
Rules of
Department of Insurance
Division 200—Financial Examination
Chapter 11—Control and Management of
Insurance Companies

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Title 20—DEPARTMENT OF INSURANCE

Division 200—Financial Examination Chapter 11—Control and Management of Insurance Companies

20 CSR 200-11.100 Insurance Holding Company Registration (Rescinded December 3, 1992)

AUTHORITY: 374.045 and 382.240, RSMo 1986. This rule was previously filed as 4 CSR 190-10.010. Original rule filed Sept. 17, 1971, effective Sept. 28, 1971. Amended: Filed Aug. 5, 1974, effective Aug. 15, 1974. Amended: Filed Sept. 14, 1988, effective Jan. 13, 1989. Rescinded: Filed April 29, 1992, effective Dec. 3, 1992.

20 CSR 200-11.101 Insurance Holding Company System Regulation With Reporting Forms and Instructions

PURPOSE: This rule sets forth rules and procedural requirements which the director deems necessary to carry out the provisions of sections 382.010—382.300, RSMo, also referred to as the Act. The information called for by this rule is declared to be necessary and appropriate in the public interest and for the protection of policyholders in this state.

(1) If any provision of this rule, or its application to any person or circumstance, is held invalid, the determination shall not affect other provisions or applications of these rules which can be given effect without the invalid provision or application, and to this end the provisions of this rule are severable.

(2) Forms—General Requirements.

(A) Forms A, B, C and D are intended to be guides in the preparation of the statements required by sections 382.040—382.230, RSMo. They are not intended to be blank forms which are to be filled in. These statements filed shall contain the numbers and captions of all items, but the text of the items may be omitted provided the answers are prepared in such a manner as to indicate clearly the scope and coverage of the items. All instructions, whether appearing under the items of the form or elsewhere, are to be omitted. Unless expressly provided otherwise, if any item is inapplicable or the answer is in the negative, an appropriate statement to that effect shall be made.

(B) Three (3) complete copies of each Form A statement and one (1) copy of each other statement, including exhibits and all other papers and documents filed as a part of

it, shall be filed with the director by personal delivery or mail addressed to: Director of Insurance of the State of Missouri, Attention: Chief Financial Examiner, P.O. Box 690, Jefferson City, MO 65102-0690. A copy of Form C shall be filed in each state in which an insurer is authorized to do business, if the director of that state has notified the insurer of its request in writing, in which case the insurer has fifteen (15) days from receipt of the notice to file that form. At least one (1) of the copies shall be manually signed in the manner prescribed on the form. Unsigned copies shall be confirmed. If the signature of any person is affixed pursuant to a power of attorney or other authority, the power or other authority also shall be filed with the statement.

(C) Statements should be prepared on paper eight and one-half inches by eleven inches (8 1/2" × 11") in size and preferably bound at the top or the top left-hand corner. Exhibits and financial statements, unless specifically prepared for the filing, may be submitted in their original size. All copies of any statement, financial statements or exhibits shall be clear, easily readable and suitable for photocopying. Debits in credit categories and credits in debit categories shall be designed so as to be clearly distinguishable as such on photocopies. Statements shall be in the English language and monetary values shall be stated in United States currency. If any exhibit or other paper or document filed with the statement is in a foreign language, it shall be accompanied by a translation into the English language and any monetary value shown in a foreign currency normally shall be converted into United States currency.

(3) Forms—Incorporation by Reference, Summaries and Omissions.

(A) Information required by any item of Form A, B or D may be incorporated by reference in answer or partial answer to any other item. Information contained in any financial statement, annual report, proxy statement, statement filed with a governmental authority, or any other document may be incorporated by reference in answer or partial answer to any item of Form A, B or D provided that document or paper is filed as an exhibit to the statement. Excerpts of documents may be filed as exhibits if the documents are extensive. Documents currently on file with the director which were filed within three (3) years need not be attached as exhibits. References to information contained in exhibits or in documents already on file shall clearly identify the material and shall specifically indicate that this material is to be

incorporated by reference in answer to the item. Matter shall not be incorporated by reference in any case where the incorporation would render the statement incomplete, unclear or confusing.

(B) Where an item requires a summary or outline of the provisions of any document, only a brief statement shall be made as to the pertinent provisions of the document. In addition to this statement, the summary or outline may incorporate by reference particular parts of any exhibit or document currently on file with the director which was filed within three (3) years and may be qualified in its entirety by that reference. In any case where two (2) or more documents required to be filed as exhibits are substantially identical in all material respects except as to the parties, the dates of execution or other details, a copy of only one (1) of these documents need be filed with a schedule identifying the omitted documents and setting forth the material details in which these documents differ from the documents a copy of which is filed.

(4) Forms—Information Unknown or Unavailable and Extension of Time to Furnish.

(A) Information required need to be given only insofar as it is known or reasonably available to the person filing the statement. If any required information is unknown and not reasonably available to the person filing, either because the obtaining would involve unreasonable effort or expense, or because it rests peculiarly within the knowledge of another person not affiliated with the person filing, the information may be omitted, subject to the following conditions:

1. The person filing shall give information on the subject as s/he possesses or can acquire without unreasonable effort or expense, together with his/her sources; and

2. The person filing shall include a statement either showing that unreasonable effort or expense would be involved or indicating the absence of any affiliation with the person within whose knowledge the information rests and stating the result of a request made to that person for the information.

(B) If it is impractical to furnish any required information, document or report at the time it is required to be filed, it may be filed with the director as a separate document by—

1. Identifying the information, document or report in question;

2. Stating why the filing at the time required is impractical; and

3. Requesting an extension of time for filing the information, document or report to a specified date. The request for extension

shall be deemed granted unless the director, within sixty (60) days after receipt, enters an order denying the request.

(5) Forms—Additional Information and Exhibits. In addition to the information expressly required to be included in Forms A, B, C and D, there shall be added further material information, if any, as may be necessary to make the information contained not misleading. The person filing also may file these exhibits as s/he may desire in addition to those expressly required by the statement. These exhibits shall be so marked as to indicate clearly the subject matters to which they refer. Changes to Forms A, B, C or D shall include on the top of the cover page the phrase: “Change No. (insert number) to” and shall indicate the date of the change and not the date of the original filing.

(6) Definitions.

(A) The Act means sections 382.010—382.300, RSMo.

(B) Executive officer means chief executive officer, chief operating officer, chief financial officer, treasurer, secretary, controller and any other individual performing functions corresponding to those performed by the foregoing officers under whatever title.

(C) Foreign insurer shall include an alien insurer except where clearly noted otherwise.

(D) Ultimate controlling person means that person which is not controlled by any other person.

(E) Unless the context otherwise requires, other terms found in these rules and in section 382.010 of the Act are used as defined in section 382.010, RSMo. Other nomenclature or terminology is according to the Insurance Code, or industry usage if not defined by the Code.

(7) Subsidiaries of Domestic Insurers. The authority to invest in subsidiaries under section 382.020 of the Act is in addition to any authority to invest in subsidiaries which may be contained in any other provision of the Insurance Code.

(8) Acquisition of Control—Statement Filing. A person required to file a statement pursuant to sections 382.040 and 382.050 of the Act shall furnish the required information on Form A, which follows this rule.

(9) Amendments to Form A. The applicant shall promptly advise the director of any changes in the information so furnished on Form A arising subsequent to the date upon which that information was furnished but prior to the director’s disposition of the application.

(10) Acquisition of Section 382.040 Insurers.

(A) If the person being acquired is deemed to be a domestic insurer solely because of the provisions of section 382.040 of the Act, the name of the domestic insurer on the cover page should be indicated as follows: ABC Insurance Company, a subsidiary of XYZ Holding Company.

(B) Where a section 382.040 insurer is being acquired, references to the insurer contained in Form A shall refer to both the domestic subsidiary insurer and the person being acquired.

(11) Annual Registration of Insurers—Statement Filing. An insurer required to file an annual registration statement pursuant to sections 382.100—382.160 of the Act shall furnish the required information on Form B, which follows this rule.

(12) Summary of Registration—Statement Filing. An insurer required to file an annual registration statement pursuant to section 382.100—382.160 of the Act is also required to furnish the information required on Form C, which follows this rule. An insurer shall file a copy of Form C in each state in which the insurer is authorized to do business, if requested by the director of that state.

(13) Alternative and Consolidated Registrations.

(A) Any authorized insurer may file a registration statement on behalf of any affiliated insurer(s) which is required under sections 382.100—382.160 of the Act. A registration statement may include information not required by the Act regarding any insurer in the insurance holding company system even if the insurer is not authorized to do business in this state. In lieu of a registration statement on Form B, the authorized insurer may file a copy of the registration statement or similar report which it is required to file in its state of domicile, provided—

1. The statement or report contains substantially similar information required to be furnished on Form B; and

2. The filing insurer is the principal insurance company in the insurance holding company system.

(B) The question of whether the filing insurer is the principal insurance company in the insurance holding company system is a question of fact and an insurer filing a registration statement or report in lieu of Form B on behalf of an affiliated insurer, shall set forth a brief statement of facts which will substantiate the filing insurer’s claim that it, in fact, is the principal insurer in the insurance holding company system.

(C) With the prior approval of the director, an unauthorized insurer may follow any of the procedures which could be done by an authorized insurer under subsection (13)(A).

(D) Any insurer may take advantage of the provisions of section 382.140 or 382.150 of the Act without obtaining the prior approval of the director. The director, however, reserves the right to require individual filings if s/he deems the filings necessary in the interest of clarity, ease of administration or the public good.

(14) Disclaimers and Termination of Registration.

(A) A disclaimer of affiliation or a request for termination of registration claiming that a person does not, or will upon the taking of some proposed action, control another person (referred to as the subject) shall contain the following information:

1. The number of authorized, issued and outstanding voting securities of the subject;

2. With respect to the person whose control is denied and all affiliates of that person, the number and percentage of shares of the subject’s voting securities which are held of record or known to be beneficially owned, and the number of the shares concerning which there is a right to acquire, directly or indirectly;

3. All material relationships and bases for affiliation between the subject and the person whose control is denied and all affiliates of that person;

4. A statement explaining why the person should not be considered to control the subject.

(B) A request for termination of registration shall be deemed to have been granted unless the director, within thirty (30) days after s/he receives the request, notifies the registrant otherwise.

(15) Transactions Subject to Prior Notice—Notice Filing. An insurer required to give notice of a proposed transaction pursuant to section 382.195 of the Act shall furnish the required information on Form D, which follows this rule.

(16) Extraordinary Dividends and Other Distributions.

(A) Requests for approval of extraordinary dividends or any other extraordinary distribution to shareholders shall include the following:

1. The amount of the proposed dividend;

2. The date established for payment of the dividend;



3. A statement as to whether the dividend is to be in cash or other property and, if in property, a description of the property, its cost and its fair market value together with an explanation of the basis for valuation;

4. A copy of the calculations determining that the proposed dividend is extraordinary. The work paper shall include the following information:

A. The amounts, dates and form of payment of all dividends or distributions (including regular dividends but excluding distributions of the insurer's own securities) paid within the period of twelve (12) consecutive months ending on the date fixed for payment of the proposed dividend for which approval is sought and commencing on the day after the same day of the same month in the last preceding year;

B. Surplus as regards policyholders (total capital and surplus) as of December 31 next preceding;

C. If the insurer is a life insurer, the net gain from operations for the twelve (12)-month period ending December 31 next preceding; and

D. If the insurer is not a life insurer, the net investment income for the twelve (12)-month period ending December 31 next preceding and the two (2) preceding twelve (12)-month periods;

5. A balance sheet and statement of income for the period intervening from the last annual statement filed with the director and the end of the month preceding the month in which the request for dividend approval is submitted; and

6. A brief statement as to the effect of the proposed dividend upon the insurer's surplus and the reasonableness of surplus in relation to the insurer's outstanding liabilities and the adequacy of surplus relative to the insurer's financial needs.

(B) Subject to section 382.210 of the Act, each registered insurer shall report to the director all dividends and other distributions to shareholders within fifteen (15) business days following the declaration, including the same information required by subparagraphs (16)(A)4.A.-D.

(17) Adequacy of Surplus. The factors set forth in section 382.200 of the Act are not intended to be an exhaustive list. In determining the adequacy and reasonableness of an insurer's surplus no single factor is necessarily controlling. The director, instead, will consider the net effect of all of these factors plus other factors bearing on the financial condition of the insurer. In comparing the surplus maintained by other insurers, the director will consider the extent to which

each of these factors varies from company-to-company and in determining the quality and liquidity of investments in subsidiaries, the director will consider the individual subsidiary and may discount or disallow its valuation to the extent that the individual investments so warrant.

FORM A

Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer

(Name of Domestic Insurer)

by

(Name of Acquiring Person (Applicant))

Filed with the Insurance Department of

(State of domicile of insurer being acquired)

Dated: _____, _____

Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

Item 1. Insurer and Method of Acquisition.

State the name and address of the domestic insurer to which this application relates and a brief description of how control is to be acquired.

Item 2. Identity and Background of the Applicant.

(a) State the name and address of the applicant seeking to acquire control over the insurer.

(b) If the applicant is not an individual, state the nature of its business operations for the past five (5) years or for lesser period as the applicant person and any of its predecessors thereof shall have been in existence. Briefly describe the business intended to be done by the applicant and the applicant's subsidiaries.

(c) Furnish a chart of list clearly presenting the identities of the interrelationships among the applicant and all affiliates of the applicant. No affiliate need be identified if its total assets are equal to less than one-half (1/2) of one percent (1%) of the total assets of the ultimate controlling person affiliated with the applicant. Indicate in the chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant or by any other such person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing indicate the type of organization (for example, corporation, trust, partnership) and the state or other jurisdiction of domicile. If court proceedings involving a reorganization or liquidation are pending with respect to any such person, and set forth the title of the court, nature of proceedings and the date when commenced.

Item 3. Identity and Background of Individuals Associated With the Applicant.

State the following with respect to—1) the applicant if s/he is an individual or 2) all persons who are directors, executive officers or owners of ten percent (10%) of more of the voting securities of the applicant if the applicant is not an individual:

(a) Name and business address;

(b) Present principal business activity, occupation or employment including position and office held and the name, principal business and address of any corporation or other organization in which the employment is carried on;

(c) Material occupations, positions, offices or employment during the last five (5) years, giving the starting and ending dates of each and the name, principal business and address of any business operation or other corporation in which each such occupation, position, office or employment was carried on; if any such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency, indicate such fact, the current status of the licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection with the licensing or registration;

(d) Whether or not such person has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten (10) years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case.



FORM B

Insurance Holding Company System Annual Registration Statement

Filed with the Insurance Department of the state of

By (Name of Registrant)

On behalf of following insurance companies: Name Address

Blank lines for listing insurance companies.

Date

Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

Blank lines for contact information.

Item 4. Nature, Source and Amount of Consideration.

(a) Describe the nature, source and amount of funds or other considerations used or to be used in effecting the merger or other acquisition of control.

(b) Explain the criteria used in determining the nature and amount of such consideration.

(c) If the source of the consideration is a loan made in the lender's ordinary course of business and if the applicant wishes the identity of the lender to remain confidential, s/he must specifically request that the identity be kept confidential.

Item 5. Future Plans of Insurer.

Describe any plans or proposals which the applicant may have to declare an extraordinary dividend, to liquidate such insurer, to sell its assets to or merge it with any person or persons or to make any other material change in its business operations or corporate structure or management.

Item 6. Voting Securities to be Acquired. State the number of shares of the insurer's voting securities which the applicant, its affiliates and any person listed in Item 3, plan to acquire, and the terms of the offer, request, invitation, agreement or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at.

Item 7. Ownership of Voting Securities.

State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates or any person listed in Item 3.

Item 8. Contracts, Arrangements or Understanding With Respect to Voting Securities of the Insurer.

Give the full description of any contracts, arrangements or understandings with respect to any voting security of the insurer in which the applicant, its affiliates or any person listed in Item 3., is involved, including, but not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. This description shall identify the persons with whom the contracts, arrangements or understandings have been entered into.

Item 9. Recent Purchases of Voting Securities.

Describe any purchases of any voting securities of the insurer by the applicant, its affiliates or any person listed in Item 3. during the twelve (12) calendar months preceding the filing of this statement. Include in such description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid. State whether any shares so purchased are hypothecated.

Item 10. Recent Recommendations to Purchase.

Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates or any person listed in Item 3., or by anyone based upon interviews or at the suggestion of the applicant, its affiliates or any person listed in Item 3. during the twelve (12) calendar months preceding the filing of this statement.

Item 11. Agreements With Broker-Dealers.

Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender and the amount of any fees, commission or other compensation to be paid to broker-dealers with regard thereto.

Item 12. Financial Statements and Exhibits.

(a) Attach financial statements and exhibits to this statement as an appendix, but list under this item the financial statements and exhibits so attached.

(b) The financial statements shall include the annual financial statements of the person identified in Item 2(c) for the preceding five (5) fiscal years (or for a lesser period as the applicant and its affiliates and any predecessors of the applicant shall have been in existence), and similar information covering the period from the end of the person's last fiscal year, if this information is available. These statements may be prepared on either an individual basis or, unless the director otherwise requires, on a consolidated basis if consolidated statements are prepared in the usual course of business.

(c) The annual financial statements of the applicant shall be accompanied by the certificate of an independent public accountant to the effect that the statements present fairly the financial position of the applicant and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the applicant is an insurer which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the Annual Statement of such person filed with the insurance department of the person's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of such state.

(d) File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory or management contracts concerning the insurer, annual reports to the stockholders of the insurer and the applicant for the last two (2) fiscal years, and any additional documents or papers required by Form A or 20 CSR 200-11.101(2) and (4).



Item 13. Signature and Certification.
Signature and certification required as follows:

SIGNATURE _____
Pursuant to the requirements of sections 382.040–382.060 of the Act _____ has caused this application to be duly signed on its behalf in the City of _____ and State of _____, on the _____ day of _____, _____.

(Name of Applicant)

By

(Name)

(Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that s/he has duly executed the attached application dated _____, _____, for and on behalf of _____;

(Name of Applicant)

that s/he is the _____
(Title of Officer)

of _____
(Name of Company)

and that s/he is authorized to execute and file such instrument. Deponent further says that s/he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature)

(Type or print name)

Item 1. Identity and Control of Registrant.

Furnish the exact name of each insurer registering or being registered (after this called the registrant), the home office address and principal executive offices of each; the date on which each registrant became part of the insurance holding company system; and the method(s) by which control of each registrant was acquired and is maintained.

Item 2. Organizational Chart.

Furnish a chart or listing clearly presenting the identities of and interrelationships among all affiliated persons with the insurance holding company system. No affiliate need be shown its total assets are equal to less than one-half (1/2) of one percent (1%) of the total assets of the ultimate controlling person within the insurance holding company system unless it has assets valued at or exceeding (insert amount). The chart or listing should show the percentage of each class of voting securities of each affiliate which is owned, directly or indirectly, by another affiliate. If control of any person within the system is maintained other than by the ownership or control of voting securities, indicate the basis of the control. As to each person specified or listing indicate the type of organization (for example, corporation, trust, partnership) and the state or other jurisdiction of domicile.

Item 3. The Ultimate Controlling Person.

As to the ultimate controlling person in the insurance holding company system, furnish the following information:

- (a) Name;
- (b) Home office address;
- (c) Principal executive office address;
- (d) The organizational structure of the person, that is, corporation, partnership, individual, trust, etc;
- (e) The principal business of the person;
- (f) The name and address of any person who holds or owns ten percent (10%) or more of any class of voting security, the class of such security, the number of shares held of record or known to be beneficially owned, and the percentage of class so held or owned; and
- (g) If court proceedings involving a reorganization or liquidation are pending, indicate the title and location of the court, the nature of proceedings and the date when commenced.

Item 4. Biographical Information.

Furnish the following information for the directors and executive officers of the ultimate controlling person: the individual's name and address, his/her principal occupation and all offices and positions held during the past five (5) years, and any conviction of crimes other than minor traffic violations during the past ten (10) years.

FORM B

**Insurance Holding Company System
Annual Registration Statement**

Filed with the Insurance Department of the state of _____

By

(Name of Registrant)

On behalf of following insurance companies:
Name _____ Address _____

Date _____, _____

Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

Item 5. Transactions and Agreements.

Briefly describe the following agreements in force, and transactions currently outstanding or which have occurred during the last calendar year between the registrant and its affiliates:

- (a) Loans, other investments, or purchases, sales or exchanges of securities of the affiliates by the registrant or of the registrant by its affiliates;
- (b) Purchases, sales or exchanges of assets;
- (c) Transactions not in the ordinary course of business;
- (d) Guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the registrant's assets to liability, other than insurance contracts



entered into in the ordinary course of the registrant's business;

(e) All management agreements, service contracts, tax allocation arrangements, and cost-sharing arrangements;

(f) Reinsurance agreements;

(g) Dividends and other distributions to shareholders;

(h) Consolidation tax allocation agreements; and

(i) Any pledge of the registrant's stock, the stock of any subsidiary or controlling affiliate, or both, for a loan made to any member of the insurance holding company system.

No information need be disclosed if such information is not material for purposes of sections 382.100-382.160 of the Act.

Sales, purchases, exchanges, loans or extension of credit, investments or guarantees involving one-half (1/2) of one percent (1%) of the registrant's admitted assets as of the 31st day of December next preceding shall not be deemed material. (Note: the director by rule or order may provide otherwise.)

The description shall be in a manner as to permit the proper evaluation by the director, and shall include at least the following: the nature and purpose of the transaction, the nature and amounts of any payments or transfers of assets between the parties, the identity of all parties to such transaction, and relationship of the affiliated parties to the registrant.

Item 6. Litigation or Administrative Proceedings.

A brief description of any litigation or administrative proceedings of the following types, either then pending or concluded within the preceding fiscal year, to which the ultimate controlling person or any of its directors or executive officers was a party or of which the property of any such person is or was the subject; give the names of the parties and the court or agency in which the litigation or proceeding is or was pending:

(a) Criminal prosecutions or administrative proceedings by any government agency or authority which may be relevant to the trustworthiness of any party to the prosecutions or proceedings; and

(b) Proceedings which may have a material effect upon the solvency or capital structure of the ultimate holding company including, but not necessarily limited to, bankruptcy, receivership or other corporate reorganizations.

Item 7. Statement Regarding Plan or Series or Transactions.

The insurer shall furnish a statement that transactions entered into since the filing of

the prior year's annual registration statement are not part of a plan or series of like transactions, the purpose of which is to avoid statutory threshold amounts and the review that might otherwise occur.

Item 8. Financial Statements and Exhibits.

(a) Financial statements and exhibits should be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.

(b) The financial statement shall include the annual financial statements of the ultimate controlling person in the holding company system as of the end of the person's latest fiscal year.

(c) If at the time of the initial registration, the annual financial statements for the latest fiscal year are not available, annual statements for the previous fiscal year may be filed and similar financial information shall be filed for any subsequent period to the extent such information is available. These financial statements may be prepared on either an individual basis, or unless the director otherwise requires, on a consolidated basis if such consolidated statements are prepared in the usual course of business.

(d) Unless the director otherwise permits, the annual financial statements shall be accompanied by the certificate of an independent public accountant to the effect that these statements present fairly the financial position of the ultimate controlling person and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the ultimate controlling person is an insurer which is actively engaged in the business of insurance, the annual financial statements need not be certified, provided they are based on the annual statement of such insurer filed with the insurance department of the insurer's domiciliary state and are in accordance with requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of such state.

(e) Exhibits shall include copies of the latest annual reports to shareholders of the ultimate controlling person and proxy materials used by the ultimate controlling person; and any additional documents or papers required by Form B or 20 CSR 200-11.101(2) and (4).

Item 9. Form C Required.

A Form C, Summary of Registration Statement, must be prepared and filed with this Form B.

Item 10. Signature and Certification.

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of sections 382.100-382.160 of the Act, the Registrant has caused this annual registration statement to be duly signed on its behalf in the City

of _____

_____ and the State

of _____ on the

_____ day of _____,

_____.

(SEAL)

(Name of Registrant)

By

(Name)

(Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that s/he has duly executed the attached annual registration statement dated _____,

_____, for and on behalf of _____;

(Name of Officer)

that s/he is the _____

(Title of Officer)

of _____

(Name of Company)

and that s/he is authorized to execute and file such instrument. Deponent further says that s/he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature)



(Type or print name)

FORM C
Summary of Registration

STATEMENT

Filed with the Insurance Department of the State of _____

By _____

(Name of Registrant)

On behalf of following insurance companies:

Name	Address
_____	_____
_____	_____
_____	_____
_____	_____

Date _____, _____

Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

Furnish a brief description of all items in the current annual registration statement which represent changes from the prior year's annual registration statement. The description shall be in a manner as to permit proper evaluation by the director, and shall include specific references to Item numbers in the annual registration statement and to the terms contained in the statement.

Changes occurring under Item 2. of Form B insofar as changes in the percentage of each class of voting securities held by each affiliate is concerned, need only be included where such changes are ones which result in ownership or holdings of ten percent (10%) or more of voting securities, loss or transfer of control, or acquisition or loss of partnership interest.

Changes occurring under Item 4. of Form B need only be included where—an individual is, for the next time, made a director or executive officer of the ultimate controlling person; a director or executive officer termi-

nates his/her responsibilities with the ultimate controlling person; or in the event an individual is named president of the ultimate controlling person.

If a transaction disclosed on the prior year's annual registration statement has been changed, the nature of this change shall be included. If a transaction disclosed on the prior year's annual registration statement has been effectuated, furnish the mode of completion and any flow of funds between affiliates resulting from the transaction.

The insurer shall furnish a statement that transactions entered into since the filing of the prior year's annual registration statement are not part of a plan or series of like transactions whose purpose it is to avoid statutory threshold amounts and the review that might otherwise occur.

SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of sections 382.100–382.160 of the Act, the Registrant has caused this summary of registration statement to be duly signed on its behalf in the

City of _____ and
the State of _____

on the _____ day of _____,

(SEAL)

(Name of Registrant)

By _____

(Name)

(Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that s/he has duly executed the attached summary of registration statement dated

_____, _____,

for and on behalf of _____

(Name of Officer)

that s/he is the _____

(Title of Officer)

of _____

(Name of Company)

that s/he is authorized to execute and file such instrument. Deponent further says that s/he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature)

(Type or print name beneath)

FORM D

Prior Notice of a Transaction

Filed with the Insurance Department of the

State of _____

By _____

(Name of Registrant)

On behalf of the following insurance companies:

Name	Address
_____	_____
_____	_____
_____	_____

Date: _____, _____



Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

Item 1. Identity of Parties to Transaction. Furnish the following information for each of the parties to the transaction:

- (a) Name;
- (b) Home office address;
- (c) Principal executive;
- (d) The organizational structure, that is, corporation, partnership, individual, trust, etc;
- (e) A description of the nature of the parties' business operations;
- (f) 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; and
- (g) Where the transaction is with a nonaffiliate, the name(s) of the affiliate(s) 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:

- (a) A statement as to whether notice is being given under section 382.195.1(1), (2), (3), (4) or (5) of the Act;
- (b) A statement of the nature of the transaction; and
- (c) The proposed effective date of the transaction.

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

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 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 evaluation.

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.

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 these investments, guarantees or arrangements. Furnish a brief statement as to the effect of the transaction upon the insurer's surplus.

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

- (a) In the case of nonlife insurers, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders; or
- (b) In the case of life insurers, three percent (3%) of the insurer's admitted assets, each as of the day of December next preceding.

Item 4. Loans or Extensions of Credit to a Nonaffiliate.

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 where 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 these 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.

No notice need be given if the loan or extension of credit is one which equals less

than, in the case of nonlife insurer's, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders or, with respect to life insurers, three percent (3%) of the insurer's admitted assets, each as of the 31st day of December next preceding.

Item 5. Reinsurance.

If the transaction is a reinsurance agreement or modification to it, as described by section 382.195.1(3) of the Act, furnish a description of the known, estimated amount of liability or else to be ceded, or both assumed in each calendar year, 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 nonaffiliate 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 brief statement as to the effect of the transaction, upon the insurer's surplus.

No notice need be given for reinsurance agreements or modifications to them if the reinsurance premium or a change in the insurer's liabilities in connection with the reinsurance agreement or modification to it is less than five percent (5%) of the insurer's surplus as regards policyholders, as of the 31st day of December next preceding.

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

For management and service agreements, furnish—

(a) A brief description of the managerial responsibilities, or services to be performed; and

(b) A brief description of the agreement, 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;

For tax allocation arrangements and cost-sharing arrangements, furnish—

(a) A brief description of the purpose of the agreement;

(b) A description of the period of time during which the agreement is to be in effect;

(c) A brief description of each party's expenses or costs covered by the agreement; and

(d) A brief description of the accounting basis to be used in calculating each party's costs under the agreement.



Item 7. Signature and Certification.
Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of section 382.195 of the Act _____

_____ has caused this application to be duly signed on its behalf in the City of _____ and State of _____ on the _____ day of _____, _____.

(SEAL)

(Name of Applicant)

By

(Name)

(Title)

Attest:

(Signature of Officer)

(Title)

CERTIFICATION

The undersigned deposes and says that s/he has duly executed the attached notice dated _____, _____, for and on behalf of _____;

(Name of Officer)

that s/he is the _____ of _____

(Title of Officer)

of _____

(Name of Company)

execute and file such instrument. Deponent further says that s/he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature)

(Type or print name)

*AUTHORITY: section 382.240, RSMo 1994. * Original rule filed April 29, 1992, effective Dec. 3, 1992. Amended: Filed Nov. 23, 1998, effective July 30, 1999.*

**Original authority 1971.*

20 CSR 200-11.150 Dividends

PURPOSE: This rule effectuates or aids in the interpretation of section 375.380, RSMo and implements section 382.210, RSMo with regard to payments of dividends by insurers.

(1) Constructive Dividends.

(A) Any payment or other distribution of property by an insurer made or attributable to a shareholder with respect to its stock shall be deemed a dividend under sections 375.380 and 382.210, RSMo, except as stated in subsection (1)(B) of this rule.

(B) From the payments or other distributions under subsection (1)(A) of this rule:

1. There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred in carrying on any trade or business, including:

A. A reasonable allowance for salaries or other compensation for personal services actually rendered;

B. Traveling expenses (including amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances) while away from home in the pursuit of a trade or business; and

C. Rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the insurer has not taken or is not taking title or in which it has no equity.

2. There shall be allowed as a deduction, but only to the extent not deducted under paragraph (1)(B)1. of this rule, the fair market value of any property, to which the insurer has taken or is taking title or in which it has equity, received in consideration of that payment or other distribution.

(C) As used in this section of this rule the following terms mean:

1. Insurer means only a stock insurance company organized under the laws of Missouri; except a foreign insurance company shall be deemed an insurer if the laws of the foreign insurer's state of domicile do not include provisions substantially similar to sections 382.010—382.300, RSMo;

2. Property means money, securities and other property; except that this term does not include stock in the insurer making the distribution (or rights to acquire the stock); and

3. Shareholder means any person directly or indirectly owning or controlling stock in an insurer.

(D) A shareholder's interest in a partnership, estate or trust, and a shareholder's stock in a corporation, includes the interests or stock owned by the shareholder's spouse, children, grandchildren or parents, as qualified under paragraphs (1)(D)2. and 3. of this rule. A payment or other distribution to a partnership, estate or corporation includes any payment or other distribution to any entity controlled by that partnership, estate or corporation. For purposes of this section of this rule, a payment or other distribution is attributable to a shareholder, if it is made—

1. Directly to the shareholder;

2. To the shareholder's spouse (other than a spouse who is legally separated from the shareholder under a decree of divorce or separate maintenance);

3. To the shareholder's children, grandchildren or parents (a legally adopted child shall be treated as a child by blood);

4. To a partnership or estate, in proportion to the shareholder's interest in the partnership or estate;

5. To a trust, in proportion to the shareholder's actuarial interest as a beneficiary of that trust; or

6. To a corporation, in proportion to the shareholder's stock in that corporation.

(E) Notwithstanding any provision of this section to the contrary, payments or other distributions made or attributable to shareholders and undecleared as dividends by the insurer shall not be deemed a dividend, if and only if the total amount of all payments and distributions during a calendar year does not exceed one-half of one percent (1/2%) of the insurer's policyholders' surplus as of the December 31 next preceding. However, if that total amount exceeds the one-half of one percent (1/2%) of policyholders' surplus, then all these payments or distributions shall be fully subject to subsections (1)(A)—(D) of this rule, including the amount which would otherwise have been exempt under this subsection.

(F) Nothing in this rule is intended to cause double counting of a transaction. To the extent a payment is a reduction in Net Gain from Operations before it is determined to be a constructive dividend it shall not be a reduction to Net Gain from Operations after the constructive dividend determination. Net Gain from Operations, and Policyholders' Surplus before the constructive dividend, will be recalculated making this adjustment before determining whether the company is in compliance with section 375.380 or 382.210, RSMo.

(2) Surplus Profits.

(A) Surplus profits as used in section 375.380, RSMo shall mean the amount stated in the company's financial statements as unassigned funds. A company has surplus profits only to the extent it has positive unassigned funds adjusted for subsection (1)(F), if applicable.

(B) Notwithstanding any other rule or National Association of Insurance Commissioners' guideline to the contrary, an insurer domiciled in this state may choose to reflect in the unassigned funds account only the company's accumulated net profits and losses. Any company so choosing shall—

1. Place all other items which would otherwise be placed into the unassigned funds in that policyholders' surplus account designated for other or aggregate write-ins for other than special surplus funds; and

2. Notify the chief financial examiner in writing of its choice at the same time as or before it files its first financial statement using this choice.

(C) The election permitted by subsection (2)(B) of this rule may be elected once by the insurer. However, upon advance application by the insurer and prior approval by the director, an insurer may subsequently revert to its prior accounting treatment upon satisfying the director that extraordinary circumstances arising after the election justify such a reversion.

AUTHORITY: sections 374.045 and 382.240, RSMo 1986. Original rule filed Feb. 18, 1993, effective Nov. 8, 1993. Amended: Filed Dec. 1, 1993, effective July 10, 1994.*

**Original authority: 374.045, RSMo 1967 and 382.240, RSMo 1972.*

20 CSR 200-11.200 Proxies, Consents, Authorizations and Disclosure Requirements

PURPOSE: This rule provides for the regulation of proxies, consents and authorizations of domestic stock insurance companies in Missouri in order to maintain state regulation of insurance. Domestic stock insurance companies are exempt from Securities and Exchange Commission regulations on condition that—a) they file annual statements with their domiciliary insurance department, b) statutory regulation of insider trading activities be enacted in each state and c) proxy rules substantially similar to those of the Securities and Exchange Commission be adopted. The provisions of this rule are substantially similar to those rules. This rule was

adopted pursuant to the provisions of section 374.045, RSMo, implementing and effectuating section 375.191, RSMo.

(1) Application of Rule. This rule is applicable to each domestic stock insurer which has any class of equity security held by record by one hundred (100) or more persons; provided, however, that this rule shall not apply to any insurer if ninety-five percent (95%) or more of its equity securities are owned or controlled by a parent or an affiliated insurer and the remaining securities are held of record by fewer than five hundred (500) persons. A domestic stock insurer which files with the Securities and Exchange Commission (SEC) forms of proxies, consents and authorizations complying with the requirements of the Securities Exchange Act of 1934 and the applicable regulations promulgated shall be exempt from the provisions of this rule with respect to any class of securities subject to SEC jurisdiction.

(2) Proxies, Consents and Authorizations. No domestic stock insurer or any director, officer or employee of the insurer subject to section (1) or any other person shall solicit or permit the use of his/her name to solicit by mail or otherwise, any proxy, consent or authorization in respect to any class of equity security of the insurer held of record by one hundred (100) or more persons in contravention of this rule and Schedules A and B annexed and made a part of this rule.

(3) Disclosure of Equivalent Information.

(A) Unless proxies, consents or authorizations in respect to any class of equity security of a domestic insurer subject to section (1) are solicited by or on behalf of the management of the insurer from the holders of record of the security in accordance with this rule and the schedules in this rule prior to any annual or other meeting of the security holders, the insurer, in accordance with this rule, shall file with the director and transmit to all security holders of record information substantially equivalent to the information which would be required to be transmitted if a solicitation were made. The insurer shall transmit a written information statement containing the information specified in subsection (5)(D) to every security holder who is entitled to vote in regard to any matter to be acted upon at the meeting and from whom a proxy is not solicited on behalf of the management of the insurer; provided, that in the case of a class of securities in unregistered or bearer form, the statement need be transmitted only to those security holders whose names and addresses are known to the insurer.

(4) Definitions.

(A) The definitions and instructions set out in Schedule SIS, as promulgated by the National Association of Insurance Commissioners and as furnished annually by the Department of Insurance to insurers, shall be applicable for purposes of this rule.

(B) For purposes of this rule, the terms solicit and solicitation shall include:

1. Any request for a proxy, whether or not accompanied by or included in a form of proxy;

2. Any request to execute, not to execute or to revoke a proxy; or

3. The furnishing of a form of proxy or other communication to security holders under circumstances reasonably calculated to result in the procurement, withholding or revocation of a proxy.

(C) The terms solicit and solicitation shall not include:

1. Any solicitation by a person in respect to securities of which s/he is the beneficial owner;

2. Action by a broker or other person in respect to securities carried in his/her name or in the name of his/her nominee in forwarding to the beneficial owner of the securities soliciting material received from the insurer or impartially instructing the 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; and

3. The furnishing of a form of proxy to the security holder upon the unsolicited request of the security holder or the performance by any person of ministerial acts on behalf of a person soliciting a proxy.

(5) Information to be Furnished to Security Holders.

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

(B) If the solicitation is made on behalf of the management of the insurer and relates to an annual meeting of security holders at which directors are to be elected, each proxy statement furnished pursuant to subsection (5)(A) shall be accompanied or preceded by an annual report (in preliminary or final form) to the security holders containing the financial statements for the last fiscal year as are referred to in Schedule SIS under the

heading—“Financial Reporting to Stockholders.” Subject to the previously mentioned requirements with respect to financial statements, the annual report to security holders may be in any form deemed suitable by the management.

(C) Two (2) copies of each report sent to the security holders pursuant to this section shall be mailed to the director not later than the date on which the report is first sent or given to security holders or the date on which preliminary copies of solicitation material are filed with the director pursuant to subsection (5)(A), whichever date is later.

(D) If no solicitation is being made by management of the insurer with respect to any annual or other meeting, the insurer shall mail to every current security holder of record, to arrive at least twenty (20) days prior to the meeting date, an information statement as required by section (3), containing the information called for by all of the items of Schedule A, other than 1, 3 and 4, which would be applicable to any matter to be acted upon at the meeting if proxies were to be solicited in connection with the meeting. If the information statement relates to an annual meeting at which directors are to be elected, it shall be accompanied by an annual report to the security holders in the form provided in subsection (5)(B).

(6) Requirements as to Proxy and Information Statement.

(A) The form of proxy shall indicate in bold-face type whether or not the proxy is solicited on behalf of the management, shall provide a specifically designated blank space for dating the proxy and shall identify clearly and impartially each matter or group of related matters intended to be acted upon, whether proposed by the management or security holders. No reference need be made to proposals as to which discretionary authority is conferred pursuant to subsection (6)(C).

(B) Means shall be provided in the proxy or the person solicited to specify by ballot a choice between approval or disapproval of each matter or group of related matters referred to 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 case.

1. A form of proxy which provides both for elections to office and for action on other specified matters shall be prepared so as to clearly provide, by box or otherwise, means by which the security holder may withhold authority to vote for elections to office.

2. Any form of proxy which is executed by the security holder in a manner as not to withhold authority to vote for elections to office shall be deemed to grant that authority, provided the form of proxy so states in bold-face type.

(C) 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 specified statement to that effect is made in the proxy statement or in the form of proxy.

(D) No proxy shall confer authority 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 to vote; at any annual meeting other than the next annual meeting (or any adjournment) to be held after the date on which the proxy statement and form of proxy are first sent or given to security holders.

(E) 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 the ballot provided pursuant to subsection (6)(B), a choice with respect to any matter to be acted upon, the vote will be in accordance with the specifications so made.

(F) The information included in the proxy statement or information 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 or information statements shall be clearly and legibly presented.

(7) Material Required to be Filed.

(A) Two (2) preliminary copies of the information statement or proxy statement and form of proxy and any other soliciting material to be furnished to security holders concurrently shall be filed with the director at least ten (10) days prior to the date definitive copies of the material are first sent or given to security holders or the shorter period prior to that date as the director may authorize upon a showing of good cause.

(B) Two (2) preliminary copies of any additional soliciting material relating to the same meeting or subject matter to be furnished to security holders subsequent to the proxy statements shall be filed with the director at least two (2) days (exclusive of Saturdays, Sundays or holidays) prior to the date copies of this material are first sent or given to security holders or a shorter period prior

to the date as the director may authorize upon a showing of good cause.

(C) Two (2) definitive copies of the information statement or the proxy statement, form of proxy and all other soliciting material, in the form in which this material is furnished to security holders, shall be filed with or mailed for filing to, the director not later than the date material is first sent or given to the security holders.

(D) Where any information statement or proxy statement, form of proxy or other material filed pursuant to this rule is amended or revised, two (2) of the copies shall be marked to clearly show these changes.

(E) Copies of replies to inquiries from security holders requesting further information and copies of communications which do no more than request that forms of proxy solicited be signed and returned need not be filed pursuant to this section.

(F) Notwithstanding the provisions of subsections (7)(A) and (B) and (10)(E), copies of soliciting material in the form of speeches, press releases and radio or television scripts may be filed, but need not, with the director prior to use or publication. Definitive copies, however, shall be filed with or mailed for filing to the director as required by subsection (7)(C) not later than the date that material is used or published. The provisions of subsections (7)(A) and (B) and (10)(E) shall apply, however, to any reprints or reproductions of all or any part of that material.

(8) False or Misleading Statements. No proxy statement, form of proxy, notice of meeting information statement or other communication, written or oral, subject to this rule, shall contain 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 not false or misleading or necessary to correct any statement in any earlier communication with respect to the same meeting or subject matter which has become false or misleading.

(9) Prohibition of Certain Solicitations. No person making a solicitation which is subject to this rule shall solicit any undated or post-dated 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 security holder.

(10) Special Provisions Applicable to Election Contest.

(A) Applicability. This section shall apply to any solicitation subject to this rule by any

person or group for the purpose of opposing a solicitation subject to this rule by any other person or group with respect to the election or removal of directors at any annual or special meeting of security holders.

(B) Participant or Participant in a Solicitation.

1. For purposes of this section, the terms participant and participants in a solicitation include: the insurer; any director of the insurer and any nominee for whose election as a director proxies are solicited; or any other person, acting alone or with one (1) or more other persons, committees or groups, in organizing, directing or financing the solicitation.

2. For the purposes of this section, the terms participant and participant in a solicitation do not include: a bank, broker or dealer who, in the ordinary course of business, lends money or executes orders for the purchase or sale of securities and who is not otherwise a participant; any person or organization retained or employed by a participant to solicit security holders or any person who merely transmits proxy soliciting material or performs ministerial or clerical duties; 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 his/her duties in the course of the employment; 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 any officer or director of or any person regularly employed by any other participant, if the officer, director or employee is not otherwise a participant.

(C) Filing of Information Required by Schedule B.

1. No solicitation subject to this section shall be made by any person other than the management of an insurer unless, at least five (5) business days prior to the solicitation or a shorter period as the director may authorize upon a showing of good cause, there has been filed, with the director by or on behalf of each participant in the solicitation, a statement in duplicate containing the information specified by Schedule B and a copy of any material proposed to be distributed to security holders in furtherance of that solicitation. Where preliminary copies of any materials are filed, distribution to security holders should be deferred until the director's comments have been received and complied with.

2. Within five (5) business days after a solicitation subject to this section is made by the management of an insurer or a longer period as the director may authorize upon a showing of good cause, there shall be filed

with the director by or on behalf of each participant in that 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.

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

4. If, subsequent to the filing of the statements required by paragraphs (10)(C)1.-3., additional persons become participants in a solicitation subject to this section, there shall be filed with the director, by or on behalf of each person, a statement in duplicate containing the information specified by Schedule B within three (3) business days after the person becomes a participant or a longer period as the director may authorize upon a showing of good cause.

5. If any material change occurs in the facts reported in any statement filed by or on behalf of any participant, an appropriate amendment in the statement shall be filed promptly with the director.

6. Each statement and amendment filed pursuant to this subsection shall be part of the public files of the director.

(D) Solicitations Prior to Furnishing Required Proxy Statement. Notwithstanding the provisions of subsection (5)(A), a solicitation subject to this section may be made prior to furnishing security holders a written proxy statement containing the information specified in Schedule A with respect to the solicitation; provided, that—

1. The statement required by subsection (10)(C) is filed by or on behalf of each participant in the solicitation;

2. No form of proxy is furnished to security holders prior to the time the written proxy statement required by subsection (5)(A) is furnished to those persons. Provided, however, that paragraph (10)(D)2. shall not apply where a proxy statement then meeting the requirements of Schedule A has been furnished to security holders;

3. At least the information specified in paragraphs (10)(C)2. and 3. to be filed by each participant or an appropriate summary are included in each communication sent or given to security holders in connection with the solicitation; and

4. A written proxy statement containing the information specified in Schedule A with

respect to a solicitation is sent or given security holders at the earliest practicable date.

(E) Solicitations Prior to Furnishing Required Written Proxy Statement—Filing Requirements. Two (2) copies of any soliciting material proposed to be sent or given to security holders prior to the furnishing of the written proxy statement required by subsection (5)(A) shall be filed with the director in preliminary form at least five (5) business days prior to the date definitive copies of the material are first sent or given to those persons or a shorter period as the director may authorize upon a showing of good cause.

(F) Application of This Section to Annual Report. Notwithstanding the provisions of subsections (5)(B) and (C), two (2) copies of any portion of the annual report referred to in subsection (5)(B) which comments upon or refers to any solicitation subject to section (10) or to any participant in any this solicitation, other than the solicitation by the management, shall be filed with the director, as proxy material subject to regulation. That portion of the report shall be filed with the director, in preliminary form, at least five (5) business days prior to the date copies of the report are first sent or given to security holders.

AUTHORITY: sections 374.045 and 375.191, RSMo 1986. This rule was previously filed as 4 CSR 190-10.020. This version of rule filed Dec. 8, 1965, effective Dec. 31, 1965. Amended: Filed Dec. 5, 1969, effective Dec. 15, 1969. Amended: Filed Aug. 5, 1974, effective Aug. 15, 1974.*

**Original authority: 374.045, RSMo 1967 and 375.191, RSMo 1939, amended 1967.*

**Schedule A
Information Required
in Proxy Statement
or Information 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 the limitation or procedure.

Item 2. Dissenter's Rights of Appraisal. Outline briefly the rights of appraisal or similar rights of dissenting security holders with respect to any matter to be acted upon and indicate any statutory procedure required to be followed by the security holders in order to perfect their rights. Where the 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 that date.

Item 3. Persons Making Solicitations Not Subject to Section 10.

(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 s/he intends to oppose any action intended to be taken by the management and indicate the action which s/he intends 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 the material features of any contract or arrangement for this solicitation and identify the parties and the cost or anticipated cost of the solicitation.

Item 4. Interest of Certain Persons in Matters to be Acted Upon. Describe briefly any substantial interest, direct or indirect, by security holdings or otherwise, of any director, nominee for election as 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. Voting Securities.

(a) State, as to each class of voting securities 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 security holders entitled to vote at the meeting will be determined. If the right to vote is not limited to security holders of record on that date, indicate the conditions under which other security holders 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 the rights and state briefly the conditions precedent to the exercise of the rights.

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 such person, state when his/her term of office or the term of office for which s/he is nominee will expire and all other positions and offices with the insurer presently held by him/her and indicate which persons are nominees for election as directors at the meeting.

(b) State his/her present principal occupation or employment and give the name and principal business of any corporation or other organization in which this employment is carried on. Furnish similar information as to all of his/her principal occupations or employments during the last five (5) years, unless s/he is now a director and was elected to his/her present term of office by a vote of security holders at a meeting for which proxies were solicited under this rule.

(c) If s/he is or has previously been a director of the insurer, state the period or periods during which s/he has served as such.

(d) State, as of the most recent practicable date, the approximate amount of each class of equity securities of the insurer or any of its parents, subsidiaries or affiliates other than directors' qualifying shares, beneficially owned directly or indirectly by him/her. If s/he is not the beneficial owner of any such securities, make a statement to that effect.

Item 7. Remuneration and Other Transactions With Management and Others. Furnish the information reported or required in Item 1. 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 securities, other than warrants or rights issued to security holders, 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 previously mentioned 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 person who will participate, the approximate number of

persons in each such class and the basis of 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; and

(c) If the plan to be acted upon may be amended (other than by a vote of security holders) in a manner which would materially increase the cost of the plan 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 the 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, 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 the amount is to be paid and the estimated annual payments necessary to pay the total amount over the period, 2) the estimated annual payments to be made with respect to current services and 3) the amount of the annual payments to be made for the benefit of—*i*) each person named in Item 7. of this schedule, *ii*) directors and officers as a group and *iii*) employees as a group; and

(c) If the plan to be acted upon may be amended (other than by a vote of security holders) 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 subparagraph (b)(3) of this item, the nature of the 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 in this as warrants) to purchase securities of the insurer or any subsidiary or affiliate, other than warrants issued to all security holders on a *pro rata* basis, furnish the following information:

(a) The title and amount of securities 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 securities called for or to be called for by the warrants, as of the latest practicable date;

(b) If known, state separately the total amount of securities called for or to be called for by warrants received or to be received by the following persons, naming each person: 1) each person named in Item 7. of this schedule and 2) each other person who will be entitled to acquire five percent (5%) or more of the securities called for or to be called for by the warrants; and

(c) If known, state also the total amount of securities called for or to be called for by the 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 Securities.

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

2. If the securities 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.

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

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters.

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

(a) 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 security holders in order to perfect the rights;

(b) The material features of the plan or agreement;

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

(d) If available, the high and low sales prices for each quarterly period within two (2) years; and

(e) The percentage of outstanding shares which must be voted for the transaction before it is consummated.

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

(a) A comparative balance sheet as of the close of the last two (2) fiscal years;

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

(c) 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 an asset, capital or surplus account 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; and

(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 security holders, state the nature of the matter, the reason for submitting it to a vote of security holders and what action is intended to be taken by the management in the event of a negative vote on the matter by the security holders.

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 in previous items 1.—14., state briefly the reasons for and general effect of the 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 or 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; and

(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; and

(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 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 Securities of the Insurer.

(a) State the amount of each class of securities of the insurer which you own beneficially, directly or indirectly.

(b) State the amount of each class of securities of the insurer which you own of record but not beneficially.

(c) State with respect to all securities of the insurer purchased or sold within the past two years, the dates on which they were purchased or sold and the amount purchased or sold on that date.

(d) If any part of the purchase price or market value of any of the securities specified in subitem (c) is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding these securities, so state and indicate the amount of the indebtedness as of the latest practicable date. If these funds were borrowed or obtained otherwise than pursuant to a margin account or a 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 securities of the insurer, including, but not limited to, joint ventures, loan or option arrangements, puts or calls, guarantees against losses or guarantees of profits, division of 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 securities 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 securities of any parent, subsidiary or affiliate of the insurer which you own beneficially, directly or indirectly.

Item 4. General Information.

(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 to the transactions.

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)

20 CSR 200-11.300 Management Contracts to be Filed

PURPOSE: This rule requires each management contract to be filed with the director within five days after its execution. This rule was adopted pursuant to the provisions of section 374.045, RSMo and implements section 375.164, RSMo.

(1) All agreements or contracts under which any person, organization or corporation enjoys in fact the exclusive or dominant right to manage or control any insurer doing business under any of the insurance laws of this state shall be filed with the director of insurance within five (5) days after the execution of the agreement or contract or, if the agreement is presently in existence, within five (5) days (August 20, 1974) from the effective date of this rule (August 15, 1974).

(2) Management agreements or contracts by or between the insurer and its directors, officers, attorneys-in-fact or regular employees need not be filed under this rule.

AUTHORITY: sections 374.045 and 375.164, RSMo 1986. This rule was previously filed as 4 CSR 190-10.040. Original rule filed Aug. 5, 1974, effective Aug. 15, 1974.*

**Original authority: 374.045, RSMo 1967 and 375.164, RSMo 1939, amended 1967.*