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.