

Prior Notice of a Transaction (Form D)

1. Submit an original plus two (2) copies.
2. Statement of explanation or the purpose of the transaction.
3. Filing(s) of reinsurance agreement(s) need to include pre and post [UCAA Proforma Financial Statements](#) with RBC
4. Filing(s) of service agreement(s) should include:
 - a. three (3) year projection of fees; and
 - b. an indemnification provision. An example of the wording for the indemnification provision is provided below.

“XYZ agrees to hold harmless, indemnify and defend the Company, its officers, directors and employees from and against any financial loss or any actual or threatened suits, claims, fines, attorneys’ fees, penalties, judgments, damages or awards, provided said action or amount is the result of XYZ’s negligence. The indemnification provisions shall survive the termination of this agreement.”

The information requested in the preceding should be delivered to the following:

Chief Financial Examiner
Indiana Department of Insurance
311 West Washington Street, Suite 103
Indianapolis, Indiana 46204-2787

Any questions may be directed to:

Life & Health, Fraternal, HMO & LSHMO

Amanda Denton
adenton@idoi.in.gov
(317) 232-1369

P & C and Title

Pam Walters
pwalters@idoi.in.gov
(317) 232-5331

FORM D
PRIOR NOTICE OF A TRANSACTION
Filed with the
INDIANA INSURANCE COMMISSIONER
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 notices and correspondence concerning this Statement should be addressed:

FORM D

Item 1. Identity of Parties to Transaction

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

- (1) Name.
- (2) Home office address.
- (3) Principal executive office address.
- (4) The organizational structure, i.e., corporation, partnership, individual, trust, etc.
- (5) A description of the nature of the parties' business operations.
- (6) 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.
- (7) Where the transaction is with a non-affiliate, the name(s) of the affiliate 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 IC 27-1-23-4(b)(1), IC 27-1-23-4(b)(2), IC 27-1-23-4(b)(3), IC 27-1-23-4(b)(4), or IC 27-1-23-4(b)(5).
- (2) A statement of the nature of the transaction.
- (3) A statement of how the transaction meets the "fair and reasonable" standard set forth in IC 27-1-23-4(a)(1).
- (4) The proposed effective date of the transaction.

Item 3. Sales, Purchases, Exchanges, Loans, Extensions of Credit, Guarantees, or Investments

(a) 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 the 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 the evaluation.

(b) 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.

(c) 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.

(d) No notice need be given if the maximum amount which can at any time be outstanding or for which the insurer can be legally obligated under the loan, extension of credit, or guarantee is less than:

(1) in the case of non-life insurers, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders; or

(2) in the case of life insurers, three percent (3%) of the insurer's admitted assets;

each as of the December 31 next preceding.

Item 4. Loans or Extensions of Credit to a Non-affiliate

(a) 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.

(b) No notice need be given if the loan or extension of credit is less than:

(1) in the case of non-life insurers, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders; or

(2) with respect to life insurers, three percent (3%) of the insurer's admitted assets;

each as of the December 31 next preceding.

Item 5. Reinsurance

(a) If the transaction is a reinsurance agreement or modification thereto, or a reinsurance pooling agreement or modification thereto, as described by IC 27-1-23-4(b)(3), furnish a description of the known and/or estimated amount of liability to be ceded and/or assumed, the period of time during which the agreement will be in effect, and a statement whether an agreement or understanding exists between the insurer and non-affiliate to the effect that any portion of the assets constituting the consideration for the agreement will be transferred to one (1) or more of the insurer's affiliates. Furnish a brief description of the consideration involved in the transaction and a brief statement as to the effect of the transaction upon the insurer's surplus.

(b) No notice need be given for reinsurance agreements or modifications thereto if the reinsurance premium or change in the insurer's liabilities, or the projected reinsurance premium or change in the insurer's liabilities in any of the next three (3) years, in connection with the reinsurance agreement or modification thereto is less than five percent (5%) of the insurer's surplus as regards policyholders, as of the December 31 next preceding. Notice shall be given for all reinsurance pooling agreements including modifications thereto.

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

(a) For management and service agreements, furnish the following:

(1) A brief description of the managerial responsibilities or services to be performed.

(2) A brief description of the agreement or contract, 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.

(b) For cost-sharing arrangements, furnish the following:

- (1) A brief description of the purpose 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 calculating each party's costs under the agreement.
- (5) A brief statement as to the effect of the transaction upon the insurer's policyholder surplus.
- (6) A statement regarding the cost allocation methods that specifies whether proposed charges are based on "cost or market". If market based, the statement must include the rationale for using market instead of cost, including justification for the company's determination that amounts are fair and reasonable.
- (7) A statement regarding compliance with the NAIC Accounting Practices and Procedure Manual regarding expense allocation.

Item 7. Signature and Certification

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of IC 27-1-23-4 and Regulations promulgated by the Indiana Insurance Commissioner, (Name of Applicant) has caused this Statement to be duly signed on its behalf in the City of _____ and State of _____ on the ____ day of _____, 20 ____.

(SEAL)

(Name of Applicant)

By

Name

Title

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that he or she has duly executed the attached Statement dated _____, 19 20 ____, for and on behalf of (Name of Applicant), and that he or she is authorized to execute and file such instrument. Deponent further says that he or she 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)_____