**Section 751.20 Definitions**

a) The term *"compiles insurance statistics"* as used in Article VII-A includes but is not limited to:

1) Classifying risks for statistical purposes;

2) Obtaining statistical data from members, subscribers, service purchasers or any source;

3) Combining, collating, comparing and analyzing statistical data;

4) Preparing pure premiums, loss ratios, hazard analysis, risk analysis, classifications of municipal fire defenses and other information relating to past and prospective loss experience.

b) The term *"prepares insurance policies, bond forms, and underwriting rules"* as used in Article VII-A, includes but is not limited to such functions as:

1) Consulting with members, subscribers and service purchasers relative to the preparation, use and application of policy forms and endorsements;

2) Obtaining information from members, subscribers and service purchasers relative to the preparation of underwriting rule manuals, statistical plans, classifications and other schedules.

c) The term *"activities of advisory organization"* as used in Article VII-A includes, in addition to primary functions, other permitted related functions such as:

1) Conducting research in regard to matters that could or reasonably might affect the proper use of historical statistics in determining future courses of action by members or subscribers;

2) Conducting inspections and other fact gathering activities that would permit the application of statistics to individual risks and particular geographical areas;

3) Conducting audit services for members, subscribers and service purchasers on the basis of their specific instructions;

4) Consultation with insureds, or prospective insureds of members, subscribers and service purchasers relative to coverages, construction, fire protection and other matters relating to fire hazards;

5) Consultation with municipal officials regarding municipal fire protection as it would affect members, subscribers and service purchasers;

6) Assisting members and subscribers and service purchasers in the application of statistical information, provided, however, that such services are not contingent upon the submission of relevant information to the advisory organization.

d) The term *"furnishes that which it compiles and prepares to insurance companies who are its only members and subscribers"* as used in Article VII-A includes but is not limited to such functions as:

1) Publishing and otherwise distributing statistical data and information compiled and prepared through its primary functions and its permitted activities, for use by members, subscribers and service purchasers, and others, including municipalities;

2) Providing electronic data processing or other related assistance to members, subscribers and service purchasers for the compilation, collation, comparison and analyzation of statistical data; and

3) Acting as filing and/or statistical agent relative to any material which it prepares, publishes or otherwise distributes to members, subscribers, service purchasers or others, and which may be required to be filed by the Director.

e) The term *"any group, association or organization of admitted companies which engages in joint underwriting or joint reinsurance"* as used in Article VII-A includes a joint underwriting or joint reinsurance arrangement or transaction by two or more admitted companies with respect to any single risk, regardless or whether such companies are or are not members of a formal group, association or organization.

f) The term *"allow admitted companies who are not members or subscribers to the organization to purchase the same services of such organization as are made available to members and subscribers without discrimination as respects costs to members and subscribers"* as used in Article VII-A, requires advisory organizations to sell their services to non-member, non-subscriber admitted companies (service purchasers) at the same cost charged members and subscribers.

g) The term *"permit any admitted company to become a member of or a subscriber to such organization at a reasonable cost and without discrimination, or to withdraw therefrom"* as used in Article VII-A, requires advisory organizations to permit admitted companies to become members or subscribers at a reasonable cost based upon a schedule or formula that would not affect a company large or small unfairly.

h) The term *"subject to the provisions of this Article two or more companies are authorized to act in concert with each other and with others with respect to any activities of an advisory organization as authorized in the Article"* taken in conjunction with the term, *Any group, association or organization of admitted companies which engages in joint underwriting or joint reinsurance through any group, association or organizations or by standing agreement among the members of such organization, which has complied with the applicable provision of this Article, are authorized to conduct joint reinsurance and joint underwriting activities relative to individual risks in this State* as used in Article VII-A authorizes:

1) Two or more companies engaging in authorized joint underwriting and joint reinsurance to act in concert with each other and with others with regard to those activities which are authorized for advisory organizations under Article VII-A and Part 751.

2) The joint underwriting activities of companies engaged in authorized joint underwriting to include in addition, acting in concert with each other and with others with regard to any matters pertaining to the making of rates or rating systems subject to Article VII-A and Section 478.1 of the Act and Part 751 Rules.

3) The joint underwriting activities relative to individual risks in this State to include the making of rates or the establishing of rating systems for improvements on real property.

i) The term *"In examining any organization pursuant to this section"*, as used in Section 123A-13 of Article VII-A includes the examination of joint underwriting and joint reinsurance groups, associations or organizations of companies, or any company.

j) The term *"admitted company"* as used in Article VII-A includes all companies permitted by the laws of this State to write the kinds of insurance to which Article VII-A applies.

k) The term *"company or companies"*, as used in Article VII-A means an admitted insurance company which may or may not be a member, subscriber or service purchaser of an advisory organization or which may or may not be a part of any group, association or organization of joint underwriters and joint reinsurers.