

CHAPTER 7  
DOMESTIC STOCK INSURERS PROXIES

PROXY REGULATIONS

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[Prior to 10/22/86, Insurance Department[510]]

**191—7.1(523) Application of regulation.** This regulation is applicable to all domestic stock insurers having 100 or more stockholders; provided, however, that this regulation shall not apply to any insurer if 95 percent or more of its stock is owned or controlled by a parent or an affiliated insurer and the remaining shares are held by less than 500 stockholders. A domestic stock insurer which files with the Securities and Exchange Commission forms of proxies, consents and authorizations complying with the requirements of the Securities and Exchange Act of 1934 and the Securities and Exchange Acts Amendments of 1964 and regulation X-14 of the Securities and Exchange Commission promulgated thereunder shall be exempt from the provisions of this regulation.

**191—7.2(523) Proxies, consents and authorizations.** No domestic stock insurer, or any director, officer or employee of such insurer subject to 7.1(523) hereof, or any other person, shall solicit, or permit the use of the person's name to solicit, by mail or otherwise, any proxy, consent or authorization in respect of any stock of such insurer in contravention of this regulation and Schedules A and B hereto annexed and hereby made a part of this regulation.

**191—7.3(523) Disclosure of equivalent information.** Unless proxies, consents or authorizations in respect of a stock of a domestic insurer subject to 7.1(523) hereof are solicited by or on behalf of the management of such insurer from the holders of record of stock of such insurer in accordance with this regulation and the schedules thereunder prior to any annual or other meeting, such insurer shall, in accordance with this regulation and such further regulations as the commissioner may adopt, file with the commissioner, and transmit to all stockholders of record information substantially equivalent to the information which would be required to be transmitted if a solicitation were made.

**191—7.4(523) Definitions.**

**7.4(1)** The definitions and instructions set out in Schedule SIS, as promulgated by the National Association of Insurance Commissioners, shall be applicable for purposes of this regulation.

**7.4(2)** The terms "solicit" and "solicitation" for purposes of this regulation shall include:

- a. Any request for proxy, whether or not accompanied by or included in a form of proxy; or
- b. Any request to execute or not to execute, or to revoke, a proxy; or
- c. The furnishing of a proxy or other communication to stockholders under circumstances reasonably calculated to result in the procurement, withholding or revocation of a proxy.

**7.4(3)** The terms "solicit" and "solicitation" shall not include:

- a. Any solicitation by a person in respect of stock of which the person is the beneficial owner;
- b. Action by a broker or other person in respect to stock carried in that person's name or in the name of that person's nominee in forwarding to the beneficial owner of such stock soliciting material received from the company, or impartially instructing such beneficial owner to forward a proxy to the person, if any, to whom the beneficial owner desires to give a proxy, or impartially requesting instructions from the beneficial owner with respect to the authority to be conferred by the proxy and stating that a proxy will be given if the instructions are received by a certain date;
- c. The furnishing of a form of proxy to a stockholder upon the unsolicited request of such stockholder, or the performance by any person of ministerial acts on behalf of a person soliciting a proxy.

**191—7.5(523) Information to be furnished to stockholders.**

**7.5(1)** No solicitation subject to this regulation shall be made unless each person solicited is concurrently furnished or has previously been furnished with a written proxy statement containing the information specified in Schedule A.

**7.5(2)** If the solicitation is made on behalf of the management of the insurer and relates to an annual meeting of stockholders at which directors are to be elected, each proxy statement furnished pursuant to 7.5(1) hereof shall be accompanied or preceded by an annual report (in preliminary or final form) to such stockholders containing such financial statements for the last fiscal year as are referred to in Schedule SIS under the heading "Financial Reporting to Stockholders." Subject to the foregoing requirements with respect to financial statements, the annual report to stockholders may be in any form deemed suitable by the management.

**7.5(3)** Two copies of each report sent to the stockholder pursuant to this rule shall be mailed to the commissioner not later than the date on which such report is first sent or given to stockholders or the date on which preliminary copies of solicitation material are filed with the commissioner pursuant to 7.7(1), whichever date is later.

**191—7.6(523) Requirements as to proxy.**

**7.6(1)** The form of proxy (*a*) shall indicate in bold-face type whether or not the proxy is solicited on behalf of the management, (*b*) shall provide a specifically designated blank space for dating the proxy, and (*c*) shall identify clearly and impartially each matter or group of related matters intended to be acted upon, whether proposed by the management, or stockholders. No reference need be made to proposals as to which discretionary authority is conferred pursuant to 7.6(3) hereof.

**7.6(2)** Means shall be provided in the proxy for the person solicited to specify by ballot a choice between approval or disapproval of each matter or group of related matters referred to therein, other than elections to office. A proxy may confer discretionary authority with respect to matters as to which a choice is not so specified if the form of proxy states in bold-face type how it is intended to vote the shares or authorization represented by the proxy in each such case.

**7.6(3)** A proxy may confer discretionary authority with respect to other matters which may come before the meeting, provided the persons on whose behalf the solicitation is made are not aware a reasonable time prior to the time the solicitation is made that any other matters are to be presented for action at the meeting and provided further that a specific statement to that effect is made in the proxy statement or in the form of proxy.

**7.6(4)** No proxy shall confer authority (*a*) to vote for the election of any person to any office for which a bona fide nominee is not named in the proxy statement, or (*b*) to vote at any annual meeting other than the next annual meeting (or any adjournment thereof) to be held after the date on which the proxy statement and form of proxy are first sent or given to stockholders.

**7.6(5)** The proxy statement or form of proxy shall provide, subject to reasonable specified conditions, that the proxy will be voted and that where the person solicited specifies by means of ballot provided pursuant to 7.6(2) hereof a choice with respect to any matter to be acted upon, the vote will be in accordance with the specifications so made.

**7.6(6)** The information included in the proxy statement shall be clearly presented and the statements made shall be divided into groups according to subject matter, with appropriate headings. All printed proxy statements shall be clearly and legibly presented.

**191—7.7(523) Material required to be filed.**

**7.7(1)** Two preliminary copies of the proxy statement and form of proxy and any other soliciting material to be furnished to stockholders concurrently therewith shall be filed with the commissioner at least ten days prior to the date definitive copies of such material are first sent or given to stockholders, or such shorter period prior to that date as the commissioner may authorize upon a showing of good cause therefor.

**7.7(2)** Two preliminary copies of any additional soliciting material relating to the same meeting or subject matter to be furnished to stockholders subsequent to the proxy statements shall be filed with

the commissioner at least two days (exclusive of Saturdays, Sundays or holidays) prior to the date copies of this material are first sent or given to stockholders or a shorter period prior to such date as the commissioner may authorize upon a showing of good cause therefor.

**7.7(3)** Two definitive copies of the proxy statement, form of proxy and all other soliciting material, in the form in which this material is furnished to stockholders, shall be filed with, or mailed for filing to, the commissioner not later than the date such material is first sent or given to the stockholders.

**7.7(4)** Where any proxy statement, form of proxy or other material filed pursuant to these rules is amended or revised, two of the copies shall be marked to clearly show such changes.

**7.7(5)** Copies of replies to inquiries from stockholders requesting further information and copies of communications which do no more than request that forms of proxy theretofore solicited be signed and returned need not be filed pursuant to this rule.

**7.7(6)** Notwithstanding the provisions of 7.7(1) and 7.7(2) hereof and of 7.10(5), copies of soliciting material in the form of speeches, press releases and radio or television scripts may, but need not, be filed with the commissioner prior to use or publication. Definitive copies, however, shall be filed with or mailed for filing to the commissioner as required by 7.7(3) hereof not later than the date such material is used or published. The provisions of 7.7(1) and 7.7(2) hereof and 7.10(5) shall apply, however, to any reprints or reproductions of all or any part of such material.

**191—7.8(523) False or misleading statements.** No solicitation subject to this regulation shall be made by means of any proxy statement, form of proxy, notice of meeting, or other communication, written or oral, containing any statement which at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading.

**191—7.9(523) Prohibition of certain solicitations.** No person making a solicitation which is subject to this regulation shall solicit any undated or postdated proxy or any proxy which provides that it shall be deemed to be dated as of any date subsequent to the date on which it is signed by the stockholder.

**191—7.10(523) Special provisions applicable to election contests.**

**7.10(1) Applicability.** This rule shall apply to any solicitation subject to this regulation by any person or group for the purpose of opposing a solicitation subject to this regulation by any other person or group with respect to the election or removal of directors at any annual or special meeting of stockholders.

**7.10(2) Participant or participant in a solicitation.**

*a.* For purposes of this rule the term “participant” and “participant in a solicitation” include: (1) The insurer; (2) any director of the insurer, and any nominee for whose election as a director proxies are solicited; (3) any other person, acting alone or with one or more other persons, committees or groups, in organizing, directing or financing the solicitation.

*b.* For the purposes of this rule the term “participant” and “participant in a solicitation” do not include: (1) A bank, broker or dealer who, in the ordinary course of business, lends money or executes orders for the purchase or sale of stock and who is not otherwise a participant; (2) any person or organization retained or employed by a participant to solicit stockholders or any person who merely transmits proxy-soliciting material or performs ministerial or clerical duties; (3) any person employed in the capacity of attorney, accountant or advertising, public relations or financial adviser, and whose activities are limited to the performance of the person’s duties in the course of such employment; (4) any person regularly employed as an officer or employee of the insurer or any of its subsidiaries or affiliates who is not otherwise a participant; or (5) any officer or director of, or any person regularly employed by any other participant, if such officer, director, or employee is not otherwise a participant.

**7.10(3) Filing of information required by Schedule B.**

*a.* No solicitation subject to this rule shall be made by any person other than the management of an insurer unless at least five business days prior thereto, or such shorter period as the commissioner may

authorize upon a showing of good cause therefor, there has been filed, with the commissioner by or on behalf of each participant in such solicitation a statement in duplicate containing the information specified by Schedule B and a copy of any material proposed to be distributed to stockholders in furtherance of such solicitation. Where preliminary copies of any materials are filed, distribution to stockholders should be deferred until the commissioner's comments have been received and complied with.

*b.* Within five business days after a solicitation subject to this rule is made by the management of an insurer, or such longer period as the commissioner may authorize upon a showing of good cause therefor, there shall be filed with the commissioner by or on behalf of each participant in such solicitation, other than the insurer, and by or on behalf of each management nominee for director, a statement in duplicate containing the information specified by Schedule B.

*c.* If any solicitation on behalf of a management or any other person has been made, or if proxy material is ready for distribution, prior to a solicitation subject to this rule in opposition thereto, a statement in duplicate containing the information specified in Schedule B shall be filed with the commissioner by or on behalf of each participant in such prior solicitation, other than the insurer, as soon as reasonably practicable after the commencement of the solicitation in opposition thereto.

*d.* If, subsequent to the filing of the statements required by paragraphs "a," "b" and "c" of this subrule, additional persons become participants in a solicitation subject to this rule, there shall be filed with the commissioner by or on behalf of each such person, a statement in duplicate containing the information specified by Schedule B, within three business days after such person becomes a participant, or such longer period as the commissioner may authorize upon a showing of good cause therefor.

*e.* If any material change occurs in the facts reported in any statement filed by or on behalf of any participant, an appropriate amendment to such statement shall be filed promptly with the commissioner.

*f.* Each statement and amendment thereto filed pursuant to this paragraph shall be part of the public files of the commissioner.

**7.10(4)** *Solicitations prior to furnishing required written proxy statement.* Notwithstanding the provisions of 7.5(1), a solicitation subject to this rule may be made prior to furnishing stockholders a written proxy statement containing the information specified in Schedule A with respect to such solicitation, provided that:

*a.* The statements required by 7.10(3) hereof are filed by or on behalf of each participant in such solicitation.

*b.* No form of proxy is furnished to stockholders prior to the time the written proxy statement required by 7.5(1) is furnished to such persons. Provided, however, that this paragraph "b" shall not apply where a proxy statement then meeting the requirements of Schedule A has been furnished to stockholders.

*c.* At least the information specified in paragraphs "b" and "c" of the statements required by 7.10(3) hereof to be filed by each participant, or an appropriate summary thereof, are included in each communication sent or given to stockholders in connection with the solicitation.

*d.* A written proxy statement containing the information specified in Schedule A with respect to a solicitation is sent or given stockholders at the earliest practicable date.

**7.10(5)** *Solicitations prior to furnishing required written proxy statement—Filing requirements.* Two copies of any soliciting material proposed to be sent or given to stockholders prior to the furnishing of the written proxy statement required by 7.5(1) shall be filed with the commissioner in preliminary form at least five business days prior to the date definitive copies of such material are first sent or given to such persons, or shorter period as the commissioner may authorize upon a showing of good cause therefor.

**7.10(6)** *Application of this section to report.* Notwithstanding the provisions of 7.5(2) and 7.5(3), two copies of any portion of the report referred to in 7.5(2) which comments upon or refers to any solicitation subject to this rule, or any participant in any such solicitation, other than the solicitation by the management, shall be filed with the commissioner, as proxy material subject to this regulation. Such portion of the report shall be filed with the commissioner, in preliminary form, at least five business days prior to the date copies of the report are first sent or given to stockholders.

These rules are intended to implement Iowa Code chapter 523.

SCHEDULE A  
INFORMATION REQUIRED IN PROXY STATEMENT

**Item 1. Revocability of proxy.** State whether or not the person giving the proxy has the power to revoke it. If the right of revocation before the proxy is exercised is limited or is subject to compliance with any formal procedure, briefly describe such limitation or procedure.

**Item 2. Dissenters' rights of appraisal.** Outline briefly the rights of appraisal or similar rights of dissenting stockholders with respect to any matter to be acted upon and indicate any statutory procedure required to be followed by such stockholders in order to perfect their rights. Where such rights may be exercised only within a limited time after the date of the adoption of a proposal, the filing of a charter amendment, or other similar act, state whether the person solicited will be notified of such date.

**Item 3. Persons making solicitations not subject to 7.10(523).**

*a.* If the solicitation is made by the management of the insurer, so state. Give the name of any director of the insurer who has informed the management in writing that he intends to oppose any action intended to be taken by the management and indicate the action which he tends to oppose.

*b.* If the solicitation is made otherwise than by the management of the insurer, state the names and addresses of the persons by whom and on whose behalf it is made and the names and addresses of the persons by whom the cost of solicitation has been or will be borne, directly or indirectly.

*c.* If the solicitation is to be made by specially engaged employees or paid solicitors, state (1) the material features of any contract or arrangement for such solicitation and identify the parties, and (2) the cost or anticipated cost thereof.

**Item 4. Interest of certain persons in matters to be acted upon.** Describe briefly any substantial interest, direct or indirect, by stockholdings or otherwise, of any director, nominee for election for director, officer and, if the solicitation is made otherwise than on behalf of management, each person on whose behalf the solicitation is made, in any matter to be acted upon other than elections to office.

**Item 5. Stocks and principal stockholders.**

*a.* State, as to each class of voting stock of the insurer entitled to be voted at the meeting, the number of shares outstanding and the number of votes to which each class is entitled.

*b.* Give the date as of which the record list of stockholders entitled to vote at the meeting will be determined. If the right to vote is not limited to stockholders of record on that date, indicate the conditions under which other stockholders may be entitled to vote.

*c.* If action is to be taken with respect to the election of directors and if the persons solicited have cumulative voting rights, make a statement that they have such rights and state briefly the conditions precedent to the exercise thereof.

**Item 6. Nominees and directors.** If action is to be taken with respect to the election of directors furnish the following information in tabular form to the extent practicable, with respect to each person nominated for election as a director and each other person whose term of office as a director will continue after the meeting:

*a.* Name each person, state expiration of term of office or the term of office for which the person is a nominee will expire, and all other positions and office with the insurer presently held by that person, and indicate which persons are nominees for election as directors at the meeting.

*b.* State the nominee's present principal occupation or employment and give the name and principal business of any corporation or other organization in which employment is carried on. Furnish similar information as to all of the nominee's principal occupations or employments during the last five years, unless the nominee is now a director and was elected to the present term of office by a vote of stockholders at a meeting for which proxies were solicited under this regulation.

*c.* If the nominee is or has previously been a director of the insurer, state the period or periods during which the nominee has served.

*d.* State, as of the most recent practicable date, the approximate amount of each class of stock of the insurer or any of its parents, subsidiaries or affiliates other than directors' qualifying shares, beneficially owned directly or indirectly by the director. If the director is not the beneficial owner of any such stocks make a statement to that effect.

**Item 7. Remuneration and other transactions with management and others.** Furnish the information reported or required in Item One of Schedule SIS under the heading "Information Regarding Management and Directors" if action is to be taken with respect to *(a)* the election of directors, *(b)* any remuneration plan, contract or arrangement in which any director, nominee for election as a director, or officer of the insurer will participate, *(c)* any pension or retirement plan in which any such person will participate, or *(d)* the granting or extension to any such person of any options, warrants or rights to purchase any stocks, other than warrants or rights issued to stockholders, as such, on a pro rata basis. If the solicitation is made on behalf of persons other than the management, information shall be furnished only as to Item 1-A of the aforesaid heading of Schedule SIS.

**Item 8. Bonus, profit sharing and other remuneration plans.** If action is to be taken with respect to any bonus, profit sharing, or other remuneration plan, of the insurer, furnish the following information:

*a.* A brief description of the material features of the plan, each class of persons who will participate therein, the approximate number of persons in each such class, and the basis of such participation.

*b.* The amounts which would have been distributable under the plan during the last calendar year to (1) each person named in item 7 of this schedule, (2) directors and officers as a group, and (3) all other employees as a group, if the plan had been in effect.

*c.* If the plan to be acted upon may be amended (other than by a vote of the stockholders) in a manner which would materially increase the cost thereof to the insurer or to materially alter the allocation of the benefits as between the groups specified in paragraph "*b*" of this item, the nature of such amendments should be specified.

**Item 9. Pension and retirement plans.** If action is to be taken with respect to any pension or retirement plan of the insurer, furnish the following information:

*a.* A brief description of the material features of the plan, each class of persons who will participate therein, the approximate number of persons in each such class, and the basis of such participation.

*b.* State (1) the approximate total amount necessary to fund the plan with respect to past services, the period over which such amount is to be paid, and the estimated annual payments necessary to pay the total amount over such period; (2) the estimated annual payment to be made with respect to current services; and (3) the amount of such annual payments to be made for the benefit of each person named in item 7 of this schedule, directors and officers as a group, and employees as a group.

*c.* If the plan to be acted upon may be amended (other than by a vote of stockholders) in a manner which would materially increase the cost thereof to the insurer or to materially alter the allocation of the benefits as between the groups specified in paragraph "*b*"(3) of this item, the nature of such amendments should be specified.

**Item 10. Options, warrants, or rights.** If action is to be taken with respect to the granting or extension of any options, warrants or rights (all referred to herein as "warrants") to purchase stock of the insurer or any subsidiary or affiliate, other than warrants issued to all stockholders on a pro rata basis, furnish the following information:

*a.* The title and amount of stock called for or to be called for, the prices, expiration dates and other material conditions upon which the warrants may be exercised, the consideration received or to be received by the insurer, subsidiary or affiliate for the granting or extension of the warrants and the market value of the stock called for or to be called for by the warrants, as of the latest practicable date.

*b.* If known, state separately the amount of stock called for or to be called for by warrants received or to be received by the following persons, naming each such person: (1) Each person named in item 7 of this schedule, and (2) each other person who will be entitled to acquire 5 percent or more of the stock called for or to be called for by such warrants.

*c.* If known, state also the total amount of stock called for or to be called for by such warrants, received or to be received by all directors and officers of the company as a group and all employees, without naming them.

**Item 11. Authorization or issuance of stock.**

*a.* If action is to be taken with respect to the authorization or issuance of any stock of the insurer furnish the title, amount and description of the stock to be authorized or issued.

*b.* If the shares of stock are other than additional shares of common stock of a class outstanding, furnish a brief summary of the following, if applicable: dividend, voting liquidation, preemptive, and conversion rights, redemption and sinking fund provisions, interest rate and date of maturity.

*c.* If the shares of stock to be authorized or issued are other than additional shares of common stock of a class outstanding, the commissioner may require financial statements comparable to those contained in the annual report.

**Item 12. Mergers, consolidations, acquisitions and similar matters.**

*a.* If action is taken with respect to a merger, consolidation, acquisition, or similar matter, furnish in brief outline the following information:

(1) The rights of appraisal or similar rights of dissenters with respect to any matters to be acted upon. Indicate any procedure required to be followed by dissenting stockholders in order to perfect such rights.

(2) The material features of the plan or agreement.

(3) The business done by the company to be acquired or whose assets are being acquired.

(4) If available, the high and low sales prices for each quarterly period within two years.

(5) The percentage of outstanding shares which must approve the transaction before it is consummated.

*b.* For each company involved in a merger, consolidation or acquisition, the following financial statements should be furnished:

(1) A comparative balance sheet as of the close of the last two fiscal years.

(2) A comparative statement of operating income and expenses for each of the last two fiscal years and, as a continuation of each statement, a statement of earnings per share after related taxes and cash dividends paid per share.

(3) A pro forma combined balance sheet and income and expenses statement for the last fiscal year giving effect to the necessary adjustments with respect to the resulting company.

**Item 13. Restatement of accounts.** If action is to be taken with respect to the restatement of any asset, capital, or surplus of the insurer, furnish the following information:

*a.* State the nature of the restatement and the date as of which it is to be effective.

*b.* Outline briefly the reasons for the restatement and for the selection of the particular effective date.

*c.* State the name and amount of each account affected by the restatement and the effect of the restatement thereon.

**Item 14. Matters not required to be submitted.** If action is to be taken with respect to any matter which is not required to be submitted to a vote of stockholders, state the nature of such matter, the reason for submitting it to a vote of stockholders and what action is intended to be taken by the management in the event of a negative vote on the matter by the stockholders.

**Item 15. Amendment of charter, bylaws or other documents.** If action is to be taken with respect to any amendment of the insurer's charter, bylaws or other documents as to which information is not required above, state briefly the reasons for and general effect of such amendment and the vote needed for its approval.

SCHEDULE B  
INFORMATION TO BE INCLUDED IN STATEMENTS FILED BY OR ON BEHALF  
OF A PARTICIPANT (OTHER THAN THE INSURER) IN A PROXY SOLICITATION  
IN AN ELECTION CONTEST

**Item 1. Insurer.** State the name and address of the insurer.

**Item 2. Identity and background.**

*a.* State the following:

(1) Your name and business address.

(2) Your present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is carried on.

*b.* State the following:

(1) Your residence address.

(2) Information as to all material occupations, positions, offices or employments during the last ten years, giving starting and ending dates of each and the name, principal business and address of any business corporation or other business organization in which each such occupation, position, office or employment was carried on.

*c.* State whether or not you are or have been a participant in any other proxy contest involving this company or other companies within the past ten years. If so, identify the principals, the subject matter and your relationship to the parties and the outcome.

*d.* State whether or not, during the past ten years, you have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) and, if so, give dates, nature of conviction, name and location of court, and penalty imposed or other disposition of the case. A negative answer to this subitem need not be included in the proxy statement or other proxy-soliciting material.

**Item 3. Interest in stock of the insurer.**

*a.* State the amount of each class of stock of the insurer which you own beneficially, directly or indirectly.

*b.* State the amount of each class of stock of the insurer which you own of record but not beneficially.

*c.* State with respect to the stock specified in “*a*” and “*b*” the amounts acquired within the past two years, the dates of acquisition and the amounts acquired on each date.

*d.* If any part of the purchase price or market value of any of the stock specified in paragraph “*c*” is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such stock, so state and indicate the amount of the indebtedness as of the latest practicable date. If such funds were borrowed or obtained otherwise than pursuant to a margin account or bank loan in the regular course of business of a bank, broker or dealer, briefly describe the transaction, and state the names of the parties.

*e.* State whether or not you are a party to any contracts, arrangements or understandings with any person with respect to any stock of the insurer, including but not limited to joint ventures, loan or option arrangements, puts or calls, guarantees against losses or profits, or the giving or withholding of proxies. If so, name the persons with whom such contracts, arrangements, or understandings exist and give the details thereof.

*f.* State the amount of stock of the insurer owned beneficially, directly or indirectly, by each of your associates and the name and address of each such associate.

*g.* State the amount of each class of stock of any parent, subsidiary or affiliate of the insurer which you own beneficially, directly or indirectly.

**Item 4. Further matters.**

*a.* Describe the time and circumstances under which you became a participant in the solicitation and state the nature and extent of your activities or proposed activities as a participant.



b. Describe briefly, and where practicable state the approximate amount of, any material interest, direct or indirect, of yourself and of each of your associates in any material transactions since the beginning of the company's last fiscal year, or in any material proposed transactions, to which the company or any of its subsidiaries or affiliates was or is to be a party.

c. State whether or not you or any of your associates have any arrangement or understanding with any person:

- (1) With respect to any future employment by the insurer or its subsidiaries or affiliates; or
- (2) With respect to any future transactions to which the insurer or any of its subsidiaries or affiliates will or may be a party.

If so, describe such arrangement or understanding and state the names of the parties thereto.

**Item 5. Signature.** The statement shall be dated and signed in the following manner:

I certify that the statements made in this statement are true, complete, and correct, to the best of my knowledge and belief.

\_\_\_\_\_

Date

\_\_\_\_\_

(Signature of participant or  
authorized representative)

#### POLICYHOLDER PROXY SOLICITATION

**191—7.11(523) Application.** These rules are applicable to all domestic mutual insurance companies.

**191—7.12(523) Conditions—revocation.** No proxy shall be valid unless signed and executed within two months prior to such meeting or election for which said proxy was given, and such proxy shall be limited to 30 days subsequent to the date of such meeting or election, and may be revoked at any time by the policyholder who executed the said proxy.

**191—7.13(523) Filing proxy.** All proxies shall be filed with the company at least one day prior to any meeting or election at which they are to be used.

**191—7.14(523) Solicitation by agents—use of funds.** Soliciting of proxies by an agent of a company either for personal use, or for the use of officers of the company or for any other person or persons, is forbidden. Company funds shall not be expended in procuring proxies.

**191—7.15 to 7.19** Reserved.

#### STOCK TRANSACTION REPORTING

**191—7.20(523) Statement of changes of beneficial ownership of securities.**

**7.20(1) Directors, executive officers, and principal stockholders of domestic insurers required to file.** Every person who is directly or indirectly the beneficial owner of more than 10 percent of any class of any equity security of an insurer exempt from the filing requirements of Section 16 of the Securities Exchange Act of 1934 pursuant to Section 12(g)(2)(G) of the Act, or who is a director or an executive officer of the issuer of such security, shall file the statements required by this rule with the commissioner.

**7.20(2) Time of filing.**

a. An initial statement of beneficial ownership form shall be filed:

- (1) Within ten days after a person becomes such beneficial owner, director, or executive officer;
- (2) Within ten days after the insurer would become subject to filing requirements under Section 16 of the Securities Exchange Act of 1934 but for the exemptions set forth in Section 12(g)(2)(G) of the Act; or

(3) Within ten days after the effective date of an insurer's filing of a registration statement registering a class of equity securities on a national securities exchange.

b. An annual statement of beneficial ownership form shall be filed by each director, executive officer or beneficial owner of more than 10 percent of any class of any equity security within 45 days of the end of each fiscal year.

c. A statement of changes in beneficial ownership form shall be filed by each director, executive officer or beneficial owner of more than 10 percent of any class of any equity security before the end of the second business day following the day on which a transaction resulting in a change in beneficial ownership has been executed.

**7.20(3) Exceptions to the two-business-day filing deadline.**

a. Definitions.

“*Discretionary transaction*” means a transaction pursuant to an employee benefit plan that:

1. Is at the volition of the participant;
2. Is not made in connection with the participant’s death, disability, retirement or termination of employment;
3. Is not required to be made available to a plan participant pursuant to a provision of the Internal Revenue Code of 1986; and

4. Results in either an intra-plan transfer involving an issuer equity securities fund or a cash distribution funded by a volitional disposition of an issuer equity security.

“*Excess benefit plan*” means an employee benefit plan that is operated in conjunction with a qualified plan and provides only the benefits or contributions that would be provided under a qualified plan but for any benefit or contribution limitations set forth in the Internal Revenue Code of 1986.

“*Internal Revenue Code of 1986*” means the Internal Revenue Code of 1986 as amended through July 1, 2005, or if later, the date provided for in Iowa Code section 422.3(5).

“*Qualified plan*” means an employee benefit plan that satisfies the coverage and participation requirements of Sections 410 and 401(a)(26) of the Internal Revenue Code of 1986.

“*Stock purchase plan*” means an employee benefit plan that satisfies the coverage and participation requirements of Sections 423(b)(3) and 423(b)(5), or Section 410, of the Internal Revenue Code of 1986.

b. Any acquisition of securities resulting from the reinvestment of dividends or interest on securities of the same issuer shall be exempt from the filing requirements under paragraph 7.20(2) “c” if the acquisition is made pursuant to a plan providing for the regular reinvestment of dividends or interest and the plan provides for broad-based participation, does not discriminate in favor of employees of the issuer, and operates on substantially the same terms for all plan participants.

c. Any transaction (other than a discretionary transaction) pursuant to a qualified plan, and excess benefit plan, or a stock purchase plan shall be exempt from the filing requirements under paragraph 7.20(2) “c” without condition.

d. The increase or decrease in the number of securities held as a result of a stock split or stock dividend applying equally to all securities of that class, including a stock dividend in which equity securities of a different issuer are distributed, shall be exempt from the filing requirements under paragraph 7.20(2) “c.”

e. The acquisition or disposition of equity securities pursuant to a domestic relations order, as defined in the Internal Revenue Code of 1986; or the Employee Retirement Income Security Act, or the rules thereunder, shall be exempt from the filing requirements under paragraph 7.20(2) “c.”

f. Any transaction exempt from the filing requirements under paragraph 7.20(2) “c” pursuant to 7.20(3) shall nonetheless be included in any subsequent filing required under paragraph 7.20(2) “a” or “b.”

**7.20(4) Content of statements.**

a. A statement filed under paragraph “a” or “b” of subrule 7.20(2) shall contain a statement of the amount of all equity securities of such issuer of which the filing person is the beneficial owner; and

b. A statement filed under paragraph “c” of subrule 7.20(2) shall indicate ownership by the filing person at the date of filing and any change in ownership since the most recent filing.

**7.20(5) Electronic filing and availability.**

a. A statement filed under subrule 7.20(2) may be filed electronically; and

*b.* The insurer (if the insurer maintains a corporate Web site) shall post each statement on its corporate Web site no later than the end of the second business day following the filing of the statement.

This rule is intended to implement Iowa Code section 523.7.

These rules are intended to implement Iowa Code chapter 523.

[Filed 4/15/66]

[Editorially transferred from [510] to [191], IAC Supp. 10/22/86; see IAB 7/30/86]

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