

**191—99.10(505,508) Material transactions.**

**99.10(1)** *Notice of material transactions.* An LPS shall not take any of the following actions unless the LPS provides the commissioner at least 30 days' prior written notice and the commissioner expressly approves the action:

- a. The dissolution of the LPS.
- b. Any sale, exchange, lease, mortgage, assignment, pledge or other transfer or granting of a security interest in over 30 percent of the assets of the LPS.
- c. Any incurrence of material indebtedness by the LPS.
- d. Any making of a material loan or other material extension of credit by the LPS.
- e. Any material payment out of capital and surplus other than dividends or distributions paid in accordance with rule 191—99.8(505,508).
- f. Any merger or consolidation to which the LPS is a constituent party.
- g. Any transfer to or redomestication in any jurisdiction by the LPS.
- h. The termination of all or any part of an LPS's business.

This subrule shall not apply when an LPS takes any action described in paragraph "b" or "e" in accordance with the LPS's plan of operation.

**99.10(2)** *Prior approval of certain payments.* An LPS shall submit for prior approval of the commissioner periodic written requests for authorization to make payments of interest on and repayments of principal of surplus notes and other debt obligations issued by the LPS, provided that the commissioner shall not approve such payment if the commissioner determines that such payment would jeopardize the ability of the LPS or any other person to fulfill the person's respective obligations.

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