required to be filed as exhibits are substantially identical in all material respects except as to the parties thereto, the dates of execution, or other details, a copy of only one of such documents need be filed with a schedule identifying the omitted documents and setting forth the material details in which such documents differ from the documents, a copy of which is filed.

006. Forms -- Information unknown or unavailable and extension of time to furnish.

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

006.01A Identifying the information, document or report in question;

006.01B Stating why the filing thereof at the time required is impractical; and

006.01C Requesting an extension of time for filing the information, document or report to a specified date. The request for extension shall be deemed granted unless the Director, within 60 days after receipt thereof, enters an order denying the request.

007. Forms -- Additional information and exhibits. In addition to the information expressly

required to be included in Form A, Form B, Form C, Form D, 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.

008. Forms - Amendments.

008.01 Any amendment for Form A, Form B, Form C, Form D, or Form F shall include on the top of the cover page the phrase:

"Amendment No. _____ to Form _____ of

_____.

Name

Date of Amendment

008.02 The applicant shall promptly advise the Director of any changes in the information so furnished arising subsequent to the date upon which such information was furnished but prior to the Director's disposition of the application.

009. Definitions.

009.01 "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.

009.02 "Foreign insurer" shall mean an insurer as defined in Neb.Rev.Stat. §44-103(3) and shall include an alien insurer except where noted otherwise.

009.03 "Ultimate controlling person" means that person which is not controlled by any other person.

009.04 Unless the context otherwise requires, other terms found in these regulations and in Neb.Rev.Stat. §44-2121 are used as defined in the said Section. Other nomenclature or terminology is according to the Insurance Code, or industry usage if not defined by the Code.

010. Subsidiaries of domestic insurers. The authority to invest in subsidiaries under §44-2122 and §44-2123, is in addition to any authority to invest in subsidiaries which may be contained in any other provision of the Insurance Code.

011. Acquisition of control -- Statement filing. A person required to file a statement pursuant to §44-2126 shall furnish the required information on Form A, hereby made a part of this regulation.

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

013. Acquisition of domestic insurers.

013.01 If the person being acquired is a "domestic insurer" [solely because of the provisions of §44-2126(3)], the name of the domestic insurer on the cover page should be clearly indicated along with the name of the parent holding company, if applicable, as follows:

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

013.02 Where a domestic insurer is being acquired, references to "the insurer" contained in Form A shall refer to both the domestic subsidiary and the person being acquired.

014. Registration of insurers -- Statement filing. An insurer required to file a statement pursuant to §44-2132 shall furnish the required information on Form B, hereby made a part of these regulations.

015. Summary of registration -- Statement filing. An insurer required to file an annual registration statement pursuant to §44-2132, is also required to furnish information required on Form C, hereby made a part of these regulations.

016. Alternative and consolidated registrations.

016.01 Any authorized insurer may file a registration statement on behalf of any affiliated insurer or insurers which are required to register under §44-2132. A registration statement may include information regarding any insurer in the insurance holding company system even if such insurer is not authorized to do business in this State. In lieu of filing a registration statement 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:

016.01A the statement or report contains substantially similar information required to be furnished on Form B;
and

016.01B the filing insurer is the principal insurance company in the insurance holding company system.

016.02 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 simple 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.

016.03 With the prior approval of the Director, an unauthorized insurer may follow any of the procedures which

could be done by an authorized insurer under paragraph 016.01 above.

016.04 Any insurer may take advantage of the provisions of §§44-2132(8) or 44-2132(9) of the Act without obtaining the prior approval of the Director. The Director, however, reserves the right to require individual filings if he deems such filings necessary in the interest of clarity, ease of administration or the public good.

017. Disclaimers and termination of registration.

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

017.01A the number of authorized, issued and outstanding voting securities of the subject;

017.01B 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 such shares concerning which there is a right to acquire, directly or indirectly;

017.01C all material relationships and bases for affiliation between the subject and the person whose control is denied and all affiliates of such person; and

017.01D a statement explaining why such person should not be considered to control the subject.

017.02 A disclaimer of affiliation or a request for termination of registration shall be deemed to have been granted unless the Director, within 30 days after he receives the complete filing, notifies the registrant otherwise.

018. Transactions subject to prior notice -- Notice filing.

018.01 An insurer required to give notice of a proposed transaction pursuant to §44-2133(2) of the Act shall furnish the required information on Form D, hereby made a part of these regulations.

018.02 Agreements for cost sharing services and management services shall at a minimum and as applicable:

018.02A Identify the person providing services and the nature of such services;

018.02B Set forth the methods to allocate costs;

018.02C Require timely settlement, not less frequently than on a quarterly basis, and compliance with the requirements in the Accounting Practices and Procedures Manual;

018.02D Prohibit advancement of funds by the insurer to the affiliate except to pay for services defined in the agreement;

018.02E State that the insurer will maintain oversight for functions provided to the insurer by the affiliate and that the insurer will monitor services annually for quality assurance;

018.02F Define books and records of the insurer to include all books and records developed or maintained under or related to the agreement;

018.02G 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;

018.02H 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;

018.02I Include standards for termination of the agreement with and without cause;

018.02J 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;

018.02K Specify that, if the insurer is placed in receivership or seized by the director under the Nebraska Insurers Supervision, Rehabilitation, and Liquidation Act:

(a) all of the rights of the insurer under the agreement extend to the receiver or director; and

(b) all books and records will immediately be made available to the receiver or the director, and shall be turned over to the receiver or director immediately upon the receiver or the director's request;

018.02L Specify that the affiliate has no automatic right to terminate the agreement if the insurer is placed in receivership pursuant to the Nebraska Insurers Supervision, Rehabilitation, and Liquidation Act; and

018.02M Specify that the affiliate will continue to maintain any systems, programs, or other infrastructure notwithstanding a seizure by the commissioner under the Nebraska Insurers Supervision, Rehabilitation, and Liquidation Act, and will make them available to the receiver, for so long as the affiliate continues to receive timely payment for services rendered.

019. Enterprise risk report. The ultimate controlling person of an insurer required to file an enterprise risk report pursuant to §44-2132(12) shall furnish the required information on Form F, hereby made a part of these regulations.

020. Extraordinary dividends and other distributions. Requests for approval of extraordinary dividends or any other extraordinary distribution to shareholders shall include the following:

020.01 The amount of the proposed dividend;

020.02 The date established for payment of the dividend;

020.03 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;

020.04 A copy of the calculations determining that the proposed dividend is extraordinary. The work paper shall include the following information:

020.04A 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;

020.04B Surplus as regards policyholders (total capital and surplus) as of the 31st day of December next preceding;

020.04C 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;

020.04D 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

020.05E 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.

020.05 A balance sheet and statement of income for the period intervening from the last annual statement filed with the Director and the end of the month preceding the month in which the request for dividend approval is submitted; and

020.06 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

nature and amount of any payments or transfers of assets between the parties; the identity of all parties to such transaction, and delivery of the affidavit portion to the Registrar.

Item 1: Organization or Administration Proceedings.

A brief description of any litigation or administrative proceedings of the following types shall be included 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 or was the subject, give the names of the parties and the court or agency which had jurisdiction or is pending or on appeal.

(1) Criminal prosecution or administrative proceedings by any government agency or authority which may have a material effect upon the safety or soundness of the ultimate holding company including, but not necessarily limited to, bankruptcy, receivership or other corporate reorganizations.

Item 2: Statement Regarding Plans or Schemes of Transactions.

The issuer shall furnish a statement that transactions entered into since the filing of the prior year annual registration statement are any part of a plan or series of like transactions, the purpose of which is to avoid statutory disclosure amounts and the review that might otherwise result.

Item 3: Financial Statements and Exhibits.

(1) Financial statements and exhibits should be attached to this statement as an appendix, but not under their true financial statements and exhibits so attached.

(2) 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 or the insurance holding company issuer as of the end of the person's latest fiscal year.

If at the time of the initial registration, the annual financial statements for the latest fiscal year are not available, annual statements for the previous fiscal year may be filed and similar financial information shall be filed for any subsequent period to the extent such information is available. Such financial statements may be prepared on either an individual basis, or unless the Director otherwise requires, on a consolidated basis of such consolidated statements are prepared on the usual course of business.

Other than with respect to the foregoing, such financial statements shall be filed in a standard form and format adopted by the National Association of Insurance Commissioners, unless an alternate form is accepted by the Director.

Documentation and financial statements filed with the Securities and Exchange Commission or similar GAAP financial statements shall be deemed to be an agreement from the issuer.

Unless the Director otherwise permits, the annual financial statements shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the ultimate controlling person and the results of its operations for the year that ended in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or prescribed under law. If the ultimate controlling person is an issuer which is actively engaged in the business of insurance, the annual financial statements shall be certified, provided they are based on the annual financial statements of such issuer filed with the Department of the Insurer's domiciliary State and are in accordance with requirements of insurance or other accounting principles prescribed or prescribed under the law and regulations of such State.

Any ultimate controlling person who is an individual may file personal financial statements that are reviewed either after the audit by an independent public accountant. The review shall be conducted in accordance with standards for review of personal financial statements published by the Financial Accounting Standards Board by the American Institute of Certified Public Accountants. Personal financial statements shall be accompanied by the independent public accountant's individual income tax return which shall be audited in accordance with any material modifications that should be made to the financial statements to take into the financial statements to be in conformity with generally accepted accounting principles.

(3) Exhibits shall include copies of the latest annual report to shareholders of the ultimate controlling person and proxy material used by the ultimate controlling person, and any additional documents or papers required by Form D or 210 NAB, Admin. R. & Regs. 24.03 and 24.05.

Item 5: Form C Required.

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

Item 10: Signature and Certification.

Signature and certification of the firms as follows:

SIGNATURE

Pursuant to the requirements of §§4-2132 and 210 NAB, Admin. R. & Regs. 24, the Registrant has caused the registration statement to be duly signed on its behalf in the City of _____ and State of _____ on the _____ day of _____, 20____.

_____ and State of _____ on the _____ day of _____, 20____.

(Title)

(Name of Registrant)

By _____
(Name) (Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and swears that (s)he has duly executed the attached registration statement dated _____, 20____, for and on behalf of _____, that (s)he is the _____ of such _____ (Name of Company) _____ (Title of Officer).

The undersigned deposes and swears that (s)he has the authority to execute and file this statement, and that the facts therein set forth are true to the best of (s)he knowledge, information and belief.

(Signature)

(Type or print name hereinafter.)

FORM C SUMMARY OF CHANGES TO REGISTRATION STATEMENT

Filed with the Insurance Department of the State of _____

BY _____
(Name of Registrant)

On behalf of the following insurance companies:
Name _____ Address _____

Date: _____, 20____.

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

Furnish a brief description of all items in the current annual registration statement which represent changes from the prior year's annual registration statement. The description shall be in a manner as to permit the proper evaluation thereof by the Director, and shall include specific reference to item numbers in the annual registration statement and to the items contained therein.

FORM C

Changes occurring under Item 2 of Form B insofar as changes in the percentage of such class of voting securities held by each affiliate is concerned, shall be included when such changes are ones which result in an increase or decrease of 10 percent or more of voting securities, but not in excess of 20 percent of the total number of shares of such class.

Changes occurring under Item 3 of Form B insofar as changes in an individual is, for the first time, made a director or executive officer of the ultimate controlling person, a director or executive officer, limited liability or his responsibilities with the ultimate controlling person, or in the event an individual is named president of the ultimate controlling person.

If a transaction disclosed on the prior year's annual registration statement has been changed the nature of such change shall be included. If a transaction disclosed on the prior year's annual registration statement has been effected through the mode of completion and any first of funds between affiliate resulting from the transaction.

The issuer 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 is to avoid statutory disclosure amounts and the review that might otherwise result.

SIGNATURE AND CERTIFICATION

Pursuant to the requirements of §§4-2132 and 210 NAB, Admin. R. & Regs. 24, the Registrant has caused the summary of registration statement to be duly signed on its behalf in the City of _____ and State of _____ on the _____ day of _____, 20____.

(Name of Registrant)

By _____
(Name) (Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and swears that (s)he has duly executed the attached summary of registration statement dated _____, 20____, for and on behalf of _____, that (s)he is the _____ of such _____ (Name of Company) _____ (Title of Officer).

The undersigned deposes and swears that (s)he is authorized to execute and file this statement, and that the facts therein set forth are true to the best of (s)he knowledge, information and belief.

(Signature)

(Type or print name hereinafter.)

FORM D PROXY NOTICE OF A TRANSACTION

Filed with the Insurance Department of the State of _____

BY _____
(Name of Registrant)

On behalf of the following insurance companies:
Name _____ Address _____

Date: _____, 20____.

Name, Title, Address and Telephone Number of Individual to Whom Notice 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.

(1) Principal executive officer address;

(2) The organizational structure, i.e., corporation, partnership, individual, trust, etc.;

(3) A description of the nature of the parties business operations;

(4) Relationship, if any, of either party to the issuer at the time of the transaction, including any ownership or director status owned by any party to the transaction in the issuer including approval, or by the issuer filing the notice to the affiliated parties; and

(5) When the transaction is with a non-affiliate, the names of the affiliates 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:

(1) A statement as to whether notice is being given under §§4-2132(a)(1), (3), (4), (5) or (6);

(2) A statement of the nature of the transaction;

(3) A statement of how the transaction meets the "fair and reasonable" standard of §§4-2133(a)(1) and (2);

(4) The proposed effective date of the transaction.

Item 3: Fees, Payments, Indebtedness, Loans, Extension of Credit, Guarantees or Payments.

Furnish a brief description of the amount and nature of fees, securities, property or other consideration for the sale, purchase, exchange, loan, extension of credit, guarantee, or investment, whether any provision exists for payment by the issuer filing notice, by any party to the transaction, or any affiliate of the issuer 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 consideration other than cash, furnish a description of the consideration in cash and in fair market value, together with an explanation of the basis for the valuation.

If the transaction involves a loan, extension of credit or a guarantee, furnish a description of the maximum amount which the issuer will be obligated to make available under such loan, extension or credit or guarantee, the date on which the credit or guarantee will terminate, and any provisions for the amount of or default 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 extension or renewal of such investments, guarantees or arrangements. Furnish a brief statement as to the effect of the transaction upon the issuer's surplus.

No notice need be given if the maximum amount which can at any time be outstanding or for which the issuer can be legally obligated to loan, extension of credit or guarantee is less than (1) the case of a public holding, the lesser of 1% of the issuer's authorized stock or 25% of surplus in respect to public-holdings or (2) in the case of life insurance, 1% of the issuer's admitted stock, each as of the 15th day of December next preceding.

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 purpose 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 stock of, or to make investments in any affiliate of the issuer and to such loans or extensions of credit, and specify in what manner the proceeds are to be used to loan to, extend credit to, purchase stock of, or make investments in any affiliate. Describe the amount and nature of fees, securities, property or other consideration for the loan or extension of credit and of the transaction, in any involving consideration other than cash, a description of its cost and its fair market value together with an explanation of the basis for valuation. Furnish a brief statement as to the effect of the transaction upon the issuer's surplus.

No notice need be given if the loan or extension of credit is one which equals less than, in the case of publicly insured, the lesser of 1% of the issuer's authorized stock or 25% of surplus in respect to public-holdings or, with respect to life insurance, 1% of the issuer's admitted stock, each as of the 15th day of December next preceding.

Item 5: Extension.

If the transaction is a guarantee agreement or modification thereof, as described by §§4-2132(a)(1), furnish a description of the terms and/or estimated amount of liability to be coded and/or assumed in such related loan, the period of time during which the agreement will be in effect, and a statement whether an agreement or understanding exists between the issuer 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 issuer's affiliates. Furnish a brief description of the consideration involved in the transaction, and a brief statement as to the effect of the transaction upon the issuer's surplus.

No notice need be given for guarantee agreements or modification thereof if the extension agreement or change in the issuer's liability, or the proposed extension agreement or change in the issuer's liability in any of the next three years, in connection with the extension agreement or modification thereof is less than 1% of the issuer's surplus in respect to public-holdings, or of the 15th day of December next preceding. Notice shall be given for all extension pending agreements including modifications thereof.

Item 6: Management Agreements, Service Agreements and Cost-Sharing Arrangements.

For management and service agreements, furnish:

(1) A brief description of the manager's responsibilities, or services to be performed, and

(2) A brief description of the agreement, including a statement of an director, together with brief description of the basis for compensation and the terms under which payment or compensation is to be made.

For cost-sharing arrangements, furnish:

(1) A brief description of the nature of the agreement.

(2) A description of the period of time during which the agreement is to be in effect.

(3) A brief description of each party's expenses or costs covered by the agreement.

(4) A brief description of the accounting basis to be used in allocating each party's costs under the agreement.

(5) A brief statement as to the effect of the transaction upon the issuer's pro-posed surplus.

(6) A statement regarding the cost allocation methods that specify whether proposed charges are based on "cost or cost-plus" or "market-based" amounts for using market instead of cost, including justification for the company's determination that amounts are fair and reasonable; and

(7) A statement regarding compliance with the NAIC Accounting Practices and Procedures Manual regarding expense allocation.

Item 7: Signature and Certification.

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of §§4-2132 and 210 NAB, Admin. R. & Regs. 24, _____ has caused the notice to be duly signed on its behalf in the City of _____ and State of _____ on the _____ day of _____, 20____.

(Name)

By _____
(Name) (Title)

Attest:

(Signature of Officer)

(Title)

FORM E INTEROFFICE REPORT

Filed with the Insurance Department of the State of _____

BY _____
(Name of Registrant)

On behalf of the following insurance companies:
Name _____ Address _____

Date: _____, 20____.

Name, Title, Address and Telephone Number of Individual to Whom Notice 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 NAB/NAIC Form 211(a), provided such information is not disclosed in the Insurance Holding Company System Annual Registration Statement filed on behalf of such or another issuer for which it is the ultimate controlling person:

- 4) Any material developments regarding strategy, internal audit findings, compliance or risk management affecting the insurance holding company system.
- 5) Acquisition or disposal of insurance entities and restructuring of existing financial or insurance entities within the insurance holding company system.
- 6) Any changes of shareholders of the insurance holding company system exceeding ten percent (10%) or more of voting securities.
- 6) Developments in various investigations, regulatory activities or litigation that may have a significant bearing or impact on the insurance holding company system.
- 8) Business plan of the insurance holding company system and summarized strategies for next 12 months.
- 7) Identification of material concerns of the insurance holding company system raised by supervisory colleges, if any, in last year.
- 9) Identification of insurance holding company system capital resources and material distribution patterns.
- 8) 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 financial strength ratings assessment of the insurance holding company system (including both the rating score and outlook).
- 9) Information on corporate or personal guarantees throughout the holding company and the expected source of liquidity should such guarantees be called upon; and
- 10) Identification of any material activity or development of the insurance holding company system that, in the opinion of senior management, could adversely affect the insurance holding company system.

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