

Minnesota Attorney General: Administrative Rules Proceedings

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Rules as Adopted

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4 MCAR S 1.9255 Application of rules.

A. Domestic stock and mutual insurers. Rules 4 MCAR SS 1.9255-1.9269 apply to each domestic stock insurer, including a domestic stock and mutual insurer as defined in Minn. Stat. SS 61A.33-61A.36, which has any class of equity security held of record by 100 or more persons. Rules 4 MCAR SS 1.9255-1.9269 shall not apply to any insurer if 95 percent 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 less than 500 persons. A domestic stock insurer which files with the Securities and Exchange Commission forms of

proxies, consents and authorizations complying with the requirements of the Securities Exchange Act of 1934, as amended, and the applicable regulations promulgated thereunder shall be exempt from 4 MCAR SS 1.9255-1.9269.

B. Written statement. Unless proxies, consents or authorizations in respect of any class of equity securities of a domestic insurer subject to A. are solicited by or on behalf of the management of the insurer from the holders of record of the securities in accordance with 4 MCAR SS 1.9255-1.9269 and the schedules hereunder prior to any annual or other meeting of the security holders, the insurer shall, in accordance with 4 MCAR SS 1.9255-1.9269 and other rules the commissioner may adopt, file with the commissioner and transmit to all equity security holders who are entitled to vote in regard to any matter to be acted upon at the meeting and from whom a proxy is not solicited a written information statement containing the information specified in 4 MCAR S 1.9269 (Schedule C).

4 MCAR S 1.9256 Definitions.

A. Applicability. For the purposes of 4 MCAR SS 1.9255-1.9269, the terms defined in this rule have the meanings given them unless the context otherwise requires.

B. Affiliate. An "affiliate" of, or a person affiliated with, a specified person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

C. Associate. The term "associate" used to indicate a relationship with any person means any corporation or organization, other than the issuer or a majority-owned subsidiary of the issuer, of which the person is an officer or partner or is, directly or indirectly, the beneficial owner of ten percent or more of any class of equity security; any trust or other estate in which the person has a substantial beneficial interest or as to which the person serves as trustee or in a similar fiduciary capacity; and any relative or spouse of the person, or any relative or the spouse, who has the same home as

the person or who is a director or officer of the issuer or any of its parents or subsidiaries.

D. Beneficial owner. The term "beneficial owner" includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares voting power including the power to vote or direct the voting of a security, or investment power including the power to dispose of or direct the disposition of the security.

E. Control. The term "control," including the terms "controlling," "controlled by" and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities by contract or otherwise.

F. Issuer. The term "issuer" means the issuer of the securities in respect of which a proxy is solicited.

G. Last fiscal year. The term "last fiscal year" means the last fiscal year of the issuer ending prior to the date of the meeting for which proxies are to be solicited.

H. Officer. The term "officer" means the president, secretary, treasurer, any vice president in charge of a principal business function such as sales, administration or finance and any other person who performs similar policy-making functions for the insurer.

I. Parent. A "parent" of a specified person is an affiliate controlling the person directly, or indirectly through one or more intermediaries.

J. Person. The term "person" means an individual, corporation, partnership, association, joint stock company, trust, unincorporated organization, or government or political subdivision thereof. As used in this paragraph, the term "trust" includes only a trust where the interest or interests of the beneficiary or beneficiaries are evidenced by a security.

K. Proxy statement. The term "proxy statement" means the statement required by 4 MCAR S 1.9258, whether or not contained in a single document.

L. Solicitation. The terms "solicit" and "solicitation" 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 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. The terms do not apply to the furnishing of a form of proxy to a security holder upon the unsolicited request of the security holder, the performance by the issuer of acts required by 4 MCAR S 1.9262, or the performance by any person of ministerial acts on behalf of a person soliciting a proxy.

4 MCAR S 1.9257 Solicitations to which rules apply. Rule 4 MCAR S 1.9264 applies to every solicitation that is subject to 4 MCAR S 1.9255. Rules 4 MCAR SS 1.9256-1.9263 and 1.9265 apply to every solicitation that is subject to 4 MCAR S 1.9255 except the following:

A. any solicitation made otherwise than on behalf of the issuer where the total number of persons solicited is not more than ten;

B. any solicitation by a person in respect of securities carried in his name or in the name of his nominee, otherwise than as voting trustee, or held in his custody, if the person:

1. receives no commission or remuneration for the solicitation, directly or indirectly, other than reimbursement of reasonable expenses;

2. furnishes promptly to the person solicited a copy of all soliciting material with respect to the same subject matter or meeting received from all persons who shall furnish copies thereof for this purpose and who shall, if requested, defray the reasonable expenses to be incurred in forwarding the material; and

3. does no more than impartially instruct the person

solicited to forward a proxy to the person, if any, to whom the person solicited desires to give a proxy, or impartially request from the person solicited instructions as to the authority to be conferred by the proxy and state that a proxy will be given if no instructions are received by a certain date;

C. any solicitation by a person in respect of securities of which it is the beneficial owner; or

D. any solicitation through the medium of a newspaper advertisement which informs security holders of a source from which they may obtain copies of a proxy statement, form of proxy and any other soliciting material and does no more than name the issuer, state the reason for the advertisement, and identify the proposal or proposals to be acted upon by security holders; ~~or~~

~~E. any solicitation which the commissioner finds for good cause should be exempted from this rule or any part thereof.~~

4 MCAR S 1.9258 Information to be furnished to security holders.

A. Proxy statement. No solicitation subject to 4 MCAR SS 1.9255-1.9269 shall be made unless each person solicited is concurrently furnished or has previously been furnished with a written proxy statement containing the information specified in 4 MCAR S 1.9267 (Schedule A).

B. Annual report. If the solicitation is made on behalf of the issuer and relates to an annual meeting of security holders at which directors are to be elected, each proxy statement furnished pursuant to A. shall be accompanied or preceded by an annual report to security holders. The report shall comply with the requirements of 1.-7.

1. The report shall contain in comparative columnar form such financial statements for the last two fiscal years, prepared on a consistent basis, as will in the opinion of the management adequately reflect the financial position of the issuer at the end of each year and the results of its operations for each year. Consolidated financial statements of the issuer and its subsidiaries shall be included in the report if they are necessary to reflect the financial position and results of operations of the issuer and its subsidiaries, but in that case

the individual statements of the issuer may be omitted. The commissioner shall, upon the request of the issuer, permit the omission of financial statements for the earlier of the two fiscal years upon a showing of good cause.

2. The financial statements for the last two fiscal years required by 1. shall be prepared in a manner acceptable to the commissioner.

3. The report shall include in comparative columnar form a summary of issuer's operations or the operations of the issuer and its subsidiaries consolidated, or both as appropriate, for each of the last five fiscal years of the issuer, or the life of the issuer and its predecessors if less.

4. The report shall contain a brief description of the business or businesses done by the issuer and its subsidiaries during the most recent fiscal year which will, in the opinion of management, indicate the general nature and scope of the business of the issuer and its subsidiaries.

5. The report shall identify each of the issuer's directors and officers and shall indicate the principal occupation or employment of each of them and the name and principal business of any organization by which they are employed.

6. The report shall identify the principal market in which securities of any class entitled to vote at the meeting are traded, stating the range of bid and asked quotations for each quarterly period during the issuer's two most recent fiscal years, and shall set forth each dividend paid during the two-year period.

7. Subject to the requirements of 1.-6., the report may be in any form deemed suitable by management and the information required by 3.-6. may be presented in an appendix or other separate section of the report if the attention of security holders is called to this presentation. The requirement of B. shall not apply to solicitations made on behalf of the management before the financial statements are available if solicitation is being made at the time in opposition to the

management and if the management's proxy statement includes an undertaking in bold face type to furnish the annual report to all persons being solicited at least 20 days before the date of the meeting.

C. Information to commissioner. Two copies of the report sent to the security holders pursuant to 4 MCAR SS 1.9255-1.9269 shall be mailed to the commissioner solely for his information 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 commissioner pursuant to 4 MCAR S 1.9261, whichever date is later.

D. Information to beneficial owners. If the issuer knows that securities of any class entitled to vote at a meeting with respect to which the issuer intends to solicit proxies, consents or authorizations are held of record by a broker, dealer, bank or voting trustee, or their nominees, the issuer shall ~~require~~ inquire of the record holder at least ten days prior to the record date for the meeting of security holders whether other persons are the beneficial owners of the securities and, if so, the number of copies of the proxy and other soliciting material and, in the case of an annual meeting at which directors are to be elected, the number of copies of the annual report to security holders, necessary to supply the material to beneficial owners. The issuer shall supply the record holder in a timely manner with additional copies in the quantities, assembled in the form and at the place, the record holder reasonably requests in order to address and send one copy of each to each beneficial owner of securities so held. The issuer shall pay, upon the request of the record holder, its reasonable expenses for mailing the material to security holders to whom the material is sent.

4 MCAR S 1.9259 Proxy requirements.

A. Form. The form of proxy shall:

1. Indicate in boldface type whether or not the proxy is solicited on behalf of the issuer's board of directors and not by whom it is issued;

2. Provide a specifically designated blank space for dating the proxy; and

3. Identify clearly and impartially each matter or group of related matters intended to be acted upon, whether proposed by the issuers or security holders. No reference need be made to proposals as to which discretionary authority is conferred pursuant to C.

B. Ballots. Means shall be provided in the proxy for the person solicited to specify by ballot a choice between approval or disapproval of, or abstention with respect to, each matter or group of related matters referred to in it, other than elections to office. A proxy may confer discretionary authority with respect to matters as to which a choice is not specified if the form of proxy states in boldface type how it is intended to vote the shares represented by the proxy in each case.

C. Authority to vote in elections. A form of proxy which provides both for election of directors and for action on other specified matters shall be prepared so as clearly to provide, by a box or otherwise, means by which the security holder may withhold authority to vote for election as a director. Any form of proxy which is executed by the security holder in this manner so as not to withhold authority to vote for elections of all nominees shall be deemed to grant this authority for all nominees for which a vote is not withheld, if the form of proxy states this in boldface type.

D. Discretionary authority conferred. A proxy may confer discretionary authority with respect to any of the following matters:

1. matters to be presented at the meeting but not known by the person making the solicitation within a reasonable time before the solicitation if a specific statement to that effect is made in the proxy statement or form of proxy;

2. approval of the minutes of the prior meeting if approval does not amount to ratification of the action taken at that meeting;

3. the election of any person to any office for which a

bona fide nominee is named in the proxy statement and the nominee is unable to serve or for good cause will not serve;

4. any proposal omitted from the proxy statement and form of proxy pursuant to 4 MCAR SS 1.9263 C. or 1.9264; or

5. matters incident to the conduct of the meeting.

E. Authority not conferred. 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 thereof, to be held after the date on which the proxy statement and form of proxy are first sent or given to security holders. A person is not a bona fide nominee unless he has consented to being named in the proxy statement and to serve if elected.

F. Voting. The proxy statement or form of proxy shall provide, subject to reasonable specified conditions, that the securities represented by the proxy will be voted and that where the person solicited specifies by means of ballot provided pursuant to B. and C. a choice with respect to any matter to be acted upon, the securities will be voted in accordance with the specifications.

4 MCAR S 1.9260 Presentation of information in proxy statement.

A. Organization. The information included in the proxy statement shall be clearly presented and divided into groups according to subject matter. The various groups of information shall be preceded by appropriate headings.

B. Disclosure of deadline for inclusion of proposal in proxy statement. All proxy statements shall disclose, under an appropriate caption, the date by which proposals of security holders intended to be presented at the next annual meeting must be received by the issuer for inclusion in the issuer's proxy statement and form of proxy relating to that meeting. The date shall be calculated in accordance with the provisions of 4 MCAR S 1.9263 A. If the date of the next annual meeting is subsequently advanced by more than 30 calendar days or delayed by more than 90 calendar days from the date of the annual

meeting to which the proxy statement relates, the issuer shall, in a timely manner, notify security holders of the change, and the date by which proposals of security holders must be received.

4 MCAR S 1.9261 Material required to be filed.

A. Preliminary soliciting material. Two preliminary copies of the information statement or the proxy statement, form of proxy, and any other soliciting material to be furnished to security holders concurrently with it, or the information statement pursuant to 4 MCAR S 1.9269, shall be filed with the commissioner at least ten days prior to the date definitive copies of the material are first sent or given to security holders, or a shorter period prior to that date the commissioner authorizes upon a showing of good cause.

B. Additional preliminary soliciting material. Two 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 statement shall be filed with the commissioner at least two days, exclusive of Saturdays, Sundays and holidays, prior to the date copies of this material are first sent or given to security holders, or a shorter period prior to that date the commissioner authorizes upon a showing of good cause.

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

D. Revised material. Where the proxy statement, form of proxy, or other material filed pursuant to this rule is amended or revised, one of the copies of the amended or revised material filed pursuant to this rule shall be marked to indicate clearly and precisely the changes made.

E. Information that need not be filed. Copies of replies to inquiries from security holders requesting further information and copies of communications which do no more than request that

forms or of proxy previously solicited be signed and returned need not be filed pursuant to 4 MCAR SS 1.9255-1.9269.

F. Discretionary filings. Notwithstanding the provisions of A., B. and 4 MCAR S 1.9266 E., preliminary copies of soliciting material in the form of speeches, press releases, and radio or television scripts may be filed with the commissioner prior to use or publication. Definitive copies, however, shall be filed with or mailed for filing to the commissioner as required by C. not later than the date the material is used or published. The provisions of A., B. and 4 MCAR S 1.9266 E. apply to any reprints or reproductions of all or any part of this material.

4 MCAR S 1.9262 Mailing communications for security holders.

A. Duties of issuer. If the management of the issuer has made or intends to make any solicitation subject to this rule, the issuer shall perform any of the acts in B. and C. requested in writing with respect to the same subject matter or meeting by any security holder who is entitled to vote at least one percent of the votes entitled to be voted on the matter and who defrays the reasonable expenses incurred by the issuer in the performance of the act or acts requested.

B. Information required. The issuer shall mail or otherwise furnish to the security holder, as promptly as practicable after the receipt of the request:

1. a statement of the approximate number of record owners and, to the extent known to the issuer, the approximate number of beneficial owners of any class of securities, any of whom have been or are to be solicited on behalf of the management, or any group of whom the security holder shall designate; and

2. an estimate of the cost of mailing a specified proxy statement, form of proxy or other communication to the owners.

C. Material furnished by security holder.

1. Copies of any proxy statement, form of proxy and other communication furnished by the security holder shall be mailed by the issuer to the security owners specified in B.1. the security holder designates.

2. The material furnished by the security holder shall be

mailed with reasonable promptness after receipt of the material to be mailed, the envelopes or other containers therefor, and postage or payment for postage. The issuer need not mail any material prior to the first day on which solicitation is made on behalf of the issuer.

3. The issuer shall not be responsible for the proxy statement, form of proxy or other communication.

D. Alternative compliance. In lieu of performing the acts specified in B. and C., the issuer may furnish promptly to the security holder a reasonably current list of the names and addresses of any of the record owners and, to the extent known to the issuer, the beneficial owners the security holder designates along with a schedule of the handling and mailing costs if the schedule has been supplied to the issuer.

4 MCAR S 1.9263 Proposals of security holders.

A. Inclusion in proxy statement and form of proxy. If any holder of the securities of an issuer, hereafter referred to as the "proponent," notifies the issuer in writing not less than 90 days before the issuer's annual meeting of his intention to present a lawful proposal for action at a forthcoming meeting of the issuer's security holders and at the time of the notice the proponent is entitled to vote at least one percent of the votes entitled to be voted on the proposal, the issuer shall set forth the proposal in its proxy statement and identify it in its form of proxy and provide for the specification of approval or disapproval of the proposal. The proxy statement shall also include the name and address of the proponent.

B. Statement of support. If the issuer opposes any proposal received from a proponent, it shall, at the request of the proponent, include in its proxy statement a statement of the proponent of not more than 200 words in support of the proposal.

C. Omissions. The issuer may omit a proposal and any statement in support of it from its proxy statement and form of proxy under any of the following circumstances:

1. the proponent has submitted more than one proposal in connection with a particular meeting;

2. the proposal is more than 300 words in length;

3. the proposal or the supporting statement is contrary to any provision of this rule or the schedules hereto, including 4 MCAR S 1.9264 which prohibits false or misleading statements in proxy soliciting materials;

4. the proposal relates to the enforcement of a personal claim or the redress of a personal grievance against the issuer, its management, or any other person;

5. the proposal deals with a matter not significantly related to the issuer's business, a matter beyond the issuer's power to effectuate, a matter relating to the conduct of the ordinary business operations of the issuer, or an election to office;

6. the proposal is counter to a proposal to be submitted by the issuer at the meeting, the proposal has been rendered moot, or the proposal relates to specific amounts of cash or stock dividends;

7. the proposal is substantially duplicative of a proposal previously submitted to the issuer by another proponent, which proposal will be included in the management's proxy material for the meeting; or

8. substantially the same proposal has previously been submitted to security holders in the issuer's proxy statement and form of proxy relating to any annual or special meeting of security holders held within the preceding five calendar years and received less than five percent of the total number of votes cast in respect thereof at the time of its most recent submission.

D. Notice of omission. If the issuer intends to omit any proposal from its proxy statement or forms of proxy, it shall notify the proponent in writing of its intention at least ten days before the issuer's preliminary proxy material is filed pursuant to 4 MCAR S 1.9261 A.

4 MCAR S 1.9264 False or misleading statements. No proxy statement, form of proxy, notice of meeting, information statement, or other communication, written or oral, subject to 4

MCAR SS 1.9255-1.9269 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 in it 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.

4 MCAR S 1.9265 Prohibition of certain solicitations. No person making a solicitation which is subject to this rule shall solicit any undated or postdated proxy or any proxy which provides that it shall be deemed to be dated as of any date subsequent to the date on which it is signed by the security holder.

4 MCAR S 1.9266 Special provisions applicable to election contests.

A. Applicability. This rule applies to any solicitation subject to 4 MCAR SS 1.9255-1.9269 by any person or group for the purpose of opposing a solicitation subject to 4 MCAR SS 1.9255-1.9269 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 rule the terms "participant" and "participant in a solicitation" include the issuer; any director of the issuer, and any nominee for whose election as a director proxies are solicited; or any other person, acting alone, or with one or more other persons, committees, or groups, in organizing, directing or financing the solicitation.

2. For the purpose of this rule 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 advisor, and whose activities are limited to the performance of his duties in the course of that employment; any person regularly employed as an officer or employee of the issuer, 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 rule shall be made by any person other than the issuer unless at least five business days prior to it, or any shorter period the commissioner authorizes upon a showing of good cause, there has been filed with the commissioner, by or on behalf of each participant in the solicitation, a statement in duplicate containing the information specified in 4 MCAR S 1.9268 (Schedule B) and a copy of any material proposed to be distributed to security holders in furtherance of the solicitation.

2. Within five business days after a solicitation subject to this rule is made by the issuer, or any longer period the commissioner authorizes upon a showing of good cause, there shall be filed with the commissioner by or on behalf of each participant in the solicitation, other than the issuer, a statement in duplicate containing the information specified in 4 MCAR S 1.9268.

3. If any solicitation on behalf of the issuer or any other person has been made, or if proxy material is ready for distribution, prior to a solicitation subject to C. in opposition to it, a statement in duplicate containing the information specified in 4 MCAR S 1.9268 shall be filed with the commissioner by or on behalf of each participant in the prior solicitation, other than the issuer, as soon as reasonably practicable after the commencement of the solicitation in

opposition to it.

4. If, subsequent to the filing of the statements required by 1.-3., additional persons become participants in a solicitation subject to this rule, there shall be filed with the commissioner, by or on behalf of each person, a statement in duplicate containing the information specified in 4 MCAR S 1.9268, within three business days after the person becomes a participant, or any longer period the commissioner authorizes 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 to the statement shall be filed promptly with the commissioner.

6. Each statement and amendment to it filed pursuant to C. shall be part of the public files of the commissioner.

D. Solicitations prior to furnishing required written proxy statement. Notwithstanding the provisions of 4 MCAR S 1.9258 A., a solicitation subject to this rule may be made prior to furnishing security holders a written proxy statement containing the information specified in 4 MCAR S 1.9267 (Schedule A) with respect to the solicitation if:

1. the statements required by E. are 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 4 MCAR S 1.9258 A. is furnished to those persons. This paragraph does not apply where a proxy statement then meeting the requirements of 4 MCAR S 1.9267 (Schedule A) has been furnished to security holders;

3. at least the information specified in C.2. and 3. of the statements required by C. to be filed by each participant, or an appropriate summary thereof, is included in each communication sent or given to security holders in connection with the solicitation;

4. a written proxy statement containing the information specified in 4 MCAR S 1.9267 (Schedule A) with respect to a

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

E. Filing requirements of solicitations prior to furnishing required written proxy statement. Two 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 4 MCAR S 1.9258 A. shall be filed with the commissioner in preliminary form at least five business days prior to the date definitive copies of the material are first sent or given to these persons, or any shorter period the commissioner authorizes upon a showing of good cause.

F. Application of E. to annual report. Notwithstanding the provisions of 4 MCAR S 1.9258 B., two copies of any portion of the annual report referred to in 4 MCAR S 1.9258 B. which comments upon or refers to any solicitation subject to this rule, or to any participant in any such solicitation, other than the solicitation by the management, shall be filed with the commissioner as proxy material subject to 4 MCAR SS 1.9255-1.9269. This portion of the report shall be filed with the commissioner in preliminary form at least five business days prior to the date copies of the report are first sent or given to security holders.

4 MCAR S 1.9267 Schedule A; information required in proxy statement.

A. Requirement. The proxy statement shall contain the information required by B.-V.

B. 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.

C. Dissenters' right of appraisal. Outline briefly any 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 dissenting security holders in order to perfect these rights. Where these

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 the date.

D. Persons making solicitations.

1. Paragraphs a.-b. apply to solicitations not subject to 4 MCAR S 1.9266.

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

b. If the solicitation is made otherwise than by the issuer, so state and give the names of the persons by whom and on whose behalf it is made.

c. If the solicitation is to be made otherwise than by use of the mails, describe the methods to be employed. If the solicitation is to be made by specially engaged employees or paid solicitors, state the material features of any contract or arrangement for the solicitation and identify the parties, and the cost or anticipated cost of it.

d. State the name of the persons by whom the cost of solicitation has been or will be borne, directly or indirectly.

2. Paragraphs a.-f. apply to solicitations subject to 4 MCAR S 1.9266.

a. State by whom the solicitation is made and describe the methods employed and to be employed to solicit security holders.

b. If regular employees of the issuer or any other participant in a solicitation have been or are to be employed to solicit security holders, describe the class or classes of employees to be so employed and the manner and nature of their employment for this purpose.

c. If specially engaged employees, representatives or other persons have been or are to be employed to solicit security holders, state the material features of any contract or

arrangement for the solicitation and identify the parties, the cost or anticipated cost of it, and the approximate number of the employees or employees of any other person and the name of the other person who will solicit security holders.

d. State the total amount estimated to be spent and the total expenditures to date for or in connection with the solicitation of security holders.

e. State who will bear the cost of the solicitation. If reimbursement will be sought from the issuer, state whether the question of the reimbursement will be submitted to a vote of security holders.

f. If the solicitation is terminated pursuant to a settlement between the issuer and any other participant in the solicitation, describe the terms of the settlement, including the cost or anticipated cost of it to the issuer.

E. Interest of certain persons in matters to be acted upon.

1. For solicitations not subject to 4 MCAR S 1.9266, describe briefly any substantial interest, either direct or indirect, of each of the following persons, in any matter to be acted upon other than elections to office:

a. if the solicitation is made on behalf of the issuer, each current director or officer of the issuer;

b. if the solicitation is not made on behalf of the issuer, any person who would be a participant in a solicitation, except the issuer, or an officer, director, or nominee of the issuer;

c. each nominee for election as a director of the issuer; and

d. each associate of the foregoing persons.

2. For solicitations subject to 4 MCAR S 1.9266, describe briefly any substantial interest, either direct or indirect, of each participant, except the issuer in any matter to be acted upon at the meeting, and include with respect to each participant the information or an adequate summary thereof, required by 4 MCAR S 1.9268 C.1., C.4., D., E.2., and E.3.

F. Voting securities and principal holders of them.

1. 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.

2. 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.

3. If action is to be taken with respect to the election of directors and if the persons solicited have cumulative voting rights:

a. make a statement that they have these rights;

b. describe the rights;

c. state the conditions precedent to the exercise of them and;

d. if discretionary authority to cumulate votes is solicited, so indicate.

4. Furnish the following information as of the most recent practicable date, in substantially the tabular form indicated, with respect to any person or group of persons who is known to be the beneficial owner of more than five percent of any class of securities; and all directors and nominees, naming them, and directors and officers of the issuer as a group, without naming them:

1	2	3	4
Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class

5. If, to the knowledge of the persons on whose behalf the solicitation is made, a change in control of the issuer has occurred since the beginning of its last fiscal year, state the following: the name of the person who acquired control; the amount and the source of the consideration used by the person; the basis of the control; the date and a description of the

transaction which resulted in the change of control and the percentage of voting securities of the issuer now beneficially owned directly or indirectly by the person who acquired control; and the identity of the person from whom control was assumed. Describe any arrangements which may at a subsequent date result in a change of control of the issuer.

G. Directors and executive officers. If action is to be taken with respect to the election of directors, furnish the information required by 1.-11., 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. If the solicitation is made on behalf of persons other than the issuer, the information required need be furnished only as to nominees of the persons making the ~~solicitations~~ solicitation.

1. List the names and ages of all directors and officers of the issuer and all persons nominated or chosen to become directors or officers; indicate all positions and offices with the issuer held by each person; state his term of office as director or officer and any period during which he has served as officer or director; briefly describe any arrangement or understanding between him and any other person pursuant to which he was or is to be selected as a director, officer, or nominee, and name this person.

The information regarding officers need not be furnished in proxy or information statements if the information is furnished in a separate item in the issuer's annual report to stockholders.

2. State the nature of any family relationship not more remote than first cousin between any director, officer, or person nominated or chosen by the issuer to become a director or officer and also any similar family relationship between the person and any officer or director of any of the issuer's parents, subsidiaries or other affiliates.

3. State the principal occupations and employment during the past five years of each director and each person nominated

or chosen to become a director or officer and the name and principal business of any corporation or other organization in which the occupations and employment were carried on.

4. Indicate other directorships held by each director or person nominated or chosen to become a director.

5. Describe any legal proceedings which have occurred during the past five years or which are pending which are material to an evaluation of the ability or integrity of any director or person nominated to become a director or officer of the issuer.

6. Describe any of the following relationships which exist:

a. if the nominee or director is, or has within the last two full fiscal years been, an officer, director or employee of, or owns, or has within the last two full fiscal years owned, directly or indirectly, in excess of a one percent equity interest in any firm, corporation or other business or professional entity:

(1) which has made payments to the issuer or its subsidiaries during the issuer's last full fiscal year or which proposes to make payments to the issuer or its subsidiaries during the current fiscal year in excess of one percent of the issuer's consolidated gross revenues for its last full fiscal year;

(2) to which the issuer or its subsidiaries were indebted at any time during the issuer's last fiscal year in an aggregate amount in excess of one percent of the issuer's total consolidated assets at the end of the fiscal year;

(3) to which the issuer or its subsidiaries have made payments during the entity's last fiscal year or to which the issuer or its subsidiaries propose to make payments during the entity's current fiscal year in excess of one percent of the entity's consolidated gross revenues for its last full fiscal year;

(4) in order to determine whether payments made or proposed to be made exceed one percent of the consolidated gross

revenues of any entity other than the issuer for the entity's last full fiscal year, it is appropriate to rely on information provided by the nominee or director;

(5) in calculating payments for property and services the following may be excluded:

(a) payments where the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a public utility at rates or charges fixed in conformity with law or governmental authority;

(b) payments which arise solely from the ownership of securities of the issuer and no extra or special benefit not shared on a pro rata basis by all holders of the class of securities is received;

(6) in calculating indebtedness for purposes of (2), debt securities which have been publicly offered, admitted to trading on a national securities exchange, or quoted on the automated quotation system of a registered securities association may be excluded;

b. the nominee or director is a member or employee of, or is associated with, a law firm which the issuer has retained in the last two full fiscal years or proposes to retain in the current fiscal year where fees paid or anticipated to be paid by the issuer are material to either the law firm, the issuer, or both;

c. the nominee or director is a director, partner, officer or employee of any investment banking firm which has performed services for the issuer other than as a participating underwriter in a syndicate in the last two full fiscal years or which the issuer proposes to have perform services in the current year; or

d. the nominee or director is a control person of the issuer, other than solely as a director of the issuer.

7. State whether or not the issuer has standing audit, nominating, and compensation committees of the board of directors, or committees performing similar functions. If the

issuer has the committees, however designated, identify each committee member, state the number of committee meetings held by each committee during the last fiscal year and describe briefly the functions performed by the committees. If the issuer has a nominating or similar committee, state whether the committee will consider nominees recommended by shareholders and describe the procedures to be followed by shareholders in submitting these recommendations.

8. State the total number of meetings of the board of directors, including regularly scheduled and special meetings, which were held during the last full fiscal year. Name each incumbent director who during the last full fiscal year attended fewer than 75 percent of the aggregate of the total number of meetings of the board of directors held during the period for which he has been a director, and the total number of meetings held by all committees of the board on which he served during the periods that he served.

9. If a director has resigned or declined to stand for reelection to the board of directors since the date of the last annual meeting of shareholders because of a disagreement with the issuer on any matter relating to the issuer's operations, policies or practices, and if the director has furnished the issuer with a letter describing the disagreement and requesting that the matter be disclosed, the issuer shall state the date of resignation or declination to stand for reelection and summarize the director's description of the disagreement.

If the issuer believes that the description provided by the director is incorrect or incomplete, it may include a brief statement presenting its views of the disagreement.

10. With respect to those classes of voting stock which participated in the election of directors at the most recent meeting at which directors were elected:

a. state the percentage of shares present at the meeting and voting or withholding authority to vote in the election of directors; and

b. disclose in tabular format, the percentage of total

shares cast for and withheld from the vote for or, where applicable, cast against, each nominee, which respectively were voted for and withheld from the vote for, or voted against, the nominee. When groups of classes or series of classes vote together in the election of a director or directors, they shall be treated as a single class for the purpose of the preceding sentence.

11. Instructions.

a. Calculate the percentage of shares present at the meeting and voting or withholding authority to vote in the election of directors, referred to in 10.a. by dividing the total shares cast for and withheld from the vote for or, where applicable, voted against, the director in respect of whom the highest aggregate number of shares was cast by the total number of shares outstanding which were eligible to vote as of the record date for the meeting.

b. No information need be given in response to 10. unless, with respect to any class of voting stock or group of classes which voted together, five percent or more of the total shares cast for and withheld from the vote for or, where applicable, cast against any nominee were withheld from the vote for or cast against the nominee.

c. If an issuer elects less than the entire board of directors annually, disclosure is required as to all directors if five percent or more of the total shares cast for and withheld from the vote for or, where applicable, cast against any incumbent director were withheld from or cast against the vote for the director at the meeting at which he was most recently elected.

d. No information need be given in response to 10. if the issuer has previously furnished to its security holders a report of the results of the most recent meeting of security holders at which directors were elected which includes a description of each matter voted upon at the meeting and a statement of the percentage of the shares voting which were voted for and against each matter and the information which

would be called for by 10. If an issuer has previously furnished these results to its security holders, this fact should be set forth in a letter accompanying the filing of preliminary proxy materials with the commissioner.

H. Remuneration of directors and officers. Furnish the information required by 1.-7. if action is to be taken with respect to the election of directors; any bonus, profit sharing or other remuneration plan, contract or arrangement in which any director, nominee for election as a director, or officer of the insurer will participate; any pension or retirement plan in which any such person will participate; or 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 issuer, the information required need be furnished only as to nominees of the persons making the solicitation and associates of the nominees.

1. Current remuneration. Furnish the information required in Exhibit 4 MCAR S 1.9267 H.1.b.-1., in substantially the tabular form specified, concerning all remuneration of the persons and groups in a. and b. for services in all capacities to the issuer and its subsidiaries during the issuer's last fiscal year, or, in specified instances, certain prior fiscal years.

a. Furnish the required information concerning each of the five most highly compensated officers or directors of the issuer as to whom the total remuneration required to be disclosed in Columns C1 and C2 of Exhibit 4 MCAR S 1.9267 H.1.b.-1. would exceed $50,000, naming each person.

b. Furnish the required information concerning all officers and directors of the issuer as a group, stating the number of persons in the group without naming them.

Exhibit 4 MCAR S 1.9267 H.1.b.-1.

Current Remuneration

(A) Name of individual or number of persons in group	(B) Capacities in which served	(C) Cash and cash equivalent forms of remuneration	(D) Aggregate of contingent forms of remuneration
		(C1) Salaries, fees, directors' fees, commissions, and bonuses	(C2) Securities or property, insurance benefits, reimbursement, or personal benefits

Columns (C1), (C2) and (D) should contain with respect to each person or group of persons specified in 4 MCAR S 1.9267 H.1.a. and b. a dollar amount which reflects the total of all items of remuneration described in the heading to that column including those items set forth in the subparagraphs of that column.

COLUMN (C)

Include all cash and cash equivalent forms of remuneration received during the fiscal year and all such amounts accrued during the fiscal year which, with reasonable certainty, will be distributed or vested in the future.

COLUMN (C1)

Salaries, bonuses, fees, and commissions

1. All cash re-

COLUMN (C2)

Securities, property, insurance benefits or reimbursement, personal benefits (Perquisites)

1. Spread between

COLUMN (D)

Include all contingent forms of remuneration the distribution, vesting, and measurement of which is subject to future events. Report only amounts relating to the latest fiscal year, not amounts accrued in previous periods.

1. Amount expensed

muneration distributed or accrued in the form of salaries, commissions, bonuses and fees for services rendered.

2. Compensation earned for services performed in the latest fiscal year even if it is deferred for future payment.

3. Payments received in the latest fiscal year but earned in prior years which were deferred until the latest year, if such amounts were not shown in an earlier

the acquisition price, if any, and fair market price of securities or property acquired under any contract, plan or arrangement.

2. Cost of any life insurance premiums, health insurance premiums and medical reimbursement plans. Premiums for non-discriminatory plans generally available to all salaried employees are excluded.

3. Personal benefits (perquisites) not directly related to job performance, excluding benefits provided on a nondiscriminatory basis, valued on the

for financial reporting purposes representing non-vested contributions, payments, or accruals under any pension or retirement plans, annuities, employment contracts, deferred compensation plans including Internal Revenue Service qualified plans, unless the amount for the individual cannot be separated in which case a footnote is required indicating the percentage which contributions to the plan bear to participant's total remuneration.

2. The amount expensed for financial re-

proxy statement or annual report to stockholders.

basis of cost to the issuer of providing these benefits.

a. If unreasonable effort or expense is required to determine the amounts of personal benefits, they may be omitted if their aggregate value does not exceed $10,000 for each officer.

b. If the amount of personal benefits exceeds ten percent of the amount of total remuneration or $25,000, whichever is less, the amount and a brief description of the benefits must be disclosed

porting purposes under any incentive compensation plans (long-term income plans), such as stock appreciation rights, stock options, performance share plans, where payout is based on objective standards or stock value.

In subsequent years, if the corporation credits compensation expense for financial reporting purposes as a result of a decline in the value of contingent compensation, Column D may be reduced by a corresponding amount. A footnote ex-

in a footnote.	plaining such action should be included.
4. Vested company contributions to thrift, profit sharing, pension, stock purchase and similar plans.	3. The amount expensed for financial reporting purposes for any nonvested contribution payment or accrual to stock purchase plans, profit sharing, and thrift plans whether or not they are qualified under the Internal Revenue Code.

c. The provisions of 1.a. and b. include transactions between the issuer and a third party when the primary purpose of the transaction is to furnish remuneration to the persons specified in that paragraph. Other transactions between the issuer and third parties in which persons specified in 1.a. and b. have an interest, or may realize a benefit, generally are addressed by other disclosure requirements concerning the interest of management and others in certain transactions. Paragraph 1. does not require disclosure of remuneration paid to a partnership in which any officer or director was a partner; any such transaction should be disclosed pursuant to other disclosure requirements and not as a note to the remuneration table presented pursuant to 1.

d. The issuer may provide additional disclosure through a footnote to the table, through additional columns, or otherwise, describing the components of aggregate remuneration

in such greater detail as is appropriate.

2. Proposed remuneration.

a. Briefly describe all remuneration payments proposed to be made in the future pursuant to any existing plan or arrangement to the persons and groups specified in 1. As to defined benefit or actuarial plans with respect to which amounts are not included in the table, include a separate table showing the estimated annual benefits payable upon retirement to persons in specified remuneration and years-of-service classifications.

b. Information need not be furnished with respect to any group life, health, hospitalization, or medical reimbursement plans which do not discriminate in favor of officers or directors of the issuer and which are available generally to all salaried employees.

3. Remuneration of directors. Describe any standard or special arrangements by which directors of the issuer are compensated for services as a director. State the amount of compensation.

4. Options, warrants, or rights.

a. Furnish the information required by Exhibit 4 MCAR S 1.9267 H.4.a.-1. as to all options to purchase securities from the issuer or its subsidiaries which were granted to or exercised by the persons and groups specified in 1.a. since the beginning of the issuer's last fiscal year, and as to all options held by such persons as of the latest practicable date.

Exhibit 4 MCAR S 1.9267 H.4.a.-1. shows as to certain directors and officers and as to all directors and officers as a group:

(1) the amount of options granted since the beginning of the issuer's last full fiscal year;

(2) the amount of shares acquired since that date through the exercise of options;

(3) the amount of shares of the same class sold during the period; and

(4) the amount of shares subject to all unexercised options held as of the most recent practicable date.

Exhibit 4 MCAR S 1.9267 H.4.a.-1.

Options to Purchase Securities

From Issuer or Subsidiaries

Title of securities	Name	Name	Name	All Directors and Officers as a Group
Granted - 19-- to date:				
Number of shares	....	....	....	....
Average per share option price	$....	$....	$....	$....
Exercised - 19-- to date:				
Number of shares	....	....	....	....
Aggregate option price of options exercised	$....	$....	$....	$....
Aggregate market value of shares on date options exercised	$....	$....	$....	$....
Sales - 19-- to date:				
Number of shares	....	....	....	....

(Sales by directors and officers who exercised options during the month, day, and year to the date of the proxy material.)

Unexercised at				

19--:

Number of shares	....	....	....	....
Average per share option price	$....	$....	$....	$....

In addition, during the period employees were granted options for .... shares at an average price per share of $....

b. Instructions.

(1) All figures in Exhibit 4 MCAR S 1.9267 H.4.a.-1. should be adjusted, where applicable, in accordance with the terms of the options to reflect stock splits and to give effect to share dividends.

(2) Other tabular presentations are acceptable if they include the necessary data. Tabular presentation ~~may~~ shall not be needed if ~~only a very few~~ options ~~have been~~ granted do not exceed five percent of the outstanding shares.

(3) (a) Where the total market value on the granting dates of the securities called for by all options granted during the period specified does not exceed $10,000 for any officer or director named in answer to 1., or $40,000 for all officers and directors as a group, H. need not be answered with respect to options granted to the person or group.

(b) Where the total market value on the dates of purchase of all securities purchased through the exercise of options during the period specified does not exceed $10,000 for any person or $40,000 for a group, H. need not be answered with respect to options exercised by the person or group.

(c) Where the total market value as of the latest practicable date of the securities called for by all options held at that time does not exceed $10,000 for any person or $40,000 for a group, H. need not be answered with respect to options held as of the specified date by the person or group.

(4) The term "options" as used in 4. includes all options, warrants or rights, other than those issued to security holders as such on a pro rata basis. Where the average option

price per share is called for, the weighted average price per share shall be given.

(5) The extension, regranting or material amendment of options shall be deemed the granting of options within the meaning of (4).

(6) If the options relate to more than one class of securities the information shall be given separately for each class.

5. Indebtedness of management.

a. State as to each of the following persons who was indebted to the issuer or its subsidiaries at any time since the beginning of the last fiscal year of the registrant the largest aggregate amount of indebtedness outstanding at any time during that period; the nature of the indebtedness outstanding and the transaction in which it was incurred; the amount of the indebtedness outstanding as of the latest practicable date; and the rate of interest paid or charged on it:

(1) each director or officer of the issuer;

(2) each nominee for election as a director; and

(3) each associate of the director, officer or nominee.

b. The requirements of 5. do not apply to:

(1) any person whose aggregate indebtedness did not exceed $10,000 or one percent of the issuer's total assets, whichever is less, at any time during the period specified; or

(2) indebtedness under an insurance policy.

6. Transactions with management.

a. Describe briefly any transaction since the beginning of the issuer's last fiscal year or any presently proposed transactions, to which the issuer or any of its subsidiaries was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest, naming the person and stating his relationship to the issuer, the nature of his interest in the transaction and, where practicable, the amount of the interest:

(1) any director or officer of the issuer;

(2) any nominee for election as a director;

(3) any security holder who is known to the issuer to own of record or beneficially more than ten percent of any class of the issuer's voting securities; and

(4) any relative or spouse of any of the foregoing persons, or any relative of the spouse, who has the same home as the person or who is a director or officer of any parent or subsidiary of the issuer.

b. Describe briefly any material legal proceedings to which the person is a party adverse to the issuer or any of its subsidiaries or has a material interest adverse to the issuer or any of its subsidiaries.

c. No information need be given in response to 6. as to any remuneration or other transaction reported in response to 1.-5., or as to any transaction with respect to which information may be omitted pursuant to those provisions.

d. No information need be given in answer to 6. as to any transaction where:

(1) the rates or charges involved in the transaction are determined by competitive bids, or at rates or charges fixed in conformity with law or governmental authority;

(2) the transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services;

(3) the amount involved in the transaction or series of similar transactions, including all periodic installments in the case of any lease or other agreement providing for periodic payments or installments, does not exceed $40,000; or

(4) the interest of the specified person arises solely from the ownership of securities of the issuer and the specified person receives no extra or special benefit not shared on a pro rata basis by all holders of securities of the class.

e. It should be noted that H. calls for disclosure of indirect, as well as direct, material interests in transactions. A person who has a position or relationship with a firm, corporation, or other entity, which engages in a

transaction with the issuer or its subsidiaries may have an indirect interest in the transaction by reason of the position or relationship. A person does not have a material indirect interest in a transaction within the meaning of this paragraph where:

(1) the interest arises only (a) from the person's position as a director of another corporation or organization, other than a partnership, which is a party to the transaction; or (b) from the direct or indirect ownership by the person and all other persons specified in this paragraph of less than a ten percent equity interest in another person, other than a partnership, which is a party to the transaction; or (c) from both the position and ownership;

(2) the interest arises only from the person's position as a limited partner in a partnership in which he and all other persons specified in this paragraph had an interest of less than ten percent; or

(3) the interest of the person arises solely from the holding of an equity interest, including a limited partnership interest but excluding a general partnership interest, or a creditor interest in another person which is a party to the transaction with the issuer or any of its subsidiaries and the transaction is not material to the other person.

(4) Instructions.

(a) In describing any transaction involving the purchase or sale of assets by or to the issuer or any of its subsidiaries, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and, if acquired by the seller within two years prior to the transaction, the cost of them to the seller. Indicate the principle followed in determining the issuer's purchase or sale price and the name of the person making the determination.

(b) Information shall be furnished in answer to H. with respect to transactions not excluded above which involve remuneration from the issuer or its subsidiaries, directly or

indirectly, to any of the specified persons for services in any capacity unless the interest of the persons arises solely from the ownership individually and in the aggregate of less than ten percent of any class of equity securities of another corporation furnishing the services to the issuer or its subsidiaries.

7. Transactions with pension or similar plans.

a. Describe briefly any transactions since the beginning of the issuer's last fiscal year, or any presently proposed transactions, to which any pension, retirement, savings or similar plan provided by the issuer, or any of its parents or subsidiaries was or is to be a party, in which any of the persons specified in 6. or the issuer or any of its subsidiaries had or is to have a direct or indirect material interest naming the person and stating his relationship to the issuer, the nature of his interest in the transaction and, where practicable, the amount of the interest.

b. No information need be given in answer to 7. with respect to:

(1) payments to the plan, or payments to beneficiaries, pursuant to the terms of the plan;

(2) payment of remuneration for services not in excess of five percent of the aggregate remuneration received by the specified person during the issuer's last fiscal year from the issuer and its subsidiaries; or

(3) any interest of the issuer or any of its subsidiaries which arises solely from its general interest in the success of the plan.

c. Instructions.

(1) The provisions of 6.d. shall apply to this paragraph.

(2) Without limiting the general meaning of the term "transaction" there shall be included in answer to 7. any remuneration received or any loans received or outstanding during the period, or proposed to be received.

I. Matters related to accounting. If the solicitation is made on behalf of the issuer and relates to an annual meeting of

security holders at which directors are to be elected or financial statements are included, furnish the information contained in 1.-5 3.

1. If the issuer's financial statements are not certified by independent public or certified accountants, so state.

2. If the board of directors has no audit or similar committee, so state.

3. If the issuer's financial statements are certified by independent public or certified accountants, so state and provide the following information:

a. The name of the principal accountant selected or being recommended to shareholders for election, approval or ratification for the current year. If no accountant has been elected or recommended, so state and briefly describe the reasons therefor.

b. The name of the principal accountant for the fiscal year most recently completed if different from the accountant selected or recommended for the current year or if no accountant has been elected or recommended for the current year.

c. If a change in accountants has taken place since the date of the proxy statement for the most recent annual meeting of shareholders, so state, and, if in connection with the change a material disagreement in connection with financial disclosure between the accountant and issuer has occurred, the disagreement shall be described. Prior to filing the preliminary proxy materials with the commissioner which contains or amends the description, the issuer shall furnish the description of the disagreement to any accountant with whom the disagreement has occurred. If that accountant believes that the description of the disagreement is incorrect or incomplete, he may include a brief statement, not to exceed 200 words, in the proxy statement presenting his view of the disagreement. This statement shall be submitted to the issuer within ten business days of the date the accountant receives the issuer's description.

d. The proxy statement shall indicate whether or not

representatives of the principal accountants for the current year and for the most recently completed fiscal year are expected to be present at the stockholders' meeting with the opportunity to make a statement if they desire to do so and whether or not the representatives are expected to be available to respond to appropriate questions.

e. If any change in accountants has taken place since the date of the proxy statement for the most recent annual meeting of shareholders, state whether the change was recommended or approved by any audit or similar committee of the board of directors if the issuer has such a committee, or the board of directors if the issuer has no such committee.

~~4.--For-the-fiscal-year-most-recently-completed,-describe each-professional-service-provided-by-the-principal-accountant and-state-the-percentage-relationship-which-the-aggregate-of-the fees-for-all-nonaudit-services-bear-to-the-audit-fees,-and, except-as-provided-in-5.,-state-the-percentage-relationship which-the-fee-for-each-nonaudit-service-bears-to-the-audit fees.--Indicate-whether,-before-each-professional-service provided-by-the-principal-accountant-was-rendered,-it-was approved-by,-and-the-possible-effect-on-the-independence-of-the accountant-was-considered-by,-any-audit-or-similar-committee-of the-board-of-directors,-and-for-any-service-not-approved-by-an audit-or-similar-committee,-the-board-of-directors.~~

~~5.--Instructions.~~

~~a.--For-purposes-of-5.,-all-fees-for-services-provided in-connection-with-the-audit-function,-including-reviews-of quarterly-reports,-may-be-computed-as-part-of-the-audit-fees. Indicate-which-services-are-reflected-in-the-audit-fees computation.~~

~~b.--If-the-fee-for-any-nonaudit-service-is-less-than three-percent-of-the-audit-fees,-the-percentage-relationship need-not-be-disclosed.~~

~~c.--Each-service-should-be-specifically-described. Broad-general-categories-such-as-"tax-matters"-or-"management advisory-services"-are-not-sufficiently-specific.~~

~~d.--Describe the circumstances and give details of any services provided by the issuer's independent accountant during the latest fiscal year that were furnished at rates or terms that were not customary.~~

~~e.--Describe any existing direct or indirect understanding or agreement that places a limit on audit fees for the current or future years, including fee arrangements that provide fixed limits on fees that are not subject to reconsideration if unexpected issues involving accounting or auditing are encountered.--Disclosure of fee estimates is not required.~~

J. Bonus, profit sharing and other remuneration plans; pension and retirement plans. If action is to be taken with respect to any bonus, profit sharing, or other remuneration plan or any pension or retirement plan, furnish the information contained in 1.-6.

1. Describe briefly the material features of the plan; identify each class of persons who will participate in it; indicate the approximate number of persons in each class; and state the basis of the participation.

2. Furnish the information, in addition to that required by this paragraph and H., necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past five years, for (a) each director or officer named in answer to H.1. who may participate in the plan to be acted upon; (b) all present directors and officers of the issuer as a group, if any director or officer may participate in the plan, and (c) all employees, if employees may participate in the plan.

3. If the plan to be acted upon can be amended otherwise than by a vote of stockholders to increase the cost of it to the issuer or to alter the allocation of the benefits as between the directors and officers on the one hand and employees on the other hand, state the nature of the amendments which can be made.

4. With regard to any bonus, profit sharing or other remuneration plan on which action is to be taken, furnish the following information:

a. state separately the amounts which would have been distributable under the plan during the last fiscal year of the issuer to directors and officers, and to employees if the plan had been in effect; and

b. state the name and position with the issuer of each person specified in H.1. who will participate in the plan and the amount which each person would have received under the plan for the last fiscal year of the issuer if the plan had been in effect.

5. With regard to any pension or retirement plan on which action is to be taken furnish the following information:

a. state 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; the estimated annual payment to be made with respect to current services; and the amount of the annual payments to be made for the benefit of directors, officers, and employees; and

b. state the name and position with the issuer of each person specified in H.1. who will be entitled to participate in the plan; the amount which would have been paid or set aside by the issuer and its subsidiaries for the benefit of the person for the last fiscal year of the issuer if the plan had been in effect; and the amount of the annual benefits estimated to be payable to the person in the event of retirement at normal retirement date.

6. Instructions.

a. If action is to be taken with respect to the amendment or modification of an existing plan, J. shall be answered with respect to the plan as proposed to be amended or modified and shall indicate any material differences from the existing plan.

b. The following instructions shall apply to 2.:

(1) information need only be given with respect to benefits received or set aside within the past five years;

(2) information need not be included as to payments made for, or benefits to be received from, group life or accident insurance, group hospitalization or similar group payments or benefits; and

(3) if action is to be taken with respect to any plan in which directors or officers may participate, the information called for by H.4. shall be furnished for the last five fiscal years of the issuer and any period subsequent to the end of the latest fiscal year, in aggregate amounts for the entire period for each person and group. If any named person, or any other director or officer, purchased securities through the exercise of options during the period, state the aggregate amount of securities of that class sold during the period by the named person and other directors and officers as a group. The information called for by this instruction is in lieu of the information since the beginning of the issuer's last fiscal year called for by H.4. If employees may participate in the plan to be acted upon, state the aggregate amount of securities called for by all options granted to employees during the five-year period and, if the options were other than "restricted" or "qualified" stock options or options granted pursuant to an "employee stock purchase plan", as these terms are defined in the Internal Revenue Code SS 422-424, as amended through the effective date of this rule, state that fact and the weighted average option price per share. The information called for by this instruction may be furnished in the form of the table set forth in Exhibit 4 MCAR S 1.9267 H.4.a.-1.

c. If the plan to be acted upon is set forth in a written document, three copies of it shall be filed with the commissioner at the time preliminary copies of the proxy statement and form of proxy are filed.

d. The information called for by H.5.a.(3) or H.5.b.(2) need not be given as to payments made on an actuarial basis pursuant to any group pension plan which provides for

fixed benefits in the event of retirement at a specified age or after a specified number of years of service.

K. Options, warrants or rights. If action is to be taken with respect to the granting or extension of any options to purchase securities of the issuer or any subsidiary, furnish the information contained in 1.-4.

1. State the following:

a. the title and amount of securities called for or to be called for by the options;

b. the prices, expiration dates, and other material conditions upon which the options may be exercised;

c. the consideration received or to be received by the issuer or subsidiary for the granting or extension of the options;

d. the market value of the securities called for or to be called for by the options as of the latest practicable date; and

e. in the case of options, the federal income tax consequences of the issuance and exercise of the option to the recipient and to the issuer.

2. State separately the amount of options received or to be received by the following persons, naming each person:

a. each director ~~of~~ or officer named in answer to H.1.;

b. each nominee for election as a director of the issuer;

c. each associate of the directors, officers, or nominees; and

d. each other person who received or is to receive ten percent or more of the options received or to be received by all directors and officers of the issuer as a group, without naming them.

3. In addition to that required by K. and H., furnish the information necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in

effect within the past five years, for each director or officer named in answer to H.1. who may participate in the plan to be acted upon; all present directors and officers of the issuer as a group, if any director or officer may participate in the plan; and all employees, if employees may participate in the plan.

4. Instructions. The provisions of a.-d. apply to k.

a. The term option includes any option, warrant or right.

b. The provisions of 1. and 3. do not apply to warrants or rights to be issued to security holders as such on a pro rata basis.

c. The provisions of J.6.b. shall also apply to 3.

d. If the options described in answer to K. are issued pursuant to a plan which is set forth in a written document, three copies of it shall be filed with the commissioner at the time preliminary copies of the proxy statement and form of proxy are filed.

L. Authorization or issuance of securities otherwise than for exchange.

If action is to be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the issuer, furnish the information contained in 1.-4.

1. State the title and amount 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. Describe briefly the transaction in which the securities are to be issued, including a statement as to the nature and approximate amount of consideration received or to be received by the issuer; and the approximate amount devoted to each purpose, as far as is determinable, for which the net proceeds have been or are to be used. If it is impracticable to

describe the transaction in which the securities are to be issued, state the reason, indicate the purpose of the authorization of the securities and state whether further authorization for the issuance of the securities by a vote of security holders will be solicited prior to the issuance.

4. If the securities are to be issued otherwise than in a general public offering for cash, state the reasons for the proposed authorization or issuance and the general effect of it upon the rights of existing security holders.

M. Modification of or exchange of securities. If action is to be taken with respect to the modification of any class of securities of the issuer, or the issuance or authorization for issuance of securities of the issuer in exchange for outstanding securities of the issuer, furnish the information contained in 1.-5.

1. If outstanding securities are to be modified, state the title and amount of the securities. If securities are to be issued in exchange for outstanding securities, state the title and the amount of securities to be so issued, the title and the amount of outstanding securities to be exchanged, and the basis of the exchange.

2. Describe any material differences between the outstanding securities and the modified or new securities.

3. State the reasons for the proposed modification or exchange and the general effect of it upon the rights of existing security holders.

4. Furnish a brief statement as to arrears in dividends or defaults in principal or interest in respect to the outstanding securities which are to be modified or exchanged and other information appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

5. Outline briefly any other material features of the proposed modification or exchange. If the plan of proposed action is set forth in a written document, file copies of it with the commissioner at the time the preliminary proxy material is filed.

N. Mergers, consolidations, acquisitions and similar matters. Furnish the information contained in 1.-3. if action is to be taken with respect to any plan for: the merger or consolidation of the issuer into or with any other person or of any other person into or with the issuer; the acquisition by the issuer or any of its security holders of securities of another issuer; the acquisition by the issuer of any other going business or of the assets thereof; the sale or other transfer of all or any substantial part of the assets of the issuer; or the liquidation or dissolution of the issuer.

1. Outline briefly the material features of the plan. State the reasons for it and the general effect of it upon the rights of existing security holders. If the plan is set forth in a written document, file three copies of it with the commissioner at the time preliminary copies of the proxy statement and form of proxy are filed.

2. Furnish the information contained in a.-h. as to the issuer and each person to be merged into the issuer or into or with which the issuer is to be merged or consolidated or the business or assets of which are to be acquired or which is the issuer of securities to be acquired by the issuer in exchange for all or a substantial part of its assets or to be acquired by security holders of the issuer. What is required is information essential to an investor's appraisal of the action proposed to be taken.

a. Describe briefly the business of the person.

b. State the location and describe the general character of the plants and other important physical properties of the person. The description is to be given from an economic and business standpoint, as distinguished from a legal standpoint. Portfolio or investment assets of an issuer need not be disclosed.

c. Furnish a brief statement as to dividends in arrears or defaults in principal or interest in respect of any securities of the issuer or of the person, and as to the effect of the plan thereon and such other information as may be

appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

d. Furnish a tabulation in columnar form showing the existing and the pro forma capitalization.

e. Furnish in columnar form for each of the last five fiscal years an historical summary of earnings and show per share amounts of net earnings, dividends declared for each year and book value per share at the end of the latest period.

f. Furnish in columnar form for each of the last five fiscal years a combined pro forma summary of earnings, as appropriate in the circumstances, indicating the aggregate and per-share earnings for each year and the pro forma book value per share at the end of the latest period. If the transaction establishes a new basis of accounting for assets of any of the persons included in the accounting, the pro forma summary of earnings shall be furnished only for the most recent fiscal year and interim period and shall reflect appropriate pro forma adjustments resulting from the new basis of accounting.

g. To the extent material for the exercise of prudent judgment in regard to the matter to be acted upon, furnish the historical and pro forma earnings data specified in e. and f. for interim periods of the current and prior fiscal years, if available.

h. Instructions. The provisions of 2. shall not apply if the plan described in answer to 1. involves only the issuer and one or more of its totally-held subsidiaries.

3. As to each class of securities of the issuer, or of any person specified in 2., which is admitted to dealing on a national securities exchange or with respect to which a market otherwise exists and which will be materially affected by the plan, state the high and low sale prices, or, in the absence of trading in a particular period, the range of the bid and asked prices for each quarterly period within two years. This information may be omitted if the plan involves merely the liquidation or dissolution of the issuer.

O. Financial statements.

1. If action is to be taken with respect to any matter specified in L.-N., furnish financial statements of the issuer and its subsidiaries complying with the requirements of 4 MCAR S 1.9258 B.1.-3. including schedules of supplementary profit and loss information. The statements may be omitted with respect to a plan described in answer to N. if the plan involves only the issuer and one or more of its totally-held subsidiaries.

2. If action is to be taken with respect to any matter specified in N.2., furnish for each person specified, other than the issuer, financial statements complying with the requirements of 4 MCAR S 1.9258 B.1.-3.

3. The commissioner may, upon the request of the issuer, permit the omission of any of the statements required in O. where the statements are not necessary for the exercise of prudent judgment in regard to any matter to be acted upon, or may permit the filing in substitution therefor of appropriate statements of comparable character. The commissioner may also require the filing of other statements in addition to, or in substitution for, the statements required in O. in any case where the statements are necessary or appropriate for an adequate presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise material for the exercise of prudent judgment in regard to any matter to be acted upon. In the usual case, financial statements are deemed material to the exercise of prudent judgment where the matter to be acted upon is the authorization or issuance of a material amount of senior securities, but are not deemed material where the matter to be acted upon is in the authorization or issuance of common stock, otherwise than in an exchange, merger or consolidation, acquisition or similar transaction.

4. The proxy statement may incorporate by reference any financial statements contained in an annual report sent to security holders with respect to the same meeting as that to which the proxy statement relates, if the financial statements substantially meet the requirements of O.

P. Acquisition or disposition of property. If action is to be taken with respect to the acquisition or disposition of any property, furnish the information contained in 1.-4.

1. Describe briefly the general character and location of the property.

2. State the nature and amount of consideration to be paid or received by the issuer or any subsidiary. To the extent practicable, outline briefly the facts bearing upon the question of the fairness of the consideration.

3. State the name and address of the transferor or transferee as the case may be, and the nature of any material relationship of the person to the issuer or an affiliate of the issuer.

4. Outline briefly any other material features of the contract or transaction.

Q. Restatement of accounts. If action is to be taken with respect to the restatement of any asset, capital, or surplus account of the issuer, furnish the information contained in 1.-4.

1. State the nature of the restatement and its effective date.

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

3. State the name and amount of each account, including any reserve accounts, affected by the restatement and the effect of the restatement on it. Tabular presentation of the amounts shall be made when appropriate, particularly in the case of recapitalizations.

4. To the extent practicable, state whether and the extent, if any, to which the restatement will, as of the date of it, alter the amount available for distribution to the holders of equity securities.

R. Action with respect to reports. If action is to be taken with respect to any report of the issuer or of its directors, officers or committees or any minutes of meetings of its stockholders, furnish the information contained in 1. and 2.

1. State whether or not the action constitutes approval

or disapproval of any of the matters referred to in the reports or minutes.

2. Identify each of the matters which it is intended will be approved or disapproved and furnish the information required by the appropriate provisions of this rule with respect to each matter.

S. 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 reasons 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.

T. Amendment of charter, by-laws, or other documents.

1. If action is to be taken with respect to any amendment of the issuer's charter, by-laws or other documents as to which information is not required in 4 MCAR SS 1.9255-1.9267, state briefly the reasons for and general effect of the amendment.

2. Instruction. Where the matter to be acted upon is the classification of directors, state whether vacancies which occur during the year may be filled by the board of directors to serve only until the next annual meeting or may be filled for the remainder of the full term.

U. Other proposed action. If action is to be taken with respect to any matter not specifically referred to in 4 MCAR SS 1.9255-1.9267 describe briefly the substance of each matter in substantially the same degree of detail as is required by F.-T.

V. Vote required for approval. As to each matter which is to be submitted to a vote of security holders, other than elections to office or the selection or approval of auditors, state the vote required for its approval.

4 MCAR S 1.9268 Schedule B; information to be included in statements filed by or on behalf of a participant other than the issuer in a proxy solicitation in an election contest.

A. Requirement. The proxy statement shall contain the information required by B.-F.

B. Issuer. State the name and address of the issuer.

C. Identity and background.

1. State your name and business address and your present principal occupation or employment and the name, principal business and address of any corporation or other organization in which this employment is carried on.

2. State your residence address and 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.

3. 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.

4. 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 paragraph need not be included in the proxy statement or other proxy soliciting material.

D. Interest in securities of the issuer.

1. State the amount of each class of securities of the issuer which you own beneficially, directly or indirectly.

2. State the amount of each class of securities of the issuer which you own of record but not beneficially.

3. State with respect to all securities of the issuer purchased or sold within the past two years, the dates on which they were purchased or sold and the amounts purchased or sold on each date.

4. If any part of the purchase price or market value of any of the securities specified in 3. is represented by funds borrowed or otherwise obtained for the purpose of acquiring or

holding the securities, so state and indicate the amount of the indebtedness as of the latest practicable date. If the funds were borrowed or obtained otherwise than pursuant to a margin account or bank loan in the regular course of business of a bank, broker or dealer, briefly describe the transaction, and state the names of the parties.

5. State whether or not you are a party to any contracts, arrangements or understandings with any person with respect to any securities of the issuer, including 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 the contracts, arrangements, or understandings exist and give the details of them.

6. State the amount of securities of the issuer owned beneficially, directly or indirectly, by each of your associates and the name and address of each associate.

7. State the amount of each class of securities of any parent, subsidiary or affiliate of the issuer which you own beneficially, directly or indirectly.

E. Further matters.

1. 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.

2. 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.

3. State whether or not you or any of your associates have any arrangement or understanding with any person with respect to any future employment by the issuer or its subsidiaries or affiliates; or with respect to any future

transactions to which the issuer or any of its subsidiaries or affiliates will or may be a party.

If so, describe the arrangement or understanding and state the names of the parties to it.

F. 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)

4 MCAR S 1.9269 Schedule C; information required in information statement.

A. Contents. The information statement shall contain the information required by B.-G.

B. Limitation. Where any provision other than F. calls for information with respect to any matter to be acted upon at the meeting, the provision need be answered only with respect to proposals to be made by the issuer.

C. Information required by 4 MCAR S 1.9267. Furnish the information called for by 4 MCAR S 1.9267 except A., B., D. and E. 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.

D. Statement that proxies are not solicited. The following statement shall be set forth on the first page of the information statement in bold face type:

"WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY."

E. Date, time and place of meeting. State the date, time and place of the meeting of security holders, unless the information is otherwise disclosed in material furnished to security holders with the information statement.

F. Interest of certain persons in or opposition to matters to be acted upon.

1. Describe briefly any substantial interest, direct or indirect, by security holdings or otherwise, of each of the following persons in any matter to be acted upon, other than elections to office:

a. each person who has been a director or officer of the issuer at any time since the beginning of the last fiscal year;

b. each nominee for election as a director of the issuer; and

c. each associate of the foregoing persons.

2. Give the name of any director of the issuer who has informed the management in writing that he intends to oppose any action to be taken by the management at the meeting and indicate the action which he intends to oppose.

G. Proposals by security holders. If any security holder entitled to vote at the meeting has, not less than 90 days before the issuer's annual meeting, submitted to the issuer a proposal which is accompanied by notice of his intention to present the proposal for action at the meeting, make a statement to that effect, identify the proposal and indicate the disposition proposed to be made of the proposal by the management at the meeting.

4 MCAR S I.9270 Alternative compliance. Notwithstanding the provisions of 4 MCAR SS 1.9255-1.9269, the commissioner may shall permit the solicitation of proxies, consents, or authorizations if the manner of solicitation and the form of proxy, proxy statement and other documents used in the solicitation comply with the National Association of Insurance Commissioner's Model Regulation and the Schedules thereto.

4 MCAR SS 1.9271-1.9274 [Reserved for future use.]

Repealer. Rules Ins 32 and 34 are repealed.

APPROVED AS TO LEGALITY
April 4, 1983
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
APR - 5 1983
Joan Anderson Growe
Secretary of State

3:12 PM

SF-00006-02

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : REYNAUD L. HARP, Commissioner of Insurance DATE: April 5, 1983

Attn: ROBERT J. CLAYTON
Special Assistant Attorney General

FROM : LARRY D. STARNS LDS PHONE: 297-3493
Special Assistant
Attorney General

SUBJECT: In the Matter of the Proposed Adoption of Amendments to Rules Relating to Proxies, Consents and Authorizations

Enclosed herewith are the rules you have submitted for approval. These rules have been approved by this office and filed with the Secretary of State. Please note that they have not been filed with the State Register. This must be done promptly by your agency.

Upon receipt and before transmittal to your agency, however, it is important that you recheck these rules as to:

1. Affixation of stamps of the Attorney General and Secretary of State;

2. Coverage by these stamps of all rules submitted; and

3. Inclusion of all pages to the rules in the approved set.

If you have any questions in this regard, please contact me.

Encs.

LDS/ls

cc: Ms. Kathy Burek
Mr. Duane Harves

Our File No. 823

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 6-24-82
DATE FOR REVIEW 7-2-82
DATE DUE 7-8-82

Adopted w/a hearing _____
Adopted w/o hearing ✓
Temporary rule _____

Approved _____ Disapproved 7-8-82 Returned to Agency 7-15-82

Resubmitted 3/28/83 Due 4/7/83
Approved _____ Disapproved _____ Returned to Agency _____

Date filed w/Secretary of State _____ Revisor approved 3/10/83
disapproved _____

✓ Rule as Adopted

✓ Rule as Proposed See SR. 1.4.82

✓ Order Adopting 6.10.82 Date
3.22.83

✓ Notice of Intent to Solicit Outside Opinion SR. 9.21.81

✓ Order for rulemaking
N/A date of Hearing

N/A Certificate of Board's Authorizing Resolution

✓ Notice of rulemaking attached to Affidavit of Mlg.
? Sufficiency see my comment - fails to comply w/ 203.G.1

✓ Affidavit of Mailing Notice or rulemaking
4.28.82 At least 30 days prior to ~~hearing~~/adoption
12.30.82

✓ Mailing list Certificate

✓ Publication in State Register
5.10.82 At least 30/~~20~~ days prior to ~~hearing~~/adoption ✓
1.3.83 - references previous publication, Jan. 4.82

N/A Hearing Examiner's Report

Chief Hearing Examiner's Report(s)
_____ Approving H.E.'s Report
_____ Approving agency action

✓ Agency's Findings of Fact

N/A LCRAR Report or agency Affidavit

Certificate of Board's Resolution Adopting Rules

Order Approving Incorporation by Reference

✓ Statement of Need and Reasonableness

N/A Petition for Adoption of a Rule

✓ Record (includes transcript or tape, exhibits, comments received by agency, requests for a hearing, and other relevant materials)

✓ Certificate of Compliance w/Rulemaking Procedures

✓ Affidavit of Mailing Notice of Submission to Attorney General

? Notice of Submission to the Attorney General
Misstates number of days allowed for comment, Also 14 days prior to submission to this office

SF-00006-01

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

RECEIVED
MAR 28 1983
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

TO : LARRY STARNS
Assistant Attorney General,
Administration

DATE: March 23, 1983

FROM : ROBERT J. CLAYTON RJC
Special Assistant Attorney General

PHONE:

SUBJECT: In the Matter of the Proposed Adoption of Amendment to Rules Relating to Proxies, Consents and Authorizations

The above-entitled rules are hereby being resubmitted to you for approval. I have attached a copy of your memo dated July 8, 1982, for your reference.

The rules as adopted have been modified to meet the problems expressed in points 2, 4, and 5 of your memo. Point 1 was addressed by republishing and remailing the Notice of Intent to Adopt along with a copy of the rules as published. As you may recall, after these rules were returned, we discussed the various objections raised. As to the objection raised in paragraph 3, it would appear that standards on materiality, such as those relating to CPA standards and S.E.C. filings would in fact provide guidance in applying this provision. Moreoever, it was the feeling of my client that the rule as originally drafted would in fact be capable of objective interpretation. At that time you expressed a tentative view that the provision would be acceptable, subject of course to your review of the context of the complete rules adopted.

I have included the following documents which will supplement the file already in your possession:

3 copies Rules as Adopted

2 copies Order Adopting Rules

Statement of Compliance with Rulemaking Procedures

Findings of Facts and Conclusions

Mailing List Certificate

Affidavit of Mailing

Notice of Intent to Adopt Rules - Jan. 3, 1983
State Register

If you have any questions, please feel free to contact me.

aso
Att.

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
INSURANCE DIVISION

In the Matter of the Proposed Adoption of Amendments to Rules Relating to Proxies, Consents or Authorizations

ORDER ADOPTING RULES

Notice of the Commissioner's intent to adopt the above-entitled rules without a public hearing was published in the State Register on January 4, 1982 and January 3, 1983, and was sent by the United States mail to all persons on the list maintained by the Insurance Division pursuant to Minn. Stat. § 15.0412, subd. 4 on December 30, 1982.

After affording interested and affected persons an opportunity to submit comments for 30 days after Notice, receiving fewer than seven written requests for a public hearing within the 30-day comment period, reviewing and considering the comments, and determining the need for and reasonableness of the above-captioned rules,

NOW, THEREFORE, IT IS ORDERED that these rules identified as 4MCAR § 1.9255 through 4MCAR § 1.9270 are adopted as amended this 22nd day of March, 1983, pursuant to authority vested in me by Minn. Stat. § 60A.22.

Reynaud L. Harp

Reynaud L. Harp
Commissioner of Insurance

In the Matter of the Proposed Amendments to Rules Relating to Proxies, Consents or Authorizations

AFFIDAVIT OF MAILING

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Debbi J. Lindlief, being first duly sworn, deposes and says:

That on the 30th day of December, 1982, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Intent to Amend Rules Without Public Hearing by depositing in the State of Minnesota Central Mail System for United States mailing at said City of St. Paul, a copy properly enveloped, with postage prepaid, on all persons and associations who have requested that their names be placed on file with the Insurance Division for the purpose of receiving notice of the proposed adoption of rules.

The proposed rules as published in the State Register on January 4, 1982 were mailed along with the Notice.

Debbi J. Lindlief

Subscribed and sworn to before me this 30th day of December, 1982.

NORENE M. CARR
NOTARY PUBLIC - MINNESOTA
RAMSEY COUNTY
My Commission Expires Feb. 27, 1988

Notary Public

DEPARTMENT OF COMMERCE
INSURANCE DIVISION

Proposed Amendments to Rules Relating to Proxies, Consents and Authorizations

Notice of Intent to Amend Rules without a Public Hearing

Notice is hereby given that the Insurance Division proposes to adopt amendments to the above-entitled rules without a public hearing. The Commissioner of Insurance has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minn. Stat. § 15.0412, subd. 4h (1980).

Persons interested in these rules, which were published in the State Register January 4, 1982 and are attached to this notice, shall have 30 days to submit comments. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change.

No public hearing will be held unless seven or more persons make a written request for a hearing within the 30-day comment period. In the event a public hearing is required, the agency will proceed according to the provisions of Minn. Stat. § 15.0412, subd. 4-4f.

Persons who wish to submit comments or a written request for a public hearing should mail them to:

J. P. Koleski
Insurance Division
500 Metro Square Bldg.
St. Paul, MN 55101

Authority for the adoption of these rules is contained in Minn. Stat. § 60A.22. Additionally, a statement of need and reasonableness describing the need for and reasonableness of each provision and identifying the data and information relied upon to support the proposed rules has been prepared and is available upon request.

Any person who desires to be advised of the submission of this material to the Attorney General for approval may make this request in writing to the above named person.

Thomas L. O'Malley
Temporary Commissioner of Insurance

PROPOSED RULES

Pursuant to Minn. Laws of 1980, § 15.0412, subd. 4h, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless seven or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules;

and

4. that the rule may be modified if modifications are supported by the data and views submitted.

If, during the 30-day comment period, seven or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of § 15.0412, subds. 4 through 4g, which state that if an agency decides to hold a public hearing, it must publish in the *State Register* a notice of its intent to do so. This notice must appear at least 30 days prior to the date set for the hearing, along with the full text of the proposed rules. (If the agency has followed the provisions of subd. 4h and has already published the proposed rules, a citation to the prior publication may be substituted for republication.)

Pursuant to Minn. Stat. § 15.0412, subd. 5, when a statute, federal law or court order to adopt, suspend or repeal a rule does not allow time for the usual rulemaking process, temporary rules may be proposed. Proposed temporary rules are published in the *State Register*, and for at least 20 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Department of Commerce Insurance Division

Proposed Amendments to Rules Relating to the Solicitation of Proxies, Consents, or Authorizations

Notice of Intent to Amend Rules without a Public Hearing

Notice is hereby given that the Insurance Division proposes to adopt amendments to the above-entitled rules without a public hearing. The Commissioner of Insurance has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minn. Stat. § 15.0412, subd. 4h (1980).

Persons interested in these rules shall have 30 days to submit written comment on the proposed rules. The proposed rules may be modified if modifications are supported by the data and views submitted and do not result in substantial change.

No public hearing will be held unless seven or more persons make a written request for a hearing within the 30 day comment period.

Persons who wish to submit comments or a written request for a public hearing should mail them to: Bill Howard, Insurance Division, 500 Metro Square Building, St. Paul, MN 55101.

Any person who desires to be informed when these proposed rules are submitted to the Attorney General for approval may make this request in writing to the above named person.

William Howard
Assistant Commissioner of Insurance

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~~Ins 30~~ 4 MCAR § 1.9255 Application of ~~Regulations~~ rules.

A. Domestic stock and mutual insurers. ~~These regulations are applicable~~ Rules 4 MCAR §§ 1.9255-1.9269 apply to each domestic stock insurer ~~(which shall include~~, including a domestic stock and mutual insurer as defined in ~~Minnesota Statutes, Sections~~ Minn. Stat. §§ 61A.33 ~~to~~ 61A.36~~)~~, which has any class of equity security held of record by 100 or more persons~~, provided, however, that these regulations~~. Rules 4 MCAR §§ 1.9255-1.9269 shall not apply to any insurer if 95~~%~~ percent 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 less than 500 persons. A domestic stock insurer which files with the Securities and Exchange Commission forms of proxies, consents and authorizations complying with the requirements of the Securities Exchange Act of 1934, as amended, and the applicable regulations promulgated thereunder shall be exempt from ~~these regulations~~ 4 MCAR §§ 1.9255-1.9269.

~~Ins 31 Disclosure of Equivalent Information.~~

B. Written statement. Unless proxies, consents or authorizations in respect of any class of equity ~~security~~ securities of a domestic insurer subject to ~~Minn. Reg. Ins. 30~~ A, are solicited by or on behalf of the management of ~~such~~ the insurer from the holders of record of ~~such security~~ the securities in accordance with ~~these regulations~~ 4 MCAR §§ 1.9255-1.9269 and the schedules hereunder prior to any annual or other meeting of ~~such~~ the security holders, ~~such~~ the insurer shall, in accordance with ~~these regulations~~ 4 MCAR §§ 1.9255-1.9269 and ~~such further regulations as~~ other rules the commissioner may adopt, file with the commissioner and transmit to all equity security holders ~~of record information substantially equivalent to that information which would be required to be transmitted if a solicitation were made. Such insurer shall transmit a written information statement containing the information specified in Minn. Reg. Ins. 33(d) to every equity 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, such statement need be transmitted only to those security holders whose names and addresses are known to the insurer~~ who are entitled to vote in regard to any matter to be acted upon at the meeting and from whom a proxy is not solicited a written information statement containing the information specified in 4 MCAR § 1.9269 (Schedule C).

4 MCAR § 1.9256 Definitions.

A. Applicability. For the purposes of 4 MCAR §§ 1.9255-1.9269, the terms defined in this rule have the meanings given them unless the context otherwise requires.

B. Affiliate. An "affiliate" of, or a person affiliated with, a specified person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

C. Associate. The term "associate" used to indicate a relationship with any person means any corporation or organization, other than the issuer or a majority-owned subsidiary of the issuer, of which the person is an officer or partner or is, directly or indirectly, the beneficial owner of ten percent or more of any class of equity security; any trust or other estate in which the person has a substantial beneficial interest or as to which the person serves as trustee or in a similar fiduciary capacity; and any relative or spouse of the person, or any relative or the spouse, who has the same home as the person or who is a director or officer of the issuer or any of its parents or subsidiaries.

D. Beneficial owner. The term "beneficial owner" includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares voting power including the power to vote or direct the voting of a security, or investment power including the power to dispose of or direct the disposition of the security.

E. Control. The term "control," including the terms "controlling," "controlled by" and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities by contract or otherwise.

F. Issuer. The term "issuer" means the issuer of the securities in respect of which a proxy is solicited.

G. Last fiscal year. The term "last fiscal year" means the last fiscal year of the issuer ending prior to the date of the meeting for which proxies are to be solicited.

H. Officer. The term "officer" means the president, secretary, treasurer, any vice president in charge of a principal business function such as sales, administration or finance and any other person who performs similar policy-making functions for the insurer.

I. Parent. A "parent" of a specified person is an affiliate controlling the person directly, or indirectly through one or more intermediaries.

J. Person. The term "person" means an individual, corporation, partnership, association, joint stock company, trust, unincorporated organization, or government or political subdivision thereof. As used in this paragraph, the term "trust" includes only a trust where the interest or interests of the beneficiary or beneficiaries are evidenced by a security.

K. Proxy statement. The term "proxy statement" means the statement required by 4 MCAR § 1.9258, whether or not contained in a single document.

L. Solicitation. The terms "solicit" and "solicitation" 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 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. The terms do not apply to the furnishing of a form of proxy to a security holder upon the unsolicited request of the security holder, the performance by the issuer of acts required by 4 MCAR § 1.9262, or the performance by any person of ministerial acts on behalf of a person soliciting a proxy.

4 MCAR § 1.9257 Solicitations to which rules apply. Rule 4 MCAR § 1.9264 applies to every solicitation that is subject to 4 MCAR § 1.9255. Rules 4 MCAR §§ 1.9256-1.9263 and 1.9265 apply to every solicitation that is subject to 4 MCAR § 1.9255 except the following:

A. any solicitation made otherwise than on behalf of the issuer where the total number of persons solicited is not more than ten;

B. any solicitation by a person in respect of securities carried in his name or in the name of his nominee, otherwise than as voting trustee, or held in his custody, if the person:

1. receives no commission or remuneration for the solicitation, directly or indirectly, other than reimbursement of reasonable expenses;

2. furnishes promptly to the person solicited a copy of all soliciting material with respect to the same subject matter or meeting received from all persons who shall furnish copies thereof for this purpose and who shall, if requested, defray the reasonable expenses to be incurred in forwarding the material; and

3. does no more than impartially instruct the person solicited to forward a proxy to the person, if any, to whom the

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person solicited desires to give a proxy, or impartially request from the person solicited instructions as to the authority to be conferred by the proxy and state that a proxy will be given if no instructions are received by a certain date;

C. any solicitation by a person in respect of securities of which it is the beneficial owner;

D. any solicitation through the medium of a newspaper advertisement which informs security holders of a source from which they may obtain copies of a proxy statement, form of proxy and any other soliciting material and does no more than name the issuer, state the reason for the advertisement, and identify the proposal or proposals to be acted upon by security holders; or

E. any solicitation which the commissioner finds for good cause should be exempted from this rule or any part thereof.

~~Ins 33~~ 4 MCAR § 1.9258 **Information to be furnished to security holders.**

~~(a)~~ A. Proxy statement. No solicitation subject to ~~these regulations~~ 4 MCAR §§ 1.9255-1.9269 shall be made unless each person solicited is concurrently furnished or has previously been furnished with a written proxy statement containing the information specified in ~~Minn. Reg. Ins 41~~ 4 MCAR § 1.9267 (Schedule A).

~~(b)~~ B. Annual report. If the solicitation is made on behalf of the ~~management of the insurer~~ issuer and relates to an annual meeting of security holders at which directors are to be elected, each proxy statement furnished pursuant to ~~section (a) of this regulation~~ A. shall be accompanied or preceded by an annual report ~~(in preliminary or final form)~~ to ~~such~~ security holders ~~containing such financial statements for the last fiscal year as are referred to in Schedule SIS, Stockholder Information Supplement, as promulgated by the National Association of Insurance Commissioners, under the heading "Financial Reporting to Stockholders." Subject to the foregoing requirements with respect to financial statements, the annual report to security holders may be in any form deemed suitable by the management~~. The report shall comply with the requirements of 1.-7.

1. The report shall contain in comparative columnar form such financial statements for the last two fiscal years, prepared on a consistent basis, as will in the opinion of the management adequately reflect the financial position of the issuer at the end of each year and the results of its operations for each year. Consolidated financial statements of the issuer and its subsidiaries shall be included in the report if they are necessary to reflect the financial position and results of operations of the issuer and its subsidiaries, but in that case the individual statements of the issuer may be omitted. The commissioner shall, upon the request of the issuer, permit the omission of financial statements for the earlier of the two fiscal years upon a showing of good cause.

2. The financial statements for the last two fiscal years required by 1. shall be prepared in a manner acceptable to the commissioner.

3. The report shall include in comparative columnar form a summary of issuer's operations or the operations of the issuer and its subsidiaries consolidated, or both as appropriate, for each of the last five fiscal years of the issuer, or the life of the issuer and its predecessors if less.

4. The report shall contain a brief description of the business or businesses done by the issuer and its subsidiaries during the most recent fiscal year which will, in the opinion of management, indicate the general nature and scope of the business of the issuer and its subsidiaries.

5. The report shall identify each of the issuer's directors and officers and shall indicate the principal occupation or employment of each of them and the name and principal business of any organization by which they are employed.

6. The report shall identify the principal market in which securities of any class entitled to vote at the meeting are traded, stating the range of bid and asked quotations for each quarterly period during the issuer's two most recent fiscal years, and shall set forth each dividend paid during the two-year period.

7. Subject to the requirements of 1.-6., the report may be in any form deemed suitable by management and the information required by 3.-6. may be presented in an appendix or other separate section of the report if the attention of security holders is called to this presentation. The requirement of B. shall not apply to solicitations made on behalf of the management before the financial statements are available if solicitation is being made at the time in opposition to the management and if the management's proxy statement includes an undertaking in bold face type to furnish the annual report to all persons being solicited at least 20 days before the date of the meeting.

~~(c)~~ C. Information to commissioner. Two copies of ~~each~~ the report sent to the security holders pursuant to ~~this regulation~~ 4 MCAR §§ 1.9255-1.9269 shall be mailed to the commissioner solely for his information not later than the date on which ~~such~~ the report is first sent or given to security holders or the date on which preliminary copies of solicitation material are filed with the commissioner pursuant to ~~Minn. Reg. Ins 36(a)~~ 4 MCAR § 1.9261, whichever date is later.

~~(d) If no solicitation is being made by management of the insurer with respect to any annual or other meeting, such insurer shall mail to every security holder of record at least twenty days prior to the meeting date, an information statement as required by Minn. Reg. Ins 31, containing the information called for by all of the Items of Schedule A, other than Items 1, 3 and 4 thereof, 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 such information statement relates to an annual meeting at which directors are to be elected, it shall be accompanied by an annual report to such security holders in the form provided in section (b) of this regulation.~~

D. Information to beneficial owners. If the issuer knows that securities of any class entitled to vote at a meeting with respect to which the issuer intends to solicit proxies, consents or authorizations are held of record by a broker, dealer, bank or voting trustee, or their nominees, the issuer shall require of the record holder at least ten days prior to the record date for the meeting of security holders whether other persons are the beneficial owners of the securities and, if so, the number of copies of the proxy and other soliciting material and, in the case of an annual meeting at which directors are to be elected, the number of copies of the annual report to security holders, necessary to supply the material to beneficial owners. The issuer shall supply the record holder in a timely manner with additional copies in the quantities, assembled in the form and at the place, the record holder reasonably requests in order to address and send one copy of each to each beneficial owner of securities so held. The issuer shall pay, upon the request of the record holder, its reasonable expenses for mailing the material to security holders to whom the material is sent.

~~Ins 35~~ 4 MCAR § 1.9259 Proxy requirements ~~as to proxy and information statement~~.

~~(a)~~ A. Form. The form of proxy ~~(1)~~ shall:

1. Indicate in boldface type whether or not the proxy is solicited on behalf of the ~~management, (2) shall~~ issuer's board of directors and not by whom it is issued;

2. Provide a specifically designated blank space for dating the proxy~~,~~; and

~~(3) shall~~ 3. Identify clearly and impartially each matter or group of related matters intended to be acted upon, whether proposed by the ~~management~~ issuers or security holders. No reference need be made to proposals as to which discretionary authority is conferred pursuant to ~~section (c) of this regulation~~ C.

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

~~(c)~~ C. Authority to vote in elections. A form of proxy which provides both for ~~elections to office~~ election of directors and for action on other specified matters shall be prepared so as ~~to~~ clearly to provide, by a box or otherwise, means by which the security holder may withhold authority to vote for ~~elections to office~~ election as a director. Any ~~such~~ form of proxy which is executed by the security holder in ~~such~~ this manner so as not to withhold authority to vote for elections ~~to office~~ of all nominees shall be deemed to grant ~~such~~ this authority for all nominees for which a vote is not withheld, ~~provided~~ if the form of proxy ~~so~~ states this in boldface type.

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

1. matters to be presented at the meeting but not known by the person making the solicitation within a reasonable time before the solicitation if a specific statement to that effect is made in the proxy statement or form of proxy;

2. approval of the minutes of the prior meeting if approval does not amount to ratification of the action taken at that meeting;

3. the election of any person to any office for which a bona fide nominee is named in the proxy statement and the nominee is unable to serve or for good cause will not serve;

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4. any proposal omitted from the proxy statement and form of proxy pursuant to 4 MCAR §§ 1.9263 C. or 1.9264; or

5. matters incident to the conduct of the meeting.

~~(c)~~ E. Authority not conferred. No proxy shall confer authority ~~(1)~~ 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 ~~(2)~~ to vote at any annual meeting, other than the next annual meeting ~~(~~or any adjournment thereof~~)~~, to be held after the date on which the proxy statement and form of proxy are first sent or given to security holders. A person is not a bona fide nominee unless he has consented to being named in the proxy statement and to serve if elected.

F. Voting. The proxy statement or form of proxy shall provide, subject to reasonable specified conditions, that the securities represented by the proxy will be voted and that where the person solicited specifies by means of ballot provided pursuant to ~~section (b) and (c) of this regulation~~ B. and C. a choice with respect to any matter to be acted upon, the ~~vote~~ securities will be voted in accordance with the specifications ~~so made~~.

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

4 MCAR § 1.9260 Presentation of information in proxy statement.

A. Organization. The information included in the proxy statement shall be clearly presented and divided into groups according to subject matter. The various groups of information shall be preceded by appropriate headings.

B. Disclosure of deadline for inclusion of proposal in proxy statement. All proxy statements shall disclose, under an appropriate caption, the date by which proposals of security holders intended to be presented at the next annual meeting must be received by the issuer for inclusion in the issuer's proxy statement and form of proxy relating to that meeting. The date shall be calculated in accordance with the provisions of 4 MCAR § 1.9263 A. If the date of the next annual meeting is subsequently advanced by more than 30 calendar days or delayed by more than 90 calendar days from the date of the annual meeting to which the proxy statement relates, the issuer shall, in a timely manner, notify security holders of the change, and the date by which proposals of security holders must be received.

~~Ins 36~~ 4 MCAR § 1.9261 Material required to be filed.

~~(a)~~ A. Preliminary soliciting material. Two preliminary copies of the information statement or the proxy statement, form of proxy, and any other soliciting material to be furnished to security holders concurrently ~~therewith~~ with it, or the information statement pursuant to 4 MCAR § 1.9269, shall be filed with the commissioner at least ten days prior to the date definitive copies of ~~such~~ the material are first sent or given to security holders, or ~~such~~ a shorter period prior to that date ~~as~~ the commissioner ~~may authorize~~ authorizes upon a showing of good cause ~~therefor~~.

~~(b)~~ B. Additional preliminary soliciting material. Two 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 statement shall be filed with the commissioner at least two days ~~(~~, exclusive of Saturdays, Sundays ~~or~~ and holidays~~)~~, prior to the date copies of ~~such~~ this material are first sent or given to security holders, or ~~such~~ a shorter period prior to that date ~~as~~ the commissioner ~~may authorize~~ authorizes upon a showing of good cause ~~therefor~~.

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

~~(d)~~ D. Revised material. Where ~~any information statement or~~ the proxy statement, form of proxy, or other material filed pursuant to this ~~regulation~~ rule is amended or revised, ~~two~~ one of the copies of the amended or revised material filed pursuant to this rule shall be marked to indicate clearly ~~show such~~ and precisely the changes made.

~~(e)~~ E. Information that need not be filed. Copies of replies to inquiries from security holders requesting further information and copies of communications which do no more than request that forms or proxy ~~theretofore~~ previously solicited be signed and returned need not be filed pursuant to ~~this regulation~~ 4 MCAR §§ 1.9255-1.9269.

~~(1)~~ F. Discretionary filings. Notwithstanding the provisions of ~~sections (a) and (b) of this regulation~~ A., B. and ~~of section ~~ ~~of Minn. Reg. Ins 40~~ 4 MCAR § 1.9266 E., preliminary copies of soliciting material in the form of speeches, press releases, and radio or television scripts may~~,~~ ~~but need not,~~ be filed with the commissioner prior to use or publication. Definitive copies, however, shall be filed with or mailed for filing to the commissioner as required by ~~section (c) of this regulation~~ C. not later than the date ~~such~~ the material is used or published. The provisions of ~~sections (a) and (b) of this regulation~~ A., B. and ~~of section ~~

~~of Minn. Reg. Ins. 40 shall~~ 4 MCAR § 1.9266 E. apply~~, however,~~ to any reprints or reproductions of all or any part of ~~such~~ this material.

4 MCAR § 1.9262 Mailing communications for security holders.

A. Duties of issuer. If the management of the issuer has made or intends to make any solicitation subject to this rule, the issuer shall perform any of the acts in B. and C. requested in writing with respect to the same subject matter or meeting by any security holder who is entitled to vote at least one percent of the votes entitled to be voted on the matter and who defrays the reasonable expenses incurred by the issuer in the performance of the act or acts requested.

B. Information required. The issuer shall mail or otherwise furnish to the security holder, as promptly as practicable after the receipt of the request:

1. a statement of the approximate number of record owners and, to the extent known to the issuer, the approximate number of beneficial owners of any class of securities, any of whom have been or are to be solicited on behalf of the management, or any group of whom the security holder shall designate; and

2. an estimate of the cost of mailing a specified proxy statement, form of proxy or other communication to the owners.

C. Material furnished by security holder.

1. Copies of any proxy statement, form of proxy and other communication furnished by the security holder shall be mailed by the issuer to the security owners specified in B.1. the security holder designates.

2. The material furnished by the security holder shall be mailed with reasonable promptness after receipt of the material to be mailed, the envelopes or other containers therefor, and postage or payment for postage. The issuer need not mail any material prior to the first day on which solicitation is made on behalf of the issuer.

3. The issuer shall not be responsible for the proxy statement, form of proxy or other communication.

D. Alternative compliance. In lieu of performing the acts specified in B. and C., the issuer may furnish promptly to the security holder a reasonably current list of the names and addresses of any of the record owners and, to the extent known to the issuer, the beneficial owners the security holder designates along with a schedule of the handling and mailing costs if the schedule has been supplied to the issuer.

4 MCAR § 1.9263 Proposals of security holders.

A. Inclusion in proxy statement and form of proxy. If any holder of the securities of an issuer, hereafter referred to as the "proponent," notifies the issuer in writing not less than 90 days before the issuer's annual meeting of his intention to present a lawful proposal for action at a forthcoming meeting of the issuer's security holders and at the time of the notice the proponent is entitled to vote at least one percent of the votes entitled to be voted on the proposal, the issuer shall set forth the proposal in its proxy statement and identify it in its form of proxy and provide for the specification of approval or disapproval of the proposal. The proxy statement shall also include the name and address of the proponent.

B. Statement of support. If the issuer opposes any proposal received from a proponent, it shall, at the request of the proponent, include in its proxy statement a statement of the proponent of not more than 200 words in support of the proposal.

C. Omissions. The issuer may omit a proposal and any statement in support of it from its proxy statement and form of proxy under any of the following circumstances:

1. the proponent has submitted more than one proposal in connection with a particular meeting;

2. the proposal is more than 300 words in length;

3. the proposal or the supporting statement is contrary to any provision of this rule or the schedules hereto, including 4 MCAR § 1.9264 which prohibits false or misleading statements in proxy soliciting materials;

4. the proposal relates to the enforcement of a personal claim or the redress of a personal grievance against the issuer, its management, or any other person;

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5. the proposal deals with a matter not significantly related to the issuer's business, a matter beyond the issuer's power to effectuate, a matter relating to the conduct of the ordinary business operations of the issuer, or an election to office;

6. the proposal is counter to a proposal to be submitted by the issuer at the meeting, the proposal has been rendered moot, or the proposal relates to specific amounts of cash or stock dividends;

7. the proposal is substantially duplicative of a proposal previously submitted to the issuer by another proponent, which proposal will be included in the management's proxy material for the meeting; or

8. substantially the same proposal has previously been submitted to security holders in the issuer's proxy statement and form of proxy relating to any annual or special meeting of security holders held within the preceding five calendar years and received less than five percent of the total number of votes cast in respect thereof at the time of its most recent submission.

D. Notice of omission. If the issuer intends to omit any proposal from its proxy statement or forms of proxy, it shall notify the proponent in writing of its intention at least ten days before the issuer's preliminary proxy material is filed pursuant to 4 MCAR § 1.9261 A.

~~Ins 38~~ 4 MCAR § 1.9264 **False or misleading statements.** No proxy statement, form of proxy, notice of meeting, information statement, or other communication, written or oral, subject to ~~these~~ ~~regulations~~ 4 MCAR §§ 1.9255-1.9269 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 ~~therein~~ in it 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.

~~Ins 39~~ 4 MCAR § 1.9265 **Prohibition of certain solicitations.** No person making a solicitation which is subject to this ~~regulation~~ rule shall solicit any undated or postdated proxy or any proxy which provides that it shall be deemed to be dated as of any date subsequent to the date on which it is signed by the security holder.

~~Ins 40~~ 4 MCAR § 1.9266 **Special provisions applicable to election contests.**

~~(a)~~ A. Applicability. This ~~regulation~~ ~~shall~~ ~~apply~~ rule applies to any solicitation subject to ~~these~~ ~~regulations~~ 4 MCAR §§ 1.9255-1.9269 by any person or group for the purpose of opposing a solicitation subject to 4 MCAR §§ 1.9255-1.9269 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)~~ B. Participant or participant in a solicitation.

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

~~(2)~~ 2. For the purpose of this ~~regulation~~ rule the terms "participant" and "participant in a solicitation" do not include~~:~~ ~~(A)~~ 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; ~~(B)~~ 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; ~~(C)~~ any person employed in the capacity of attorney, accountant, or advertising, public relations or financial advisor, and whose activities are limited to the performance of his duties in the course of ~~such~~ that employment; ~~(D)~~ any person regularly employed as an officer or employee of the ~~insurer~~ issuer, or any of its subsidiaries or affiliates who is not otherwise a participant; or ~~(E)~~ any officer or director of, or any person regularly employed by, any other participant, if ~~such~~ the officer, director, or employee is not otherwise a participant.

~~(c)~~ C. Filing of information required by Schedule B.

~~(1)~~ 1. No solicitation subject to this ~~regulation~~ rule shall be made by any person other than the ~~management~~ ~~of an~~ ~~insurer~~ issuer unless at least five business days prior ~~thereto~~ to it, or ~~such~~ any shorter period ~~as~~ the commissioner ~~may~~ ~~authorize~~ authorizes upon a showing of good cause ~~therefor~~, there has been filed with the commissioner, by or on behalf of each participant in ~~such~~ the solicitation, a statement in duplicate containing the information specified in ~~Minn. Reg.~~ ~~Ins~~ ~~+2~~ 4 MCAR § 1.9268 (Schedule B) and a copy of any material proposed to be distributed to security holders in furtherance of ~~such~~ the solicitation. ~~Where~~ ~~preliminary~~ ~~copies~~ ~~of~~ ~~any~~ ~~materials~~ ~~are~~ ~~filed,~~ ~~distribution~~ ~~to~~ ~~security~~ ~~holders~~ ~~should~~ ~~be~~ ~~deferred~~ ~~until~~ ~~the~~ ~~Commissioner's~~ ~~comments~~ ~~have~~ ~~been~~ ~~received~~ ~~and~~ ~~complied~~ ~~with.~~

~~(2)~~ 2. Within five business days after a solicitation subject to this ~~regulation~~ rule is made by the ~~management~~ ~~of an~~ ~~insurer~~ issuer, or ~~such~~ any longer period ~~as~~ the commissioner ~~may~~ ~~authorize~~ authorizes upon a showing of good cause ~~therefor~~.

there shall be filed with the commissioner by or on behalf of each participant in ~~such~~ the solicitation, other than the ~~insurer~~ issuer, a statement in duplicate containing the information specified in ~~Schedule B~~ 4 MCAR § 1.9268.

~~(3)~~ 3. If any solicitation on behalf of ~~management~~ the issuer or any other person has been made, or if proxy material is ready for distribution, prior to a solicitation subject to ~~this section~~ C. in opposition ~~thereto~~ to it, a statement in duplicate containing the information specified in ~~Schedule B~~ 4 MCAR § 1.9268 shall be filed with the commissioner by or on behalf of each participant in ~~such~~ the prior solicitation, other than the ~~insurer~~ issuer, as soon as reasonably practicable after the commencement of the solicitation in opposition ~~thereto~~ to it.

~~(4)~~ 4. If, subsequent to the filing of the statements required by ~~subsections (1), (2) and (3) of this section~~ 1.-3., additional persons become participants in a solicitation subject to this ~~regulation~~ rule, there shall be filed with the commissioner, by or on behalf of each ~~such~~ person, a statement in duplicate containing the information specified in ~~Schedule B~~ 4 MCAR § 1.9268, within three business days after ~~such~~ the person becomes a participant, or ~~such~~ any longer period ~~as~~ the commissioner ~~may authorize~~ authorizes upon a showing of good cause ~~therefor~~.

~~(5)~~ 5. If any material change occurs in the facts reported in any statement filed by or on behalf of any participant, an appropriate amendment to ~~such~~ the statement shall be filed promptly with the commissioner.

~~(6)~~ 6. Each statement and amendment ~~thereto~~ to it filed pursuant to ~~this section~~ C. shall be part of the public files of the commissioner.

~~(d)~~ D. Solicitations prior to furnishing required written proxy statement. Notwithstanding the provisions of ~~Minn. Reg. Ins 33 (a)~~ 4 MCAR § 1.9258 A., a solicitation subject to this ~~regulation~~ rule may be made prior to furnishing security holders a written proxy statement containing the information specified in ~~Minn. Reg. Ins 41~~ 4 MCAR § 1.9267 (Schedule A) with respect to ~~such~~ the solicitation~~, provided that~~ if:

~~(1)~~ 1. the statements required by ~~section (c) of this regulation~~ E. are filed by or on behalf of each participant in ~~such~~ the solicitation~~.~~;

~~(2)~~ 2. no form of proxy is furnished to security holders prior to the time the written proxy statement required by ~~Minn. Reg. Ins 33(a)~~ 4 MCAR § 1.9258 A. is furnished ~~such~~ to those persons~~; provided, however, that~~. This ~~subsection (2) shall~~ paragraph does not apply where a proxy statement then meeting the requirements of ~~Minn. Reg. Ins 41~~ 4 MCAR § 1.9267 (Schedule A) has been furnished to security holders~~.~~;

~~(3)~~ 3. at least the information specified in ~~Items 2(a) and 3(a) of Schedule B~~ C.2. and 3. of the statements required by C. to be filed by each participant, or an appropriate summary thereof, is included in each communication sent or given to security holders in connection with the solicitation~~.~~;

~~(4)~~ 4. a written proxy statement containing the information specified in ~~Minn. Reg. Ins 41~~ 4 MCAR § 1.9267 (Schedule A) with respect to a solicitation is sent or given security holders at the earliest practicable date.

~~(e)~~ E. Filing requirements of solicitations prior to furnishing required written proxy statement ~~filing requirements~~. Two 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 ~~Minn. Reg. Ins 33(a)~~ 4 MCAR § 1.9258 A. shall be filed with the commissioner in preliminary form at least five business days prior to the date definitive copies of ~~such~~ the material are first sent or given to ~~such~~ these persons, or ~~such~~ any shorter period ~~as~~ the commissioner ~~may authorize~~ authorizes upon a showing of good cause ~~therefor~~.

~~(f)~~ F. Application of ~~this Section~~ E. to annual report. Notwithstanding the provisions of ~~Minn. Reg. Ins 33(b) and (e)~~ 4 MCAR § 1.9258 B., two copies of any portion of the annual report referred to in ~~Minn. Reg. Ins 33(b)~~ 4 MCAR § 1.9258 B. which comments upon or refers to any solicitation subject to this ~~regulation~~ rule, or to any participant in any such solicitation, other than the solicitation by the management, shall be filed with the commissioner as proxy material subject to ~~these regulations~~ 4 MCAR §§ 1.9255-1.9269. ~~Such~~ This portion of the report shall be filed with the commissioner in preliminary form at least five business days prior to the date copies of the report are first sent or given to security holders.

~~Ins 41~~ 4 MCAR § 1.9267 Schedule A; information required in proxy statement.

A. Requirement. The proxy statement shall contain the information required by B.-V.

~~Item 1.~~ B. Revocability of proxy. State whether or not the person giving the proxy has the power to revoke it. If the right of

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revocation before the proxy is exercised is limited or is subject to compliance with any formal procedure, briefly describe ~~such~~ the limitation or procedure.

~~Item 2.~~ C. Dissenters' right of appraisal. Outline briefly ~~the~~ any 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 dissenting security holders in order to perfect ~~such~~ these rights. Where ~~such~~ these rights may be exercised only within a limited time after the date of the adoption of a proposal, the filing of a charter amendment, or other similar act, state whether the person solicited will be notified of ~~such~~ the date.

~~Item 3.~~ D. Persons making solicitations.

1. Paragraphs a.-b. apply to solicitations not subject to 4 MCAR § 1.9266.

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

~~(b)~~ b. If the solicitation is made otherwise than by the ~~management of the insurer~~ issuer, so state and give 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)~~ c. If the solicitation is to be made otherwise than by use of the mails, describe the methods to be employed. If the solicitation is to be made by specially engaged employees or paid solicitors, state ~~(1)~~ the material features of any contract or arrangement for ~~such~~ the solicitation and identify the parties, and ~~(2)~~ the cost or anticipated cost ~~thereof~~ of it.

d. State the name of the persons by whom the cost of solicitation has been or will be borne, directly or indirectly.

2. Paragraphs a.-f. apply to solicitations subject to 4 MCAR § 1.9266.

a. State by whom the solicitation is made and describe the methods employed and to be employed to solicit security holders.

b. If regular employees of the issuer or any other participant in a solicitation have been or are to be employed to solicit security holders, describe the class or classes of employees to be so employed and the manner and nature of their employment for this purpose.

c. If specially engaged employees, representatives or other persons have been or are to be employed to solicit security holders, state the material features of any contract or arrangement for the solicitation and identify the parties, the cost or anticipated cost of it, and the approximate number of the employees or employees of any other person and the name of the other person who will solicit security holders.

d. State the total amount estimated to be spent and the total expenditures to date for or in connection with the solicitation of security holders.

e. State who will bear the cost of the solicitation. If reimbursement will be sought from the issuer, state whether the question of the reimbursement will be submitted to a vote of security holders.

f. If the solicitation is terminated pursuant to a settlement between the issuer and any other participant in the solicitation, describe the terms of the settlement, including the cost or anticipated cost of it to the issuer.

~~Item 4.~~ E. Interest of certain persons in matters to be acted upon.

1. For solicitations not subject to 4 MCAR § 1.9266, describe briefly any substantial interest, either direct or indirect, ~~by security holdings or otherwise, of any director, nominee for election for director, officer and, if the solicitation is made otherwise than on behalf of management, each person on whose behalf the solicitation is made~~ of each of the following persons, in any matter to be acted upon other than elections to office~~,~~:

a. if the solicitation is made on behalf of the issuer, each current director or officer of the issuer;

b. if the solicitation is not made on behalf of the issuer, any person who would be a participant in a solicitation, except the issuer, or an officer, director, or nominee of the issuer;

c. each nominee for election as a director of the issuer; and

d. each associate of the foregoing persons.

2. For solicitations subject to 4 MCAR § 1.9266, describe briefly any substantial interest, either direct or indirect, of

each participant, except the issuer in any matter to be acted upon at the meeting, and include with respect to each participant the information or an adequate summary thereof, required by 4 MCAR § 1.9268 C.1., C.4., D., E.2., and E.3.

~~Item 5.~~ F. Voting securities and principal holders of them.

~~(a)~~ 1. 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)~~ 2. 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)~~ 3. If action is to be taken with respect to the election of directors and if the persons solicited have cumulative voting rights~~.~~:

a. make a statement that they have ~~such~~ these rights ~~and~~;

b. describe the rights;

c. state ~~briefly~~ the conditions precedent to the exercise ~~thereof~~ of them and;

d. if discretionary authority to cumulate votes is solicited, so indicate.

4. Furnish the following information as of the most recent practicable date, in substantially the tabular form indicated, with respect to any person or group of persons who is known to be the beneficial owner of more than five percent of any class of securities; and all directors and nominees, naming them, and directors and officers of the issuer as a group, without naming them:

1 Title of Class	2 Name of Beneficial Owner	3 Amount and Nature of Beneficial Ownership	4 Percent of Class

5. If, to the knowledge of the persons on whose behalf the solicitation is made, a change in control of the issuer has occurred since the beginning of its last fiscal year, state the following: the name of the person who acquired control; the amount and the source of the consideration used by the person; the basis of the control; the date and a description of the transaction which resulted in the change of control and the percentage of voting securities of the issuer now beneficially owned directly or indirectly by the person who acquired control; and the identity of the person from whom control was assumed. Describe any arrangements which may at a subsequent date result in a change of control of the issuer.

~~Item 6. Nominees and~~ G. Directors and executive officers. If action is to be taken with respect to the election of directors, furnish the ~~following~~ information required by 1.-11., 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~~.~~. If the solicitation is made on behalf of persons other than the issuer, the information required need be furnished only as to nominees of the persons making the solicitations.

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

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

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

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~~(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. If he is not the beneficial owner of any such securities, make a statement to that effect.~~

1. List the names and ages of all directors and officers of the issuer and all persons nominated or chosen to become directors or officers; indicate all positions and offices with the issuer held by each person; state his term of office as director or officer and any period during which he has served as officer or director; briefly describe any arrangement or understanding between him and any other person pursuant to which he was or is to be selected as a director, officer, or nominee, and name this person.

The information regarding officers need not be furnished in proxy or information statements if the information is furnished in a separate item in the issuer's annual report to stockholders.

2. State the nature of any family relationship not more remote than first cousin between any director, officer, or person nominated or chosen by the issuer to become a director or officer and also any similar family relationship between the person and any officer or director of any of the issuer's parents, subsidiaries or other affiliates.

3. State the principal occupations and employment during the past five years of each director and each person nominated or chosen to become a director or officer and the name and principal business of any corporation or other organization in which the occupations and employment were carried on.

4. Indicate other directorships held by each director or person nominated or chosen to become a director.

5. Describe any legal proceedings which have occurred during the past five years or which are pending which are material to an evaluation of the ability or integrity of any director or person nominated to become a director or officer of the issuer.

6. Describe any of the following relationships which exist:

a. if the nominee or director is, or has within the last two full fiscal years been, an officer, director or employee of, or owns, or has within the last two full fiscal years owned, directly or indirectly, in excess of a one percent equity interest in any firm, corporation or other business or professional entitly:

(1) which has made payments to the issuer or its subsidiaries during the issuer's last full fiscal year or which proposes to make payments to the issuer or its subsidiaries during the current fiscal year in excess of one percent of the issuer's consolidated gross revenues for its last full fiscal year;

(2) to which the issuer or its subsidiaries were indebted at any time during the issuer's last fiscal year in an aggregate amount in excess of one percent of the issuer's total consolidated assets at the end of the fiscal year;

(3) to which the issuer or its subsidiaries have made payments during the entity's last fiscal year or to which the issuer or its subsidiaries propose to make payments during the entity's current fiscal year in excess of one percent of the entity's consolidated gross revenues for its last full fiscal year;

(4) in order to determine whether payments made or proposed to be made exceed one percent of the consolidated gross revenues of any entity other than the issuer for the entity's last full fiscal year, it is appropriate to rely on information provided by the nominee or director;

(5) in calculating payments for property and services the following may be excluded:

(a) payments where the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a public utility at rates or charges fixed in conformity with law or governmental authority;

(b) payments which arise solely from the ownership of securities of the issuer and no extra or special benefit not shared on a pro rata basis by all holders of the class of securities is received;

(6) in calculating indebtedness for purposes of (2), debt securities which have been publicly offered, admitted to trading on a national securities exchange, or quoted on the automated quotation system of a registered securities association may be excluded;

b. the nominee or director is a member or employee of, or is associated with, a law firm which the issuer has retained in the last two full fiscal years or proposes to retain in the current fiscal year where fees paid or anticipated to be paid by the issuer are material to either the law firm, the issuer, or both;

c. the nominee or director is a director, partner, officer or employee of any investment banking firm which has performed services for the issuer other than as a participating underwriter in a syndicate in the last two full fiscal years or which the issuer proposes to have perform services in the current year; or

d. the nominee or director is a control person of the issuer, other than solely as a director of the issuer.

7. State whether or not the issuer has standing audit, nominating, and compensation committees of the board of directors, or committees performing similar functions. If the issuer has the committees, however designated, identify each committee member, state the number of committee meetings held by each committee during the last fiscal year and describe briefly the functions performed by the committees. If the issuer has a nominating or similar committee, state whether the committee will consider nominees recommended by shareholders and describe the procedures to be followed by shareholders in submitting these recommendations.

8. State the total number of meetings of the board of directors, including regularly scheduled and special meetings, which were held during the last full fiscal year. Name each incumbent director who during the last full fiscal year attended fewer than 75 percent of the aggregate of the total number of meetings of the board of directors held during the period for which he has been a director, and the total number of meetings held by all committees of the board on which he served during the periods that he served.

9. If a director has resigned or declined to stand for reelection to the board of directors since the date of the last annual meeting of shareholders because of a disagreement with the issuer on any matter relating to the issuer's operations, policies or practices, and if the director has furnished the issuer with a letter describing the disagreement and requesting that the matter be disclosed, the issuer shall state the date of resignation or declination to stand for reelection and summarize the director's description of the disagreement.

If the issuer believes that the description provided by the director is incorrect or incomplete, it may include a brief statement presenting its views of the disagreement.

10. With respect to those classes of voting stock which participated in the election of directors at the most recent meeting at which directors were elected:

a. state the percentage of shares present at the meeting and voting or withholding authority to vote in the election of directors; and

b. disclose in tabular format, the percentage of total shares cast for and withheld from the vote for or, where applicable, cast against, each nominee, which respectively were voted for and withheld from the vote for, or voted against, the nominee. When groups of classes or series of classes vote together in the election of a director or directors, they shall be treated as a single class for the purpose of the preceding sentence.

11. Instructions.

a. Calculate the percentage of shares present at the meeting and voting or withholding authority to vote in the election of directors, referred to in 10.a. by dividing the total shares cast for and withheld from the vote for or, where applicable, voted against, the director in respect of whom the highest aggregate number of shares was cast by the total number of shares outstanding which were eligible to vote as of the record date for the meeting.

b. No information need be given in response to 10. unless, with respect to any class of voting stock or group of classes which voted together, five percent or more of the total shares cast for and withheld from the vote for or, where applicable, cast against any nominee were withheld from the vote for or cast against the nominee.

c. If an issuer elects less than the entire board of directors annually, disclosure is required as to all directors if five percent or more of the total shares cast for and withheld from the vote for or, where applicable, cast against any incumbent director were withheld from or cast against the vote for the director at the meeting at which he was most recently elected.

d. No information need be given in response to 10. if the issuer has previously furnished to its security holders a report of the results of the most recent meeting of security holders at which directors were elected which includes a description

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of each matter voted upon at the meeting and a statement of the percentage of the shares voting which were voted for and against each matter and the information which would be called for by 10. If an issuer has previously furnished these results to its security holders, this fact should be set forth in a letter accompanying the filing of preliminary proxy materials with the commissioner.

~~Item 7.~~ H. Remuneration ~~and Other Transactions with Management and Others~~ of directors and officers. Furnish the information ~~reported or required in Item 1 of Schedule SIS. Stockholder Information Supplement, as promulgated by the National Association of Insurance Commissioners, under the heading "Information Regarding Management and Directors"~~ required by 1.-7. if action is to be taken with respect to ~~(a)~~ the election of directors~~,~~ ~~(b)~~; any bonus, profit sharing or other 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~~ issuer, the information ~~shall~~ required need be furnished only as to ~~Item 1.A of the aforesaid heading of Schedule SIS~~ nominees of the persons making the solicitation and associates of the nominees.

1. Current remuneration. Furnish the information required in Exhibit 4 MCAR § 1.9267 H.1.b.-1., in substantially the tabular form specified, concerning all remuneration of the persons and groups in a. and b. for services in all capacities to the issuer and its subsidiaries during the issuer's last fiscal year, or, in specified instances, certain prior fiscal years.

a. Furnish the required information concerning each of the five most highly compensated officers or directors of the issuer as to whom the total remuneration required to be disclosed in Columns C1 and C2 of Exhibit 4 MCAR § 1.9267 H.1.b.-1. would exceed $50,000, naming each person.

b. Furnish the required information concerning all officers and directors of the issuer as a group, stating the number of persons in the group without naming them.

Exhibit 4 MCAR § 1.9267 H.1.b.-1.
Current Remuneration

(A) Name of individual or number of persons in group	(b) Capacities in which served	(C) Cash and cash equivalent forms of remuneration		(D) Aggregate of contingent forms of remuneration
		(C1) Salaries, fees, directors' fees, commissions, and bonuses	(C2) Securities or property, insurance benefits, reimbursement, or personal benefits	

Columns (C1), (C2) and (D) should contain with respect to each person or group of persons specified in 4 MCAR § 1.9267 H.1.a. and b. a dollar amount which reflects the total of all items of remuneration described in the heading to that column including those items set forth in the subparagraphs of that column.

COLUMN (C)
Include all cash and cash equivalent forms of remuneration received during the fiscal year and all such amounts accrued during the fiscal year which, with reasonable certainty, will be distributed or vested in the future.

COLUMN (C1)
Salaries, bonuses, fees, and commissions

1. All cash remuneration distributed or accrued in the form of salaries,

COLUMN (C2)
Securities, property, insurance benefits or reimbursement, personal benefits (Perquisites)

1. Spread between the acquisition price, if any, and fair market price of securities

COLUMN (D)
Include all contingent forms of remuneration the distribution, vesting, and measurement of which is subject to future events. Report only amounts relating to the latest fiscal year, not amounts accrued in previous periods.

1. Amount expensed for financial reporting purposes representing

commissions, bonuses and fees for services rendered.

2. Compensation earned for services performed in the latest fiscal year even if it is deferred for future payment.

3. Payments received in the latest fiscal year but earned in prior years which were deferred until the latest year, if such amounts were not shown in an earlier proxy statement or annual report to stockholders.

or property acquired under any contract, plan or arrangement.

2. Cost of any life insurance premiums, health insurance premiums and medical reimbursement plans. Premiums for nondiscriminatory plans generally available to all salaried employees are excluded.

3. Personal benefits (perquisites) not directly related to job performance, excluding benefits provided on a nondiscriminatory basis, valued on the basis of cost to the issuer of providing these benefits.

a. If unreasonable effort or expense is required to determine the amounts of personal benefits, they may be omitted if their aggregate value does not exceed $10,000 for each officer.

b. If the amount of personal benefits exceeds ten percent of the amount of total remuneration or $25,000, whichever is less, the amount and a brief description of the benefits must be disclosed in a footnote.

4. Vested company contributions to thrift, profit sharing, pension, stock purchase and similar plans.

non-vested contributions, payments, or accruals under any pension or retirement plans, annuities, employment contracts, deferred compensation plans including Internal Revenue Service qualified plans, unless the amount for the individual cannot be separated in which case a footnote is required indicating the percentage which contributions to the plan bear to participant's total remuneration.

2. The amount expensed for financial reporting purposes under any incentive compensation plans (long-term income plans), such as stock appreciation rights, stock options, performance share plans, where payout is based on objective standards or stock value.

In subsequent years, if the corporation credits compensation expense for financial reporting purposes as a result of a decline in the value of contingent compensation, Column D may be reduced by a corresponding amount. A footnote explaining such action should be included.

3. The amount expensed for financial reporting purposes for any nonvested contribution payment or accrual to stock purchase plans, profit sharing, and thrift plans whether or not they are qualified under the Internal Revenue Code.

c. The provisions of 1.a. and b. include transactions between the issuer and a third party when the primary purpose of the transaction is to furnish remuneration to the persons specified in that paragraph. Other transactions between the issuer and third parties in which persons specified in 1.a. and b. have an interest, or may realize a benefit, generally are addressed by other disclosure requirements concerning the interest of management and others in certain transactions. Paragraph 1. does not require disclosure of remuneration paid to a partnership in which any officer or director was a partner; any such transaction should be disclosed pursuant to other disclosure requirements and not as a note to the remuneration table presented pursuant to 1.

d. The issuer may provide additional disclosure through a footnote to the table, through additional columns, or otherwise, describing the components of aggregate remuneration in such greater detail as is appropriate.

2. Proposed remuneration.

a. Briefly describe all remuneration payments proposed to be made in the future pursuant to any existing plan or arrangement to the persons and groups specified in 1. As to defined benefit or actuarial plans with respect to which amounts are not included in the table, include a separate table showing the estimated annual benefits payable upon retirement to persons in specified remuneration and years-of-service classifications.

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b. Information need not be furnished with respect to any group life, health, hospitalization, or medical reimbursement plans which do not discriminate in favor of officers or directors of the issuer and which are available generally to all salaried employees.

3. Remuneration of directors. Describe any standard or special arrangements by which directors of the issuer are compensated for services as a director. State the amount of compensation.

4. Options, warrants, or rights.

a. Furnish the information required by Exhibit 4 MCAR § 1.9267 H.4.a.-1. as to all options to purchase securities from the issuer or its subsidiaries which were granted to or exercised by the persons and groups specified in 1.a. since the beginning of the issuer's last fiscal year, and as to all options held by such persons as of the latest practicable date.

Exhibit 4 MCAR § 1.9267 H.4.a.-1. shows as to certain directors and officers and as to all directors and officers as a group:

(1) the amount of options granted since the beginning of the issuer's last full fiscal year;

(2) the amount of shares acquired since that date through the exercise of options;

(3) the amount of shares of the same class sold during the period; and

(4) the amount of shares subject to all unexercised options held as of the most recent practicable date.

Exhibit 4 MCAR § 1.9267 H.4.a.-1.
Options to Purchase Securities
From Issuer or Subsidiaries

	Name	Name	Name	All Directors and Officers as a Group
Title of securities				
Granted—19-- to date:				
Number of shares	. . . .	. . . .	. . . .	. . . .
Average per share option price	$. . . .	$. . . .	$. . . .	$. . . .
Exercised—19-- to date: Number of shares	. . . .	. . . .	. . . .	. . . .
Aggregate option price of options exercised	$. . . .	$. . . .	$. . . .	$. . . .
Aggregate market value of shares on date options exercised	$. . . .	$. . . .	$. . . .	$. . . .
Sales—19-- to date: Number of shares	. . . .	. . . .	. . . .	. . . .
(Sales by directors and officers who exercised options during the month, day, and year to the date of the proxy material.)				
Unexercised at 19--: Number of shares	. . . .	. . . .	. . . .	. . . .
Average per share option price	$. . . .	$. . . .	$. . . .	$. . . .

In addition, during the period employees were granted options for . . . shares at an average price per share of $. . . .

b. Instructions.

(1) All figures in Exhibit 4 MCAR § 1.9267 H.4.a.-1. should be adjusted, where applicable, in accordance with the terms of the options to reflect stock splits and to give effect to share dividends.

(2) Other tabular presentations are acceptable if they include the necessary data. Tabular presentation may not be needed if only a very few options have been granted.

(3) (a) Where the total market value on the granting dates of the securities called for by all options granted during the period specified does not exceed $10,000 for any officer or director named in answer to 1., or $40,000 for all officers and directors as a group, H. need not be answered with respect to options granted to the person or group.

(b) Where the total market value on the dates of purchase of all securities purchased through the exercise of options during the period specified does not exceed $10,000 for any person or $40,000 for a group, H. need not be answered with respect to options exercised by the person or group.

(c) Where the total market value as of the latest practicable date of the securities called for by all options held at that time does not exceed $10,000 for any person or $40,000 for a group, H. need not be answered with respect to options held as of the specified date by the person or group.

(4) The term "options" as used in 4. includes all options, warrants or rights, other than those issued to security holders as such on a pro rata basis. Where the average option price per share is called for, the weighted average price per share shall be given.

(5) The extension, regranting or material amendment of options shall be deemed the granting of options within the meaning of (4).

(6) If the options relate to more than one class of securities the information shall be given separately for each class.

5. Indebtedness of management.

a. State as to each of the following persons who was indebted to the issuer or its subsidiaries at any time since the beginning of the last fiscal year of the registrant the largest aggregate amount of indebtedness outstanding at any time during that period; the nature of the indebtedness outstanding and the transaction in which it was incurred; the amount of the indebtedness outstanding as of the latest practicable date; and the rate of interest paid or charged on it:

(1) each director or officer of the issuer;

(2) each nominee for election as a director; and

(3) each associate of the director, officer or nominee.

b. The requirements of 5. do not apply to:

(1) any person whose aggregate indebtedness did not exceed $10,000 or one percent of the issuer's total assets, whichever is less, at any time during the period specified; or

(2) indebtedness under an insurance policy.

6. Transactions with management.

a. Describe briefly any transaction since the beginning of the issuer's last fiscal year or any presently proposed transactions, to which the issuer or any of its subsidiaries was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest, naming the person and stating his relationship to the issuer, the nature of his interest in the transaction and, where practicable, the amount of the interest:

(1) any director or officer of the issuer;

(2) any nominee for election as a director;

(3) any security holder who is known to the issuer to own of record or beneficially more than ten percent of any class of the issuer's voting securities; and

(4) any relative or spouse of any of the foregoing persons, or any relative of the spouse, who has the same home as the person or who is a director or officer of any parent or subsidiary of the issuer.

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b. Describe briefly any material legal proceedings to which the person is a party adverse to the issuer or any of its subsidiaries or has a material interest adverse to the issuer or any of its subsidiaries.

c. No information need be given in response to 6. as to any remuneration or other transaction reported in response to 1.-5., or as to any transaction with respect to which information may be omitted pursuant to those provisions.

d. No information need be given in answer to 6. as to any transaction where:

(1) the rates or charges involved in the transaction are determined by competitive bids, or at rates or charges fixed in conformity with law or governmental authority;

(2) the transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services;

(3) the amount involved in the transaction or series of similar transactions, including all periodic installments in the case of any lease or other agreement providing for periodic payments or installments, does not exceed $40,000; or

(4) the interest of the specified person arises solely from the ownership of securities of the issuer and the specified person receives no extra or special benefit not shared on a pro rata basis by all holders of securities of the class.

e. It should be noted that H. calls for disclosure of indirect, as well as direct, material interests in transactions. A person who has a position or relationship with a firm, corporation, or other entity, which engages in a transaction with the issuer or its subsidiaries may have an indirect interest in the transaction by reason of the position or relationship. A person does not have a material indirect interest in a transaction within the meaning of this paragraph where:

(1) the interest arises only (a) from the person's position as a director of another corporation or organization, other than a partnership, which is a party to the transaction; or (b) from the direct or indirect ownership by the person and all other persons specified in this paragraph of less than a ten percent equity interest in another person, other than a partnership, which is a party to the transaction; or (c) from both the position and ownership;

(2) the interest arises only from the person's position as a limited partner in a partnership in which he and all other persons specified in this paragraph had an interest of less than ten percent; or

(3) the interest of the person arises solely from the holding of an equity interest, including a limited partnership interest but excluding a general partnership interest, or a creditor interest in another person which is a party to the transaction with the issuer or any of its subsidiaries and the transaction is not material to the other person.

(4) Instructions.

(a) In describing any transaction involving the purchase or sale of assets by or to the issuer or any of its subsidiaries, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and, if acquired by the seller within two years prior to the transaction, the cost of them to the seller. Indicate the principle followed in determining the issuer's purchase or sale price and the name of the person making the determination.

(b) Information shall be furnished in answer to H. with respect to transactions not excluded above which involve remuneration from the issuer or its subsidiaries, directly or indirectly, to any of the specified persons for services in any capacity unless the interest of the persons arises solely from the ownership individually and in the aggregate of less than ten percent of any class of equity securities of another corporation furnishing the services to the issuer or its subsidiaries.

7. Transactions with pension or similar plans.

a. Describe briefly any transactions since the beginning of the issuer's last fiscal year, or any presently proposed transactions, to which any pension, retirement, savings or similar plan provided by the issuer, or any of its parents or subsidiaries was or is to be a party, in which any of the persons specified in 6. or the issuer or any of its subsidiaries had or is to have a direct or indirect material interest naming the person and stating his relationship to the issuer, the nature of his interest in the transaction and, where practicable, the amount of the interest.

b. No information need be given in answer to 7. with respect to:

(1) payments to the plan, or payments to beneficiaries, pursuant to the terms of the plan;

(2) payment of remuneration for services not in excess of five percent of the aggregate remuneration received by the specified person during the issuer's last fiscal year from the issuer and its subsidiaries; or

(3) any interest of the issuer or any of its subsidiaries which arises solely from its general interest in the success of the plan.

c. Instructions.

(1) The provisions of 6.d. shall apply to this paragraph.

(2) Without limiting the general meaning of the term "transaction" there shall be included in answer to 7. any remuneration received or any loans received or outstanding during the period, or proposed to be received.

I. Matters related to accounting. If the solicitation is made on behalf of the issuer and relates to an annual meeting of security holders at which directors are to be elected or financial statements are included, furnish the information contained in 1.-5.

1. If the issuer's financial statements are not certified by independent public or certified accountants, so state.

2. If the board of directors has no audit or similar committee, so state.

3. If the issuer's financial statements are certified by independent public or certified accountants, so state and provide the following information:

a. The name of the principal accountant selected or being recommended to shareholders for election, approval or ratification for the current year. If no accountant has been elected or recommended, so state and briefly describe the reasons therefor.

b. The name of the principal accountant for the fiscal year most recently completed if different from the accountant selected or recommended for the current year or if no accountant has been elected or recommended for the current year.

c. If a change in accountants has taken place since the date of the proxy statement for the most recent annual meeting of shareholders, so state, and, if in connection with the change a material disagreement in connection with financial disclosure between the accountant and issuer has occurred, the disagreement shall be described. Prior to filing the preliminary proxy materials with the commissioner which contains or amends the description, the issuer shall furnish the description of the disagreement to any accountant with whom the disagreement has occurred. If that accountant believes that the description of the disagreement is incorrect or incomplete, he may include a brief statement, not to exceed 200 words, in the proxy statement presenting his view of the disagreement. This statement shall be submitted to the issuer within ten business days of the date the accountant receives the issuer's description.

d. The proxy statement shall indicate whether or not representatives of the principal accountants for the current year and for the most recently completed fiscal year are expected to be present at the stockholders' meeting with the opportunity to make a statement if they desire to do so and whether or not the representatives are expected to be available to respond to appropriate questions.

e. If any change in accountants has taken place since the date of the proxy statement for the most recent annual meeting of shareholders, state whether the change was recommended or approved by any audit or similar committee of the board of directors if the issuer has such a committee, or the board of directors if the issuer has no such committee.

4. For the fiscal year most recently completed, describe each professional service provided by the principal accountant and state the percentage relationship which the aggregate of the fees for all nonaudit services bear to the audit fees, and, except as provided in 5., state the percentage relationship which the fee for each nonaudit service bears to the audit fees. Indicate whether, before each professional service provided by the principal accountant was rendered, it was approved by, and the possible effect on the independence of the accountant was considered by, any audit or similar committee of the board of directors, and for any service not approved by an audit or similar committee, the board of directors.

5. Instructions.

a. For purposes of 5., all fees for services provided in connection with the audit function, including reviews of quarterly reports, may be computed as part of the audit fees. Indicate which services are reflected in the audit fees computation.

b. If the fee for any nonaudit service is less than three percent of the audit fees, the percentage relationship need not be disclosed.

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c. Each service should be specifically described. Broad general categories such as "tax matters" or "management advisory services" are not sufficiently specific.

d. Describe the circumstances and give details of any services provided by the issuer's independent accountant during the latest fiscal year that were furnished at rates or terms that were not customary.

e. Describe any existing direct or indirect understanding or agreement that places a limit on audit fees for the current or future years, including fee arrangements that provide fixed limits on fees that are not subject to reconsideration if unexpected issues involving accounting or auditing are encountered. Disclosure of fee estimates is not required.

~~Item 8.~~ J. Bonus, profit sharing and other remuneration plans; pension and retirement plans. If action is to be taken with respect to any bonus, profit sharing, or other remuneration plan ~~of the insurer~~ or any pension or retirement plan, furnish the ~~following~~ information~~:~~ contained in 1.-6.

~~(a) A brief description of~~ 1. Describe briefly the material features of the plan~~.~~; identify each class of persons who will participate ~~therein,~~ in it; indicate the approximate number of persons in each ~~such~~ class~~.~~; and state the basis of ~~such~~ the participation.

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

~~(c) If the plan to be acted upon may be amended (other than by a vote of 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 paragraph (b) of this item, the nature of such amendments should be specified.~~

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

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

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

2. Furnish the information, in addition to that required by this paragraph and H., necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past five years, for (a) each director or officer named in answer to H.1. who may participate in the plan to be acted upon; (b) all present directors and officers of the issuer as a group, if any director or officer may participate in the plan, and (c) all employees, if employees may participate in the plan.

~~(c)~~ 3. If the plan to be acted upon ~~may~~ can be amended ~~(other~~ otherwise than by a vote of ~~security holders) in a manner which would materially~~ stockholders to increase the cost ~~thereof~~ of it to the ~~insurer~~ issuer or ~~materially~~ to alter the allocation of the benefits as between the ~~groups specified in subparagraph (b) (3) of this item.~~ directors and officers on the one hand and employees on the other hand, state the nature of ~~such~~ the amendments ~~should be specified~~ which can be made.

4. With regard to any bonus, profit sharing or other remuneration plan on which action is to be taken, furnish the following information:

a. state separately the amounts which would have been distributable under the plan during the last fiscal year of the issuer to directors and officers, and to employees if the plan had been in effect; and

b. state the name and position with the issuer of each person specified in H.1. who will participate in the plan and the amount which each person would have received under the plan for the last fiscal year of the issuer if the plan had been in effect.

5. With regard to any pension or retirement plan on which action is to be taken furnish the following information:

a. state 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; the estimated annual payment to be made with respect to current services; and the amount of the annual payments to be made for the benefit of directors, officers, and employees; and

b. state the name and position with the issuer of each person specified in H.1. who will be entitled to participate in the plan; the amount which would have been paid or set aside by the issuer and its subsidiaries for the benefit of the person for the last fiscal year of the issuer if the plan had been in effect; and the amount of the annual benefits estimated to be payable to the person in the event of retirement at normal retirement date.

6. Instructions.

a. If action is to be taken with respect to the amendment or modification of an existing plan, J. shall be answered with respect to the plan as proposed to be amended or modified and shall indicate any material differences from the existing plan.

b. The following instructions shall apply to 2.:

(1) information need only be given with respect to benefits received or set aside within the past five years;

(2) information need not be included as to payments made for, or benefits to be received from, group life or accident insurance, group hospitalization or similar group payments or benefits; and

(3) if action is to be taken with respect to any plan in which directors or officers may participate, the information called for by H.4. shall be furnished for the last five fiscal years of the issuer and any period subsequent to the end of the latest fiscal year, in aggregate amounts for the entire period for each person and group. If any named person, or any other director or officer, purchased securities through the exercise of options during the period, state the aggregate amount of securities of that class sold during the period by the named person and other directors and officers as a group. The information called for by this instruction is in lieu of the information since the beginning of the issuer's last fiscal year called for by H.4. If employees may participate in the plan to be acted upon, state the aggregate amount of securities called for by all options granted to employees during the five-year period and, if the options were other than "restricted" or "qualified" stock options or options granted pursuant to an "employee stock purchase plan", as these terms are defined in the Internal Revenue Code §§ 422-424, as amended through the effective date of this rule, state that fact and the weighted average option price per share. The information called for by this instruction may be furnished in the form of the table set forth in Exhibit 4 MCAR § 1.9267 H.4.a.-1.

c. If the plan to be acted upon is set forth in a written document, three copies of it shall be filed with the commissioner at the time preliminary copies of the proxy statement and form of proxy are filed.

d. The information called for by H.5.a.(3) or H.5.b.(2) need not be given as to payments made on an actuarial basis pursuant to any group pension plan which provides for fixed benefits in the event of retirement at a specified age or after a specified number of years of service.

~~Item 10.~~ K. Options, warrants or rights. If action is to be taken with respect to the granting or extension of any options~~,~~ ~~warrants or rights (all referred to herein as "warrants")~~ to purchase securities of the ~~insurer~~ issuer or any subsidiary ~~or affiliate, other than warrants issued to all security holders on a pro rata basis~~, furnish the ~~following~~ information~~.~~ contained in 1.-4.

~~(a)~~ 1. State the following:

a. the title and amount of securities called for or to be called for~~,~~ by the options;

b. the prices, expiration dates, and other material conditions upon which the ~~warrants~~ options may be exercised~~,~~;

c. the consideration received or to be received by the ~~insurer,~~ issuer or subsidiary ~~or affiliate~~ for the granting or extension of the ~~warrants. and~~ options;

d. the market value of the securities called for or to be called for by the ~~warrants,~~ options as of the latest practicable date; and

e. in the case of options, the federal income tax consequences of the issuance and exercise of the option to the recipient and to the issuer.

~~(b) If known,~~ 2. State separately the amount of ~~securities called for or to be called for by warrants~~ options received or to be received by the following persons, naming each ~~such~~ person:

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~~(1)~~ a. each ~~person~~ director of officer named in ~~response to Item 7 of this schedule.~~ answer to H.1.:

b. each nominee for election as a director of the issuer:

c. each associate of the directors, officers, or nominees; and

~~(2)~~ d. each other person who ~~will be entitled to acquire five~~ received or is to receive ten percent or more of ~~the securities called for or to be called for by such warrants~~ the options received or to be received by all directors and officers of the issuer as a group, without naming them.

~~(c) If known, state also the total amount of securities called for or to be called for by such warrants received or to be received by all directors and officers of the insurer as a group and all other employees, without naming them.~~

3. In addition to that required by K. and H., furnish the information necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past five years, for each director or officer named in answer to H.1. who may participate in the plan to be acted upon; all present directors and officers of the issuer as a group, if any director or officer may participate in the plan; and all employees, if employees may participate in the plan.

4. Instructions. The provisions of a.-d. apply to k.

a. The term option includes any option, warrant or right.

b. The provisions of 1. and 3. do not apply to warrants or rights to be issued to security holders as such on a pro rata basis.

c. The provisions of J.6.b. shall also apply to 3.

d. If the options described in answer to K. are issued pursuant to a plan which is set forth in a written document, three copies of it shall be filed with the commissioner at the time preliminary copies of the proxy statement and form of proxy are filed.

~~Item 11.~~ L. Authorization or issuance of securities otherwise than for exchange.

~~(a)~~ If action is to be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the ~~insurer~~ issuer, furnish the information contained in 1.-~~4~~.

1. State the title~~,~~ and amount ~~and description~~ of the securities to be authorized or issued.

~~(b)~~ 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.

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

3. Describe briefly the transaction in which the securities are to be issued, including a statement as to the nature and approximate amount of consideration received or to be received by the issuer; and the approximate amount devoted to each purpose, as far as is determinable, for which the net proceeds have been or are to be used. If it is impracticable to describe the transaction in which the securities are to be issued, state the reason, indicate the purpose of the authorization of the securities and state whether further authorization for the issuance of the securities by a vote of security holders will be solicited prior to the issuance.

4. If the securities are to be issued otherwise than in a general public offering for cash, state the reasons for the proposed authorization or issuance and the general effect of it upon the rights of existing security holders.

M. Modification of or exchange of securities. If action is to be taken with respect to the modification of any class of securities of the issuer, or the issuance or authorization for issuance of securities of the issuer in exchange for outstanding securities of the issuer, furnish the information contained in 1.-5.

1. If outstanding securities are to be modified, state the title and amount of the securities. If securities are to be issued in exchange for outstanding securities, state the title and the amount of securities to be so issued, the title and the amount of outstanding securities to be exchanged, and the basis of the exchange.

2. Describe any material differences between the outstanding securities and the modified or new securities.

3. State the reasons for the proposed modification or exchange and the general effect of it upon the rights of existing security holders.

4. Furnish a brief statement as to arrears in dividends or defaults in principal or interest in respect to the outstanding securities which are to be modified or exchanged and other information appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

5. Outline briefly any other material features of the proposed modification or exchange. If the plan of proposed action is set forth in a written document, file copies of it with the commissioner at the time the preliminary proxy material is filed.

~~Item 12.~~ N. Mergers, consolidations, acquisitions and similar matters. ~~(a)~~ Furnish the information contained in 1.-3. of action is to be taken with respect to a ~~merger, consolidation, acquisition, or similar matter, furnish in brief outline the following information:~~

~~1. The rights of appraisal or similar reights 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 such rights.~~

~~2. The material features of the plan or agreement.~~

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

~~4. If available, the high and low sales prices for each quarterly period within two years of each class of security which will be materially affected of the insurer and of each other company involved in the merger, consolidation or acquisition.~~

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

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

~~1. A comparative balance sheet as of the close of each of the last two fiscal years.~~

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

~~(3) A pro forma combined balance sheet and income and expenses statement for the last fiscal year giving effect to the necessary adjustments with respect to the resulting company.~~ any plan for: the merger or consolidation of the issuer into or with any other person or of any other person into or with the issuer; the acquisition by the issuer or any of its security holders of securities of another issuer; the acquisition by the issuer of any other going business or of the assets thereof; the sale or other transfer of all or any substantial part of the assets of the issuer; or the liquidation or dissolution of the issuer.

1. Outline briefly the material features of the plan. State the reasons for it and the general effect of it upon the rights of existing security holders. If the plan is set forth in a written document, file three copies of it with the commissioner at the time preliminary copies of the proxy statement and form of proxy are filed.

2. Furnish the information contained in a.-h. as to the issuer and each person to be merged into the issuer or into or with which the issuer is to be merged or consolidated or the business or assets of which are to be acquired or which is the issuer of securities to be acquired by the issuer in exchange for all or a substantial part of its assets or to be acquired by security holders of the issuer. What is required is information essential to an investor's appraisal of the action proposed to be taken.

a. Describe briefly the business of the person.

b. State the location and describe the general character of the plants and other important physical properties of the person. The description is to be given from an economic and business standpoint, as distinguished from a legal standpoint. Portfolio or investment assets of an issuer need not be disclosed.

c. Furnish a brief statement as to dividends in arrears or defaults in principal or interest in respect of any securities of the issuer or of the person, and as to the effect of the plan thereon and such other information as may be appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

d. Furnish a tabulation in columnar form showing the existing and the pro forma capitalization.

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e. Furnish in columnar form for each of the last five fiscal years an historical summary of earnings and show per share amounts of net earnings, dividends declared for each year and book value per share at the end of the latest period.

f. Furnish in columnar form for each of the last five fiscal years a combined pro forma summary of earnings, as appropriate in the circumstances, indicating the aggregate and per-share earnings for each year and the pro forma book value per share at the end of the latest period. If the transaction establishes a new basis of accounting for assets of any of the persons included in the accounting, the pro forma summary of earnings shall be furnished only for the most recent fiscal year and interim period and shall reflect appropriate pro forma adjustments resulting from the new basis of accounting.

g. To the extent material for the exercise of prudent judgment in regard to the matter to be acted upon, furnish the historical and pro forma earnings data specified in e. and f. for interim periods of the current and prior fiscal years, if available.

h. Instructions. The provisions of 2. shall not apply if the plan described in answer to 1. involves only the issuer and one or more of its totally-held subsidiaries.

3. As to each class of securities of the issuer, or of any person specified in 2., which is admitted to dealing on a national securities exchange or with respect to which a market otherwise exists and which will be materially affected by the plan, state the high and low sale prices, or, in the absence of trading in a particular period, the range of the bid and asked prices for each quarterly period within two years. This information may be omitted if the plan involves merely the liquidation or dissolution of the issuer.

O. Financial statements.

1. If action is to be taken with respect to any matter specified in L.-N., furnish financial statements of the issuer and its subsidiaries complying with the requirements of 4 MCAR § 1.9258 B.1.-3. including schedules of supplementary profit and loss information. The statements may be omitted with respect to a plan described in answer to N. if the plan involves only the issuer and one or more of its totally-held subsidiaries.

2. If action is to be taken with respect to any matter specified in N.2., furnish for each person specified, other than the issuer, financial statements complying with the requirements of 4 MCAR § 1.9258 B.1.-3.

3. The commissioner may, upon the request of the issuer, permit the omission of any of the statements required in O. where the statements are not necessary for the exercise of prudent judgment in regard to any matter to be acted upon, or may permit the filing in substitution therefor of appropriate statements of comparable character. The commissioner may also require the filing of other statements in addition to, or in substitution for, the statements required in O. in any case where the statements are necessary or appropriate for an adequate presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise material for the exercise of prudent judgment in regard to any matter to be acted upon. In the usual case, financial statements are deemed material to the exercise of prudent judgment where the matter to be acted upon is the authorization or issuance of a material amount of senior securities, but are not deemed material where the matter to be acted upon is in the authorization or issuance of common stock, otherwise than in an exchange, merger or consolidation, acquisition or similar transaction.

4. The proxy statement may incorporate by reference any financial statements contained in an annual report sent to security holders with respect to the same meeting as that to which the proxy statement relates, if the financial statements substantially meet the requirements of O.

P. Acquisition or disposition of property. If action is to be taken with respect to the acquisition or disposition of any property, furnish the information contained in 1.-4.

1. Describe briefly the general character and location of the property.

2. State the nature and amount of consideration to be paid or received by the issuer or any subsidiary. To the extent practicable, outline briefly the facts bearing upon the question of the fairness of the consideration.

3. State the name and address of the transferor or transferee as the case may be, and the nature of any material relationship of the person to the issuer or an affiliate of the issuer.

4. Outline briefly any other material features of the contract or transaction.

~~Item 13. Reinstatement~~ Q. Restatement of accounts. If action is to be taken with respect to the restatement of any asset, capital, or surplus account of the ~~insurer~~ issuer, furnish the ~~following~~ information~~:~~ contained in 1.-4.

~~(a)~~ 1. State the nature of the restatement and ~~the date as of which it is to be~~ its effective date.

~~(b)~~ 2. Outline briefly the reasons for the restatement and ~~for~~ the selection of the particular effective date.

~~(c)~~ 3. State the name and amount of each account, including any reserve accounts, affected by the restatement and the effect of the restatement ~~thereon~~ on it. Tabular presentation of the amounts shall be made when appropriate, particularly in the case of recapitalizations.

4. To the extent practicable, state whether and the extent, if any, to which the restatement will, as of the date of it, alter the amount available for distribution to the holders of equity securities.

R. Action with respect to reports. If action is to be taken with respect to any report of the issuer or of its directors, officers or committees or any minutes of meetings of its stockholders, furnish the information contained in 1. and 2.

1. State whether or not the action constitutes approval or disapproval of any of the matters referred to in the reports or minutes.

2. Identify each of the matters which it is intended will be approved or disapproved and furnish the information required by the appropriate provisions of this rule with respect to each matter.

~~Item 14.~~ S. 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 ~~such~~ the matter, the ~~reason~~ reasons 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 ~~of~~ by the security holders.

~~Item 15.~~ T. Amendment of charter, by-laws, or other documents.

1. If action is to be taken with respect to any amendment of the ~~insurer's~~ issuer's charter, by-laws or other documents as to which information is not required ~~above~~ 4 MCAR §§ 1.9255-1.9267, state briefly the reasons for and general effect of ~~such~~ the amendment ~~and the vote needed for its approval~~.

2. Instruction. Where the matter to be acted upon is the classification of directors, state whether vacancies which occur during the year may be filled by the board of directors to serve only until the next annual meeting or may be filled for the remainder of the full term.

U. Other proposed action. If action is to be taken with respect to any matter not specifically referred to in 4 MCAR §§ 1.9255-1.9267 describe briefly the substance of each matter in substantially the same degree of detail as is required by F.-T.

V. Vote required for approval. As to each matter which is to be submitted to a vote of security holders, other than elections to office or the selection or approval of auditors, state the vote required for its approval.

~~Ins 42.~~ 4 MCAR § 1.9268 Schedule B; information to be included in statements filed by or on behalf of a participant ~~(other than the insurer)~~ issuer in a proxy solicitation in an election contest.

A. Requirement. The proxy statement shall contain the information required by B.-F.

~~Item 1. Insurer~~ B. Issuer. State the name and address of the ~~insurer~~ issuer.

~~Item 2.~~ C. Identity and background.

~~(a)~~ 1. State ~~the following:~~

~~(1)~~ your name and business address~~.~~

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

~~(b)~~ 2. State ~~the following:~~

~~(1)~~ your residence address~~.~~

~~(2)~~ and information as to all material occupations, positions, offices or employments during the last ten years, giving

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starting and ending dates of each and the name, principal business and address of any business corporation or other business organization in which each ~~such~~ occupation, position, office or employment was carried on.

~~(c)~~ 3. State whether or not you are or have been a participant in any other proxy contest involving this ~~insurer~~ 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)~~ 4. 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 paragraph need not be included in the proxy statement or other proxy soliciting material.

~~Item 3.~~ D. Interest in securities of the ~~Insurer~~ issuer.

~~(a)~~ 1. State the amount of each class of securities of the ~~insurer~~ issuer which you own beneficially, directly or indirectly.

~~(b)~~ 2. State the amount of each class of securities of the ~~insurer~~ issuer which you own of record but not beneficially.

~~(c)~~ 3. State with respect to all securities of the ~~insurer~~ issuer purchased or sold within the past two years, the dates ~~of acquisition or sale~~ on which they were purchased or sold and the amounts ~~acquired~~ purchased or sold on each date.

~~(d)~~ 4. If any part of the purchase price or market value of any of the securities specified in ~~paragraph (c) of this item~~ 3. is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding ~~such~~ the securities, so state and indicate the amount of the indebtedness as of the latest practicable date. If ~~such~~ the funds were borrowed or obtained otherwise than pursuant to a margin account or bank loan in the regular course of business of a bank, broker or dealer, briefly describe the transaction, and state the names of the parties.

~~(3)~~ 5. 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~~ issuer, including ~~but not limited to~~ joint ventures, loan or option arrangements, puts or calls, guarantees against ~~loss~~ 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~~ the contracts, arrangements, or understandings exist and give the details ~~thereof~~ of them.

~~(f)~~ 6. State the amount of securities of the ~~insurer~~ issuer owned beneficially, directly or indirectly, by each of your associates and the name and address of each ~~such~~ associate.

~~(g)~~ 7. State the amount of each class of securities of any parent, subsidiary or affiliate of the ~~insurer~~ issuer which you own beneficially, directly or indirectly.

~~Item 4.~~ E. Further matters.

~~(a)~~ 1. 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)~~ 2. 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 ~~insurer's~~ company's last fiscal year, or in any material proposed transactions, to which the ~~insurer~~ company or any of its subsidiaries or affiliates was or is to be a party.

~~(c)~~ 3. 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~~ issuer or its subsidiaries or affiliates; or

~~(2)~~ with respect to any future transactions to which the ~~insurer~~ issuer or any of its subsidiaries or affiliates will or may be a party.

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

~~Item 5.~~ F. 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)

4 MCAR § 1.9269 Schedule C; information required in information statement.

A. Contents. The information statement shall contain the information required by B.-G.

B. Limitation. Where any provision other than F. calls for information with respect to any matter to be acted upon at the meeting, the provision need be answered only with respect to proposals to be made by the issuer.

C. Information required by 4 MCAR § 1.9267. Furnish the information called for by 4 MCAR § 1.9267 except A., B., D. and E. 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.

D. Statement that proxies are not solicited. The following statement shall be set forth on the first page of the information statement in bold face type:

"WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY."

E. Date, time and place of meeting. State the date, time and place of the meeting of security holders, unless the information is otherwise disclosed in material furnished to security holders with the information statement.

F. Interest of certain persons in or opposition to matters to be acted upon.

1. Describe briefly any substantial interest, direct or indirect, by security holdings or otherwise, of each of the following persons in any matter to be acted upon, other than elections to office:

a. each person who has been a director or officer of the issuer at any time since the beginning of the last fiscal year;

b. each nominee for election as a director of the issuer; and

c. each associate of the foregoing persons.

2. Give the name of any director of the issuer who has informed the management in writing that he intends to oppose any action to be taken by the management at the meeting and indicate the action which he intends to oppose.

G. Proposals by security holders. If any security holder entitled to vote at the meeting has, not less than 90 days before the issuer's annual meeting, submitted to the issuer a proposal which is accompanied by notice of his intention to present the proposal for action at the meeting, make a statement to that effect, identify the proposal and indicate the disposition proposed to be made of the proposal by the management at the meeting.

4 MCAR § 1.9270 Alternative compliance. Notwithstanding the provisions of 4 MCAR §§ 1.9255-1.9269, the commissioner may permit the solicitation of proxies, consents, or authorizations if the manner of solicitation and the form of proxy, proxy statement and other documents used in the solicitation comply with the National Association of Insurance Commissioner's Model Regulation and the Schedules thereto.

4 MCAR §§ 1.9271-1.9274 [Reserved for future use.]

Repealer. Rules Ins 32 and 34 are repealed.

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STATE OF MINNESOTA

COUNTY OF RAMSEY

CERTIFICATE

In the Matter of the Proposed Amendments to
Rules Relating to Proxies, Consents or
Authorizations

I certify that the list of persons, associations, and other interested groups who have requested, pursuant to Minnesota Statutes, section 15.0412, subdivision 4, that their names be placed on file with and maintained by the Insurance Division for the purpose of receiving notice of the proposed adoption of rules is accurate and complete as of 11:00 a.m., this 30th day of December, 1982.

Debbie J. Lindlief

Attn: Debra G. Wozniak
20 North Wacker Drive
Suite 2140
Chicago, IL 60606

Daniel D. Foth
Associated Builders & Contractors
6300 Walker Street, Room 109
Minneapolis, MN 55416

James C. Shipman
Executive Director
Association of Minnesota Counties
2305 Ford Parkway
St. Paul, MN 55116

Colonial Penn Group, Inc.
Law Department, 11th Floor
5 Penn Center Plaza
Philadelphia, PA 19181

Nicholas T. Kakos
Comp., Insurance Benefit Fund
Federal Cartridge Corp./Admin.
Twin Cities Army Ammunition Plant
New Brighton, MN 55112

Murray M. McColloch
Sr. Vice Pres., Secretary & Counsel
J. C. Penney Life Insurance Co.
2020 Live Oak
Dallas, TX 75221

Jerrold T. Miller
J. T. Miller Company
1000 Currie Avenue
Minneapolis, MN 55403

John B. LaMacchia & Associates
Actuaries Management Consultants
12 North Central Avenue
St. Louis, MO 63105

Richard D. Kothe, Vice President
League Service Corporation
575 University Avenue
St. Paul, MN 55103

Compliance Services
Metropolitan Property & Liability
Insurance Company
700 Quaker Lane, P.O. Box 350
Warwick, RI 02887

Mr. Ronald R. Radtke, Manager
Compliance Services
Metropolitan Prop. & Liability Ins. Co.
700 Quaker Lane
Warwick, RI 02887

James N. Denn
Minnesota Motor Transport Assn.
1821 University Ave., Room 134N
St. Paul, MN 55104

Abe Rosenthal
Executive Vice President
Minnesota Transport Services Assn.
1821 University Avenue
St. Paul, MN 55104

Mr. Paul C. Blume, Vice President
National Association of Independent
Insurers
260 River Road
Des Plaines, IL 60018

William R. Anderson, Counsel
The National Assoc. of Life
Underwriters
1922 F Street, NW
Washington, D.C. 20006

Richard Bouhan, Gov't. Relations Dir.
National Assoc. of Prof. Surplus
Lines Offices
P.O. Box 1507
Roswell, GA 30077

J. Robert Hunter, FCAS
President, The National Insurance
Consumer Organization
344 Commerce Street
Alexandria, VA 22314

NIARS Corporation
Three Eighteen West Franklin
Minneapolis, MN 55404

Ohio State Life Insurance Company
Attn: Harold I. Phillian
471 E. Broad Street
Columbus, OH 43215

Bruce A. Poulsen, Counsel
Prudential Insurance Co. of America
8th Fl., P.O. Box 1143
Minneapolis, MN 55440

James M. Shamberger
Vice President-Government Relations
Reinsurance Association of America
1025 Connecticut Ave., Suite 512
Washington, D.C. 20036

Security Insurance Company
P. O. Box 42
Hartford, CT 06141

Stan Bass
Snyder Larsen & Peters
2636 Portland Avenue
Minneapolis, MN 55407

Robert E. Swift, Vice President
Title Insurance Company of MN
400 Second Avenue South
Minneapolis, MN 55401

Trauner, King & Cohen
Attn: Kevin King
38 Old Ivy Road, N.E.
Atlanta, GA 30342

Union Fidelity Life Insurance Co.
Union Fidelity Office Park
Trevose, PA 19049
Attn: Edward G. Farmer, Jr., V.P.

Wisconsin Employers Insurance Co.
Contracts Department
P.O. Box 1100
DePere, WI 54115

Martin V. Timmins
Vice President & General Counsel
The Wisconsin Life Insurance Co.
709 North Segoe Road
Madison, WI 53705

Workers Compensation Reinsurance
Association
750 Northern Federal Building
386 North Wabasha
St. Paul, MN 55102

Kathleen P. Burek
Exec. Dir. LCRAR
Rm. 430, State Office Building
St. Paul, MN 55155

Jean Dawson
Minn. Government Report
B-12 Press Room, State Capitol
St. Paul, MN 55155

Michael D. Johnson
Frundt, Frundt & Johnson
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345 Cedar Building, Suite 800
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100 North Minnesota Street
New Ulm, MN 56073

Charles A. Schaffer
Dept. of Energy, Plng. & Dev.
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St. Paul, MN 55102

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811 First National Bank Bldg.
Duluth, MN 55802

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Midland Glass Company, Inc.
P.O. Box 69
Shakopee, MN 55379

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Minneapolis, MN 55415

John S. Jackson, Gen. Counsel
Minnesota Bankers Association
332 Baker Building
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Hessian, McKasy & Soderberg, P. A.
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Minneapolis, MN 55402

Susan J. Ladwig
900 Midland Bank Building
Minneapolis, MN 55401

John M. Broeker
2850 Metro Drive, Suite 800
Minneapolis, MN 55420

Broeker, Hartfeldt, Hedges & Grant
2850 Metro Drive, Suite 800
Minneapolis, MN 55420

Paul J. Huber, Ltd.
1821 University Avenue
St. Paul, MN 55104

Joseph Sizer, Deputy Commissioner
Department of Energy, Plng. & Dev.
101 Capitol Square Building
St. Paul, MN 55101

City Editor
Minneapolis Star/Tribune
425 Portland Avenue
Minneapolis, MN 55488

Daniel O. Foth, Exec. Dir.
Assoc. Builders & Contracters
6300 Walker Street, Suite 109
Minneapolis, MN 55416

Phillips Legislative Service, Inc.
459 Rice Street
St. Paul, MN 55103

Charles A. Kroeger
QSS, Inc.
P.O. Box 838
Faribault, MN 55021

Director
Developmental Disabilities Office
201 Capitol Square Building
St. Paul, MN 55101

W. J. Hay
St. Paul Companies, Inc.
385 Washington Street
St. Paul, MN 55102

a. a balance sheet of the grain warehouse;

b. a statement of income, including profit and loss;

c. a statement of retained earnings;

d. a statement of changes in financial position;

e. notes with respect to financial statements; and

f. a statement of how the inventory was performed.

4. Each financial statement shall be accompanied by one of the following:

a. an audit or review report prepared by an independent certified public accountant or an independent public accountant in accordance with standards established by the American Institute of Certified Public Accountants, including the accountant's certifications, assurances, opinions, comments, and notes with respect to the financial statement; or

b. a compilation report accompanying the financial statement prepared in accordance with generally accepted accounting principles by a firm that has been authorized by the United States Secretary of Agriculture to provide a compilation report of financial statements.

~~PSC 243~~ 3 MCAR § 1.0264 General provisions.

A. Grain banks. All grain banks, whether operated separately or in conjunction with a ~~public local~~ grain warehouse, ~~shall be~~ are subject to the provisions of ~~Rule PSC 242~~ 3 MCAR § 1.0263 insofar as they apply to ~~such operation~~ their operations.

B. Demand date on grain sale transaction. For the purpose of determining whether a voluntary extension of credit has been made where the statutory limitation relating to bonded purchasers of grain is at issue, the demand date on any transaction which involved the sale of grain shall be no later than the end of the business day next succeeding the day upon which delivery of the grain by the seller to the buyer is completed.

C. Contents of scale tickets, receipts. All scale tickets~~,~~ and negotiable and nonnegotiable grain warehouse receipts must, in addition to containing those statements required by statute, be consecutively prenumbered and have stamped or printed ~~thereon~~ on them the name and location of the issuing grain warehouse.

D. Only one receipt issued. In no event may more than one grain warehouse receipt, either negotiable or nonnegotiable, be issued against the same parcel of grain except in the case of a lost, stolen, or destroyed receipt replaced in accordance with ~~Rule PSC 242 H~~ 3 MCAR § 1.0263 D.

E. Service charges limited. The charge for receiving, handling, and delivering grain at any public terminal warehouse shall not exceed the tariff which has been filed with the ~~commission~~ commissioner by the ~~warehouseman~~ public terminal warehouse assessing ~~such~~ the charge: All filed tariffs must comply with the provisions of ~~MSA Sec.~~ Minnesota Statutes, section 233.10.

F. Complaints to commissioner. Any complaint to the ~~commission~~ commissioner must be in writing, state specifically the charge ~~or charges~~ upon which ~~such~~ the complaint is based, and ~~must~~ be signed by the complainant.

G. Violation; penalty. The intentional violation of any of the provisions contained in ~~these rules shall make~~ 3 MCAR §§ 1.0260-1.0264 renders the violator liable ~~to~~ for the full penalty provided by law ~~in such cases~~.

~~H. These rules replace and supersede any and all rules heretofore made and adopted by the commission for the regulation and operation of grain warehouses.~~

Repealer. Rules PSC 240 and 242 of the Department of Public Service are repealed.

Department of Commerce
Insurance Division

Proposed Amendments to Rules Relating to Proxies, Consents and Authorizations

Notice of Intent to Amend Rules without a Public Hearing

Notice is hereby given that the Insurance Division proposes to adopt amendments to the above-entitled rules without a public hearing. The Commissioner of Insurance has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minn. Stat. § 15.0412, subd. 4h (1980).

Persons interested in these rules, which were published in the *State Register* January 4, 1982, shall have 30 days to submit comments. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change.

No public hearing will be held unless seven or more persons make a written request for a hearing within the 30-day comment period. In the event a public hearing is required, the agency will proceed according to the provisions of Minn. Stat. § 15.0412, subd. 4-4f.

Persons who wish to submit comments or a written request for a public hearing should mail them to:

J. P. Koleski
Insurance Division
500 Metro Square Bldg.
St. Paul, MN 55101

Authority for the adoption of these rules is contained in Minn. Stat. § 60A.22. Additionally, a statement of need and reasonableness describing the need for and reasonableness of each provision and identifying the data and information relied upon to support the proposed rules has been prepared and is available upon request.

Any person who desires to be advised of the submission of this material to the Attorney General for approval may make this request in writing to the above named person.

Thomas L. O'Malley
Temporary Commissioner of Insurance

Department of Revenue
Estate and Fiduciary Tax Division

Proposed Amendments to and Repeal of the Rule Relating to Inheritance and Estate Tax

Notice of Intent to Adopt a Rule without a Public Hearing

Notice is hereby given that the Department of Revenue proposes to adopt the above-entitled rule without a public hearing. The commissioner has determined that the proposed adoption of this rule will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes § 15.0412, subdivision 4h (1981).

Persons interested in this rule shall have thirty days to submit comments on the proposed rule. The proposed rule may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change in the proposed language.

Unless seven or more persons submit written requests for a public hearing on the proposed rule within the thirty-day comment period, a public hearing will not be held. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statute § 15.0412, subdivisions 4-4f.

Persons who wish to submit such comments or a written request for a public hearing should submit such comments or requests to:

Luci Mitchell, Attorney
Commissioner's Staff
Minnesota Department of Revenue
Second Floor Centennial Building
St. Paul, Minnesota 55145
Telephone: (612) 296-1022

Authority for the adoption of this rule is contained in Minnesota Statutes § 296.27. Additionally, a statement of need and reasonableness that describes the need for and reasonableness of each provision of the proposed rule has been prepared and is available from Luci Mitchell upon request. A copy of the proposed rule is also available from Luci Mitchell.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
INSURANCE DIVISION

In the Matter of the Proposed Adoption of Amendments to Rules Relating to Proxies, Consents and Authorizations

FINDINGS OF FACT AND CONCLUSIONS

After affording interested persons an opportunity to present written and oral data, statements and arguments on the adoption of amendments to rules relating to proxies, consents and authorizations and having considered all of the evidence brought forward for consideration in the records, files, and proceedings herein, I find the following:

1. That the proposed rules, published in the State Register on January 4, 1982, included language which the Securities and Exchange Commission has since deleted from its rules.

2. That the SEC rescission dealt with a disclosure requirement in proxy statements concerning nonaudit services performed by independent accountants for their audit clients.

3. That the SEC concluded that the value of the non-audit information provided stockholders was not generally of sufficient utility to investors to justify continuation of the disclosure requirement.

4. That the Minnesota rules concerning the regulation of proxies, consents and authorizations are based on and intended to parallel the Securities and Exchange Commission's regulation for solicitation of proxies, and that the proposed rules, 4 MCAR § 1.9267I. 4. - 5. should be deleted.

5. That the proposed rules, at 4 MCAR § 1.9257E. provided the commissioner with unreasonable discretion and did not establish any objective standard by which one could determine when an exemption should be granted and should thereby deleted.

6. That the proposed rules, at 4 MCAR § 1.9267H. 4. a - 1.b (2) was not specific as to number of options needed for an exception to be granted and granting the exception when the options do not exceed five percent of the outstanding shares is reasonable.

7. That the proposed rules, at 4 MCAR § 1.9270 permitted unlimited discretion, and the rule should be changed to require the Commissioner to grant an exemption from the rules if certain conditions are met.

8. That the changes made to the proposed rules are not substantial in nature.

Based on the foregoing, I conclude that the proposed amendments to rules relating to proxies, consents, and authorizations should be modified as set forth herein.

Reynaud L. Harp

Reynaud L. Harp
Commissioner of Insurance

In the Matter of the Proposed Adoption
of Amendments to Rules Relating to Proxies,
Consents, or Authorizations

STATEMENT OF
COMPLIANCE WITH
RULEMAKING PROCEDURES

I, Robert Clayton, do hereby declare that I have examined the rules and all related documents and that, based on my examination and my personal familiarity with the applicable procedures, the Administrative Procedure Act, the rules of the Office of Administrative Hearings, and the rules of the Attorney General have been followed. Any exceptions are noted below.

Robert J. Clayton

Special Assistant Attorney General

Dated: March 22, 1983

SF-00006-02

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : MICHAEL D. MARKMAN
Commissioner of Insurance

DATE: 7/8/82

ATTN: ROBERT J. CLAYTON, Spec. Ass't. Atty. Gen.

FROM : LARRY D. STARNS
Special Assistant
Attorney General

PHONE: 297-3493

SUBJECT: In the Matter of the Proposed Adoption of Amendments to Rules Relating to Proxies, Consents and Authorizations

The rules in the above-entitled matter have not been approved by the Office for the following reasons:

1. Attorney General Rule 1 MCAR § 1.203 G.10 requires that if a copy of the proposed rule is not attached to the notice (as published and as mailed), the notice must clearly state the nature and effect of the proposed rule. The notice in the instant case contained no such statement. Additionally, there is nothing in the record to indicate that the rule was attached to the notice as mailed and information furnished to us confirms that the rule was not attached. Therefore, a new mailing must be accomplished with the rule attached or containing a statement as described above.

2. 4 MCAR § 1.9257.E states that an exemption from the requirements of this rule will be granted when "the Commissioner finds for good cause" that such exemption should be granted (emphasis added). Such language provides the Commissioner with unbridled discretion and fails to establish an objective standard by which one can determine when such an exemption will be granted.

deleted. p. 5.

3. 4 MCAR § 1.9266.G.6.b requires the reporting of a particular relationship between a law firm retained by the issuer a member or employee of the issuer when the fees paid by the issuer to the law firm are "material to either the law firm, the issuer or both." The standard used here is incapable of objective interpretation as it relies upon the subjective view of either of two parties. Therefore, it is impermissibly vague and poses the risk of uneven application of the rule and a more definable standard should be used.

Ok. per conversation w/Bob Clayton 12-9-'82

4. Exhibit 4 MCAR § 1.9267.H.4.a-1.b(2) provides an exception to the tabular presentation requirement by stating "(t)abular presentation may not be needed if only a very few options have been granted" (emphasis added). This rule is unclear and exactly when such exception will be granted should be stated. Removal of the word "may" and the stating of a specific number of options granted would accomplish this.

✓ accomplished p. 33

5. 4 MCAR § 1.9270 provides that the Commissioner "may" permit the solicitation of proxies, consents or authorizations if certain requirements are met. The use of the word "may" permits the Commissioner to exercise unlimited discretion and prevents the reader from being able to discern what additional criteria will be employed in determining when solicitation will be permitted. "May" should be replaced with the word "shall" so that the Commissioner must permit solicitation upon the satisfaction of the requirements stated in the rule. replaced p. 54

After consideration of the above comments and agency action, if any, these rules may be resubmitted for our review. Upon resubmission, please include a new or supplemental Order Adopting and two copies of the new Rule as Adopted. Also, please include a memorandum specifying that the rules are being resubmitted so that we may obtain our initial file in this matter.

Additionally, at the time when you resubmit the new rule to this office, you must submit two copies of the same to the Revisor of Statutes.

If you have any questions concerning the issues raised in this memorandum, please do not hesitate to call me.

LDS:drw

cc: Ms. Kathy Burek
Ms. Mary Hunstiger

MINNESOTA LEGISLATURE

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June 18, 1982

Ms. Judith Wehrwein
Office of Attorney General
204 Administration Building
50 Sherburne Avenue
St. Paul, MN

Dear Judith:

The Insurance Division has asked me to make one additional amendment to AR0121 as proposed. This amendment appears on page 7, lines 16 and 17 of the enclosed draft.

The amendment required our office to reprint the entire document instead of printing a new page 7 for insertion in the April 16th draft sent to your office. No other changes have been made in this document.

Please substitute the enclosed draft for the one submitted on April 16th.

Very truly yours,

Paul M. Marinac

Paul M. Marinac
Assistant Revisor

PMM:bv
Enclosure

ADMIN 1000 (Rev. 1/78)
SF-00006-01

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : JUDITH WEHRWEIN
Attorney General -Administration

DATE: June 24, 1982

FROM : ROBERT J. CLAYTON RJC
Special Assistant Attorney General

PHONE:

SUBJECT: RULE REVIEW

Enclosed for approval are proxy rules recently adopted by the Insurance Commissioner.

aso
Enc.

PRINTED ON RECYCLED PAPER

Rules as adopted . . . . . 4 copies

Order Adopting Rules . . . . . 2 copies

Notice of Intent to Solicit Outside Opinion

Order for Notice of Intent to Adopt a Rule Without a Public Hearing

Notice of Intent to Adopt a Rule Without a Public Hearing (May 10, 1982)

Affidavit of Mailing Notice of Intent to Adopt a Rule Without a Public Hearing

Mailing List Certificate

Findings of Fact and Conclusion

Notice of Intent to Adopt a Rule Without a Public Hearing (January 4, 1982)

Rules as Proposed

Statement of Need and Reasonableness

Written Comments Received

Affidavit of Mailing Notice of Submission to the Attorney General

Statement of Compliance

AG copy. 9255

Rules as Adopted

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4 MCAR S 1.9259 Proxy requirements.
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4 MCAR S 1.9266 Special provisions applicable to election contests.
4 MCAR S 1.9267 Schedule A; information required in proxy statement.
4 MCAR S 1.9268 Schedule B; information to be included in statements filed by or on behalf of a participant other than the issuer in a proxy solicitation in an election contest.
4 MCAR S 1.9269 Schedule C; information required in information statement.
4 MCAR S 1.9270 Alternative compliance.
4 MCAR SS 1.9271-1.9274 [Reserved for future use.]

4 MCAR S 1.9255 Application of rules.

A. Domestic stock and mutual insurers. Rules 4 MCAR SS 1.9255-1.9269 apply to each domestic stock insurer, including a domestic stock and mutual insurer as defined in Minn. Stat. SS 61A.33-61A.36, which has any class of equity security held of record by 100 or more persons. Rules 4 MCAR SS 1.9255-1.9269 shall not apply to any insurer if 95 percent 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 less than 500 persons. A domestic stock insurer which files with the Securities and Exchange Commission forms of

proxies, consents and authorizations complying with the requirements of the Securities Exchange Act of 1934, as amended, and the applicable regulations promulgated thereunder shall be exempt from 4 MCAR SS 1.9255-1.9269.

B. Written statement. Unless proxies, consents or authorizations in respect of any class of equity securities of a domestic insurer subject to A. are solicited by or on behalf of the management of the insurer from the holders of record of the securities in accordance with 4 MCAR SS 1.9255-1.9269 and the schedules hereunder prior to any annual or other meeting of the security holders, the insurer shall, in accordance with 4 MCAR SS 1.9255-1.9269 and other rules the commissioner may adopt, file with the commissioner and transmit to all equity security holders who are entitled to vote in regard to any matter to be acted upon at the meeting and from whom a proxy is not solicited a written information statement containing the information specified in 4 MCAR S 1.9269 (Schedule C).

4 MCAR S 1.9256 Definitions.

A. Applicability. For the purposes of 4 MCAR SS 1.9255-1.9269, the terms defined in this rule have the meanings given them unless the context otherwise requires.

B. Affiliate. An "affiliate" of, or a person affiliated with, a specified person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

C. Associate. The term "associate" used to indicate a relationship with any person means any corporation or organization, other than the issuer or a majority-owned subsidiary of the issuer, of which the person is an officer or partner or is, directly or indirectly, the beneficial owner of ten percent or more of any class of equity security; any trust or other estate in which the person has a substantial beneficial interest or as to which the person serves as trustee or in a similar fiduciary capacity; and any relative or spouse of the person, or any relative or the spouse, who has the same home as

the person or who is a director or officer of the issuer or any of its parents or subsidiaries.

D. Beneficial owner. The term "beneficial owner" includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares voting power including the power to vote or direct the voting of a security, or investment power including the power to dispose of or direct the disposition of the security.

E. Control. The term "control," including the terms "controlling," "controlled by" and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities by contract or otherwise.

F. Issuer. The term "issuer" means the issuer of the securities in respect of which a proxy is solicited.

G. Last fiscal year. The term "last fiscal year" means the last fiscal year of the issuer ending prior to the date of the meeting for which proxies are to be solicited.

H. Officer. The term "officer" means the president, secretary, treasurer, any vice president in charge of a principal business function such as sales, administration or finance and any other person who performs similar policy-making functions for the insurer.

I. Parent. A "parent" of a specified person is an affiliate controlling the person directly, or indirectly through one or more intermediaries.

J. Person. The term "person" means an individual, corporation, partnership, association, joint stock company, trust, unincorporated organization, or government or political subdivision thereof. As used in this paragraph, the term "trust" includes only a trust where the interest or interests of the beneficiary or beneficiaries are evidenced by a security.

K. Proxy statement. The term "proxy statement" means the statement required by 4 MCAR S 1.9258, whether or not contained in a single document.

L. Solicitation. The terms "solicit" and "solicitation" 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 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. The terms do not apply to the furnishing of a form of proxy to a security holder upon the unsolicited request of the security holder, the performance by the issuer of acts required by 4 MCAR S 1.9262, or the performance by any person of ministerial acts on behalf of a person soliciting a proxy.

4 MCAR S 1.9257 Solicitations to which rules apply. Rule 4 MCAR S 1.9264 applies to every solicitation that is subject to 4 MCAR S 1.9255. Rules 4 MCAR SS 1.9256-1.9263 and 1.9265 apply to every solicitation that is subject to 4 MCAR S 1.9255 except the following:

A. any solicitation made otherwise than on behalf of the issuer where the total number of persons solicited is not more than ten;

B. any solicitation by a person in respect of securities carried in his name or in the name of his nominee, otherwise than as voting trustee, or held in his custody, if the person:

1. receives no commission or remuneration for the solicitation, directly or indirectly, other than reimbursement of reasonable expenses;

2. furnishes promptly to the person solicited a copy of all soliciting material with respect to the same subject matter or meeting received from all persons who shall furnish copies thereof for this purpose and who shall, if requested, defray the reasonable expenses to be incurred in forwarding the material; and

3. does no more than impartially instruct the person

solicited to forward a proxy to the person, if any, to whom the person solicited desires to give a proxy, or impartially request from the person solicited instructions as to the authority to be conferred by the proxy and state that a proxy will be given if no instructions are received by a certain date;

C. any solicitation by a person in respect of securities of which it is the beneficial owner;

D. any solicitation through the medium of a newspaper advertisement which informs security holders of a source from which they may obtain copies of a proxy statement, form of proxy and any other soliciting material and does no more than name the issuer, state the reason for the advertisement, and identify the proposal or proposals to be acted upon by security holders; or

E. any solicitation which the commissioner finds for good cause should be exempted from this rule or any part thereof.

4 MCAR S 1.9258 Information to be furnished to security holders.

A. Proxy statement. No solicitation subject to 4 MCAR SS 1.9255-1.9269 shall be made unless each person solicited is concurrently furnished or has previously been furnished with a written proxy statement containing the information specified in 4 MCAR S 1.9267 (Schedule A).

B. Annual report. If the solicitation is made on behalf of the issuer and relates to an annual meeting of security holders at which directors are to be elected, each proxy statement furnished pursuant to A. shall be accompanied or preceded by an annual report to security holders. The report shall comply with the requirements of 1.-7.

1. The report shall contain in comparative columnar form such financial statements for the last two fiscal years, prepared on a consistent basis, as will in the opinion of the management adequately reflect the financial position of the issuer at the end of each year and the results of its operations for each year. Consolidated financial statements of the issuer and its subsidiaries shall be included in the report if they are necessary to reflect the financial position and results of operations of the issuer and its subsidiaries, but in that case

the individual statements of the issuer may be omitted. The commissioner shall, upon the request of the issuer, permit the omission of financial statements for the earlier of the two fiscal years upon a showing of good cause.

2. The financial statements for the last two fiscal years required by 1. shall be prepared in a manner acceptable to the commissioner.

3. The report shall include in comparative columnar form a summary of issuer's operations or the operations of the issuer and its subsidiaries consolidated, or both as appropriate, for each of the last five fiscal years of the issuer, or the life of the issuer and its predecessors if less.

4. The report shall contain a brief description of the business or businesses done by the issuer and its subsidiaries during the most recent fiscal year which will, in the opinion of management, indicate the general nature and scope of the business of the issuer and its subsidiaries.

5. The report shall identify each of the issuer's directors and officers and shall indicate the principal occupation or employment of each of them and the name and principal business of any organization by which they are employed.

6. The report shall identify the principal market in which securities of any class entitled to vote at the meeting are traded, stating the range of bid and asked quotations for each quarterly period during the issuer's two most recent fiscal years, and shall set forth each dividend paid during the two-year period.

7. Subject to the requirements of 1.-6., the report may be in any form deemed suitable by management and the information required by 3.-6. may be presented in an appendix or other separate section of the report if the attention of security holders is called to this presentation. The requirement of B. shall not apply to solicitations made on behalf of the management before the financial statements are available if solicitation is being made at the time in opposition to the

management and if the management's proxy statement includes an undertaking in bold face type to furnish the annual report to all persons being solicited at least 20 days before the date of the meeting.

C. Information to commissioner. Two copies of the report sent to the security holders pursuant to 4 MCAR SS 1.9255-1.9269 shall be mailed to the commissioner solely for his information 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 commissioner pursuant to 4 MCAR S 1.9261, whichever date is later.

D. Information to beneficial owners. If the issuer knows that securities of any class entitled to vote at a meeting with respect to which the issuer intends to solicit proxies, consents or authorizations are held of record by a broker, dealer, bank or voting trustee, or their nominees, the issuer shall ~~require~~ inquire of the record holder at least ten days prior to the record date for the meeting of security holders whether other persons are the beneficial owners of the securities and, if so, the number of copies of the proxy and other soliciting material and, in the case of an annual meeting at which directors are to be elected, the number of copies of the annual report to security holders, necessary to supply the material to beneficial owners. The issuer shall supply the record holder in a timely manner with additional copies in the quantities, assembled in the form and at the place, the record holder reasonably requests in order to address and send one copy of each to each beneficial owner of securities so held. The issuer shall pay, upon the request of the record holder, its reasonable expenses for mailing the material to security holders to whom the material is sent.

4 MCAR S 1.9259 Proxy requirements.

A. Form. The form of proxy shall:

1. Indicate in boldface type whether or not the proxy is solicited on behalf of the issuer's board of directors and not by whom it is issued;

what does this mean ?

2. Provide a specifically designated blank space for dating the proxy; and

3. Identify clearly and impartially each matter or group of related matters intended to be acted upon, whether proposed by the issuers or security holders. No reference need be made to proposals as to which discretionary authority is conferred pursuant to C.

B. Ballots. Means shall be provided in the proxy for the person solicited to specify by ballot a choice between approval or disapproval of, or abstention with respect to, each matter or group of related matters referred to in it, other than elections to office. A proxy may confer discretionary authority with respect to matters as to which a choice is not specified if the form of proxy states in boldface type how it is intended to vote the shares represented by the proxy in each case.

C. Authority to vote in elections. A form of proxy which provides both for election of directors and for action on other specified matters shall be prepared so as clearly to provide, by a box or otherwise, means by which the security holder may withhold authority to vote for election as a director. Any form of proxy which is executed by the security holder in this manner so as not to withhold authority to vote for elections of all nominees shall be deemed to grant this authority for all nominees for which a vote is not withheld, if the form of proxy states this in boldface type.

D. Discretionary authority conferred. A proxy may confer discretionary authority with respect to any of the following matters:

1. matters to be presented at the meeting but not known by the person making the solicitation within a reasonable time before the solicitation if a specific statement to that effect is made in the proxy statement or form of proxy;

2. approval of the minutes of the prior meeting if approval does not amount to ratification of the action taken at that meeting;

3. the election of any person to any office for which a

bona fide nominee is named in the proxy statement and the nominee is unable to serve or for good cause will not serve;

4. any proposal omitted from the proxy statement and form of proxy pursuant to 4 MCAR SS 1.9263 C. or 1.9264; or

5. matters incident to the conduct of the meeting.

E. Authority not conferred. 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 thereof, to be held after the date on which the proxy statement and form of proxy are first sent or given to security holders. A person is not a bona fide nominee unless he has consented to being named in the proxy statement and to serve if elected.

F. Voting. The proxy statement or form of proxy shall provide, subject to reasonable specified conditions, that the securities represented by the proxy will be voted and that where the person solicited specifies by means of ballot provided pursuant to B. and C. a choice with respect to any matter to be acted upon, the securities will be voted in accordance with the specifications.

4 MCAR S 1.9260 Presentation of information in proxy statement.

A. Organization. The information included in the proxy statement shall be clearly presented and divided into groups according to subject matter. The various groups of information shall be preceded by appropriate headings.

B. Disclosure of deadline for inclusion of proposal in proxy statement. All proxy statements shall disclose, under an appropriate caption, the date by which proposals of security holders intended to be presented at the next annual meeting must be received by the issuer for inclusion in the issuer's proxy statement and form of proxy relating to that meeting. The date shall be calculated in accordance with the provisions of 4 MCAR S 1.9263 A. If the date of the next annual meeting is subsequently advanced by more than 30 calendar days or delayed by more than 90 calendar days from the date of the annual

meeting to which the proxy statement relates, the issuer shall, in a timely manner, notify security holders of the change, and the date by which proposals of security holders must be received.

4 MCAR S 1.9261 Material required to be filed.

A. Preliminary soliciting material. Two preliminary copies of the information statement or the proxy statement, form of proxy, and any other soliciting material to be furnished to security holders concurrently with it, or the information statement pursuant to 4 MCAR S 1.9269, shall be filed with the commissioner at least ten days prior to the date definitive copies of the material are first sent or given to security holders, or a shorter period prior to that date the commissioner authorizes upon a showing of good cause.

B. Additional preliminary soliciting material. Two 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 statement shall be filed with the commissioner at least two days, exclusive of Saturdays, Sundays and holidays, prior to the date copies of this material are first sent or given to security holders, or a shorter period prior to that date the commissioner authorizes upon a showing of good cause.

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

D. Revised material. Where the proxy statement, form of proxy, or other material filed pursuant to this rule is amended or revised, one of the copies of the amended or revised material filed pursuant to this rule shall be marked to indicate clearly and precisely the changes made.

E. Information that need not be filed. Copies of replies to inquiries from security holders requesting further information and copies of communications which do no more than request that

forms or on proxy previously solicited be signed and returned need not be filed pursuant to 4 MCAR SS 1.9255-1.9269.

F. Discretionary filings. Notwithstanding the provisions of A., B. and 4 MCAR S 1.9266 E., preliminary copies of soliciting material in the form of speeches, press releases, and radio or television scripts may be filed with the commissioner prior to use or publication. Definitive copies, however, shall be filed with or mailed for filing to the commissioner as required by C. not later than the date the material is used or published. The provisions of A., B. and 4 MCAR S 1.9266 E. apply to any reprints or reproductions of all or any part of this material.

4 MCAR S 1.9262 Mailing communications for security holders.

A. Duties of issuer. If the management of the issuer has made or intends to make any solicitation subject to this rule, the issuer shall perform any of the acts in B. and C. requested in writing with respect to the same subject matter or meeting by any security holder who is entitled to vote at least one percent of the votes entitled to be voted on the matter and who defrays the reasonable expenses incurred by the issuer in the performance of the act or acts requested.

B. Information required. The issuer shall mail or otherwise furnish to the security holder, as promptly as practicable after the receipt of the request:

1. a statement of the approximate number of record owners and, to the extent known to the issuer, the approximate number of beneficial owners of any class of securities, any of whom have been or are to be solicited on behalf of the management, or any group of whom the security holder shall designate; and

2. an estimate of the cost of mailing a specified proxy statement, form of proxy or other communication to the owners.

C. Material furnished by security holder.

1. Copies of any proxy statement, form of proxy and other communication furnished by the security holder shall be mailed by the issuer to the security owners specified in B.1. the security holder designates.

2. The material furnished by the security holder shall be

mailed with reasonable promptness after receipt of the material to be mailed, the envelopes or other containers therefor, and postage or payment for postage. The issuer need not mail any material prior to the first day on which solicitation is made on behalf of the issuer.

3. The issuer shall not be responsible for the proxy statement, form of proxy or other communication.

D. Alternative compliance. In lieu of performing the acts specified in B. and C., the issuer may furnish promptly to the security holder a reasonably current list of the names and addresses of any of the record owners and, to the extent known to the issuer, the beneficial owners the security holder designates along with a schedule of the handling and mailing costs if the schedule has been supplied to the issuer.

4 MCAR S 1.9263 Proposals of security holders.

A. Inclusion in proxy statement and form of proxy. If any holder of the securities of an issuer, hereafter referred to as the "proponent," notifies the issuer in writing not less than 90 days before the issuer's annual meeting of his intention to present a lawful proposal for action at a forthcoming meeting of the issuer's security holders and at the time of the notice the proponent is entitled to vote at least one percent of the votes entitled to be voted on the proposal, the issuer shall set forth the proposal in its proxy statement and identify it in its form of proxy and provide for the specification of approval or disapproval of the proposal. The proxy statement shall also include the name and address of the proponent.

B. Statement of support. If the issuer opposes any proposal received from a proponent, it shall, at the request of the proponent, include in its proxy statement a statement of the proponent of not more than 200 words in support of the proposal.

C. Omissions. The issuer may omit a proposal and any statement in support of it from its proxy statement and form of proxy under any of the following circumstances:

1. the proponent has submitted more than one proposal in connection with a particular meeting;

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2. the proposal is more than 300 words in length;

3. the proposal or the supporting statement is contrary to any provision of this rule or the schedules hereto, including 4 MCAR S 1.9264 which prohibits false or misleading statements in proxy soliciting materials;

4. the proposal relates to the enforcement of a personal claim or the redress of a personal grievance against the issuer, its management, or any other person;

5. the proposal deals with a matter not significantly related to the issuer's business, a matter beyond the issuer's power to effectuate, a matter relating to the conduct of the ordinary business operations of the issuer, or an election to office;

6. the proposal is counter to a proposal to be submitted by the issuer at the meeting, the proposal has been rendered moot, or the proposal relates to specific amounts of cash or stock dividends;

7. the proposal is substantially duplicative of a proposal previously submitted to the issuer by another proponent, which proposal will be included in the management's proxy material for the meeting; or

8. substantially the same proposal has previously been submitted to security holders in the issuer's proxy statement and form of proxy relating to any annual or special meeting of security holders held within the preceding five calendar years and received less than five percent of the total number of votes cast in respect thereof at the time of its most recent submission.

D. Notice of omission. If the issuer intends to omit any proposal from its proxy statement or forms of proxy, it shall notify the proponent in writing of its intention at least ten days before the issuer's preliminary proxy material is filed pursuant to 4 MCAR S 1.9261 A.

4 MCAR S 1.9264 False or misleading statements. No proxy statement, form of proxy, notice of meeting, information statement, or other communication, written or oral, subject to 4

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MCAR SS 1.9255-1.9269 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 in it 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.

4 MCAR S 1.9265 Prohibition of certain solicitations. No person making a solicitation which is subject to this rule shall solicit any undated or postdated proxy or any proxy which provides that it shall be deemed to be dated as of any date subsequent to the date on which it is signed by the security holder.

4 MCAR S 1.9266 Special provisions applicable to election contests.

A. Applicability. This rule applies to any solicitation subject to 4 MCAR SS 1.9255-1.9269 by any person or group for the purpose of opposing a solicitation subject to 4 MCAR SS 1.9255-1.9269 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 rule the terms "participant" and "participant in a solicitation" include the issuer; any director of the issuer, and any nominee for whose election as a director proxies are solicited; or any other person, acting alone, or with one or more other persons, committees, or groups, in organizing, directing or financing the solicitation.

2. For the purpose of this rule 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 advisor, and whose activities are limited to the performance of his duties in the course of that employment; any person regularly employed as an officer or employee of the issuer, 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 rule shall be made by any person other than the issuer unless at least five business days prior to it, or any shorter period the commissioner authorizes upon a showing of good cause, there has been filed with the commissioner, by or on behalf of each participant in the solicitation, a statement in duplicate containing the information specified in 4 MCAR S 1.9268 (Schedule B) and a copy of any material proposed to be distributed to security holders in furtherance of the solicitation.

2. Within five business days after a solicitation subject to this rule is made by the issuer, or any longer period the commissioner authorizes upon a showing of good cause, there shall be filed with the commissioner by or on behalf of each participant in the solicitation, other than the issuer, a statement in duplicate containing the information specified in 4 MCAR S 1.9268.

3. If any solicitation on behalf of the issuer or any other person has been made, or if proxy material is ready for distribution, prior to a solicitation subject to C. in opposition to it, a statement in duplicate containing the information specified in 4 MCAR S 1.9268 shall be filed with the commissioner by or on behalf of each participant in the prior solicitation, other than the issuer, as soon as reasonably practicable after the commencement of the solicitation in

opposition to it.

4. If, subsequent to the filing of the statements required by 1.-3., additional persons become participants in a solicitation subject to this rule, there shall be filed with the commissioner, by or on behalf of each person, a statement in duplicate containing the information specified in 4 MCAR S 1.9268, within three business days after the person becomes a participant, or any longer period the commissioner authorizes 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 to the statement shall be filed promptly with the commissioner.

6. Each statement and amendment to it filed pursuant to C. shall be part of the public files of the commissioner.

D. Solicitations prior to furnishing required written proxy statement. Notwithstanding the provisions of 4 MCAR S 1.9258 A., a solicitation subject to this rule may be made prior to furnishing security holders a written proxy statement containing the information specified in 4 MCAR S 1.9267 (Schedule A) with respect to the solicitation if:

1. the statements required by E. are 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 4 MCAR S 1.9258 A. is furnished to those persons. This paragraph does not apply where a proxy statement then meeting the requirements of 4 MCAR S 1.9267 (Schedule A) has been furnished to security holders;

3. at least the information specified in C.2. and 3. of the statements required by C. to be filed by each participant, or an appropriate summary thereof, is included in each communication sent or given to security holders in connection with the solicitation;

4. a written proxy statement containing the information specified in 4 MCAR S 1.9267 (Schedule A) with respect to a

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

E. Filing requirements of solicitations prior to furnishing required written proxy statement. Two 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 4 MCAR S 1.9258 A. shall be filed with the commissioner in preliminary form at least five business days prior to the date definitive copies of the material are first sent or given to these persons, or any shorter period the commissioner authorizes upon a showing of good cause.

F. Application of E. to annual report. Notwithstanding the provisions of 4 MCAR S 1.9258 B., two copies of any portion of the annual report referred to in 4 MCAR S 1.9258 B. which comments upon or refers to any solicitation subject to this rule, or to any participant in any such solicitation, other than the solicitation by the management, shall be filed with the commissioner as proxy material subject to 4 MCAR SS 1.9255-1.9269. This portion of the report shall be filed with the commissioner in preliminary form at least five business days prior to the date copies of the report are first sent or given to security holders.

4 MCAR S 1.9267 Schedule A; information required in proxy statement.

A. Requirement. The proxy statement shall contain the information required by B.-V.

B. 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.

C. Dissenters' right of appraisal. Outline briefly any 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 dissenting security holders in order to perfect these rights. Where these

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 the date.

D. Persons making solicitations.

1. Paragraphs a.-b. apply to solicitations not subject to 4 MCAR S 1.9266.

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

b. If the solicitation is made otherwise than by the issuer, so state and give the names of the persons by whom and on whose behalf it is made.

c. If the solicitation is to be made otherwise than by use of the mails, describe the methods to be employed. If the solicitation is to be made by specially engaged employees or paid solicitors, state the material features of any contract or arrangement for the solicitation and identify the parties, and the cost or anticipated cost of it.

d. State the name of the persons by whom the cost of solicitation has been or will be borne, directly or indirectly.

2. Paragraphs a.-f. apply to solicitations subject to 4 MCAR S 1.9266.

a. State by whom the solicitation is made and describe the methods employed and to be employed to solicit security holders.

b. If regular employees of the issuer or any other participant in a solicitation have been or are to be employed to solicit security holders, describe the class or classes of employees to be so employed and the manner and nature of their employment for this purpose.

c. If specially engaged employees, representatives or other persons have been or are to be employed to solicit security holders, state the material features of any contract or

arrangement for the solicitation and identify the parties, the cost or anticipated cost of it, and the approximate number of the employees or employees of any other person and the name of the other person who will solicit security holders.

d. State the total amount estimated to be spent and the total expenditures to date for or in connection with the solicitation of security holders.

e. State who will bear the cost of the solicitation. If reimbursement will be sought from the issuer, state whether the question of the reimbursement will be submitted to a vote of security holders.

f. If the solicitation is terminated pursuant to a settlement between the issuer and any other participant in the solicitation, describe the terms of the settlement, including the cost or anticipated cost of it to the issuer.

E. Interest of certain persons in matters to be acted upon.

1. For solicitations not subject to 4 MCAR S 1.9266, describe briefly any substantial interest, either direct or indirect, of each of the following persons, in any matter to be acted upon other than elections to office:

a. if the solicitation is made on behalf of the issuer, each current director or officer of the issuer;

b. if the solicitation is not made on behalf of the issuer, any person who would be a participant in a solicitation, except the issuer, or an officer, director, or nominee of the issuer;

c. each nominee for election as a director of the issuer; and

d. each associate of the foregoing persons.

2. For solicitations subject to 4 MCAR S 1.9266, describe briefly any substantial interest, either direct or indirect, of each participant, except the issuer in any matter to be acted upon at the meeting, and include with respect to each participant the information or an adequate summary thereof, required by 4 MCAR S 1.9268 C.1., C.4., D., E.2., and E.3.

F. Voting securities and principal holders of them.

1. 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.

2. 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.

3. If action is to be taken with respect to the election of directors and if the persons solicited have cumulative voting rights:

a. make a statement that they have these rights;

b. describe the rights;

c. state the conditions precedent to the exercise of them and;

d. if discretionary authority to cumulate votes is solicited, so indicate.

4. Furnish the following information as of the most recent practicable date, in substantially the tabular form indicated, with respect to any person or group of persons who is known to be the beneficial owner of more than five percent of any class of securities; and all directors and nominees, naming them, and directors and officers of the issuer as a group, without naming them:

1	2	3	4
Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class

5. If, to the knowledge of the persons on whose behalf the solicitation is made, a change in control of the issuer has occurred since the beginning of its last fiscal year, state the following: the name of the person who acquired control; the amount and the source of the consideration used by the person; the basis of the control; the date and a description of the

transaction which resulted in the change of control and the percentage of voting securities of the issuer now beneficially owned directly or indirectly by the person who acquired control; and the identity of the person from whom control was assumed. Describe any arrangements which may at a subsequent date result in a change of control of the issuer.

G. Directors and executive officers. If action is to be taken with respect to the election of directors, furnish the information required by 1.-11., 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. If the solicitation is made on behalf of persons other than the issuer, the information required need be furnished only as to nominees of the persons making the ~~solicitations~~ solicitation.

1. List the names and ages of all directors and officers of the issuer and all persons nominated or chosen to become directors or officers; indicate all positions and offices with the issuer held by each person; state his term of office as director or officer and any period during which he has served as officer or director; briefly describe any arrangement or understanding between him and any other person pursuant to which he was or is to be selected as a director, officer, or nominee, and name this person.

The information regarding officers need not be furnished in proxy or information statements if the information is furnished in a separate item in the issuer's annual report to stockholders.

2. State the nature of any family relationship not more remote than first cousin between any director, officer, or person nominated or chosen by the issuer to become a director or officer and also any similar family relationship between the person and any officer or director of any of the issuer's parents, subsidiaries or other affiliates.

3. State the principal occupations and employment during the past five years of each director and each person nominated

or chosen to become a director or officer and the name and principal business of any corporation or other organization in which the occupations and employment were carried on.

4. Indicate other directorships held by each director or person nominated or chosen to become a director.

5. Describe any legal proceedings which have occurred during the past five years or which are pending which are material to an evaluation of the ability or integrity of any director or person nominated to become a director or officer of the issuer.

6. Describe any of the following relationships which exist:

a. if the nominee or director is, or has within the last two full fiscal years been, an officer, director or employee of, or owns, or has within the last two full fiscal years owned, directly or indirectly, in excess of a one percent equity interest in any firm, corporation or other business or professional entity:

(1) which has made payments to the issuer or its subsidiaries during the issuer's last full fiscal year or which proposes to make payments to the issuer or its subsidiaries during the current fiscal year in excess of one percent of the issuer's consolidated gross revenues for its last full fiscal year;

(2) to which the issuer or its subsidiaries were indebted at any time during the issuer's last fiscal year in an aggregate amount in excess of one percent of the issuer's total consolidated assets at the end of the fiscal year;

(3) to which the issuer or its subsidiaries have made payments during the entity's last fiscal year or to which the issuer or its subsidiaries propose to make payments during the entity's current fiscal year in excess of one percent of the entity's consolidated gross revenues for its last full fiscal year;

(4) in order to determine whether payments made or proposed to be made exceed one percent of the consolidated gross

revenues of any entity other than the issuer for the entity's last full fiscal year, it is appropriate to rely on information provided by the nominee or director;

(5) in calculating payments for property and services the following may be excluded:

(a) payments where the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a public utility at rates or charges fixed in conformity with law or governmental authority;

(b) payments which arise solely from the ownership of securities of the issuer and no extra or special benefit not shared on a pro rata basis by all holders of the class of securities is received;

(6) in calculating indebtedness for purposes of (2), debt securities which have been publicly offered, admitted to trading on a national securities exchange, or quoted on the automated quotation system of a registered securities association may be excluded;

b. the nominee or director is a member or employee of, or is associated with, a law firm which the issuer has retained in the last two full fiscal years or proposes to retain in the current fiscal year where fees paid or anticipated to be paid by the issuer are material to either the law firm, the issuer, or both;

c. the nominee or director is a director, partner, officer or employee of any investment banking firm which has performed services for the issuer other than as a participating underwriter in a syndicate in the last two full fiscal years or which the issuer proposes to have perform services in the current year; or

d. the nominee or director is a control person of the issuer, other than solely as a director of the issuer.

7. State whether or not the issuer has standing audit, nominating, and compensation committees of the board of directors, or committees performing similar functions. If the

issuer has the committees, however designated, identify each committee member, state the number of committee meetings held by each committee during the last fiscal year and describe briefly the functions performed by the committees. If the issuer has a nominating or similar committee, state whether the committee will consider nominees recommended by shareholders and describe the procedures to be followed by shareholders in submitting these recommendations.

8. State the total number of meetings of the board of directors, including regularly scheduled and special meetings, which were held during the last full fiscal year. Name each incumbent director who during the last full fiscal year attended fewer than 75 percent of the aggregate of the total number of meetings of the board of directors held during the period for which he has been a director, and the total number of meetings held by all committees of the board on which he served during the periods that he served.

9. If a director has resigned or declined to stand for reelection to the board of directors since the date of the last annual meeting of shareholders because of a disagreement with the issuer on any matter relating to the issuer's operations, policies or practices, and if the director has furnished the issuer with a letter describing the disagreement and requesting that the matter be disclosed, the issuer shall state the date of resignation or declination to stand for reelection and summarize the director's description of the disagreement.

If the issuer believes that the description provided by the director is incorrect or incomplete, it may include a brief statement presenting its views of the disagreement.

10. With respect to those classes of voting stock which participated in the election of directors at the most recent meeting at which directors were elected:

a. state the percentage of shares present at the meeting and voting or withholding authority to vote in the election of directors; and

b. disclose in tabular format, the percentage of total

shares cast for and withheld from the vote for or, where applicable, cast against, each nominee, which respectively were voted for and withheld from the vote for, or voted against, the nominee. When groups of classes or series of classes vote together in the election of a director or directors, they shall be treated as a single class for the purpose of the preceding sentence.

11. Instructions.

a. Calculate the percentage of shares present at the meeting and voting or withholding authority to vote in the election of directors, referred to in 10.a. by dividing the total shares cast for and withheld from the vote for or, where applicable, voted against, the director in respect of whom the highest aggregate number of shares was cast by the total number of shares outstanding which were eligible to vote as of the record date for the meeting.

b. No information need be given in response to 10. unless, with respect to any class of voting stock or group of classes which voted together, five percent or more of the total shares cast for and withheld from the vote for or, where applicable, cast against any nominee were withheld from the vote for or cast against the nominee.

c. If an issuer elects less than the entire board of directors annually, disclosure is required as to all directors if five percent or more of the total shares cast for and withheld from the vote for or, where applicable, cast against any incumbent director were withheld from or cast against the vote for the director at the meeting at which he was most recently elected.

d. No information need be given in response to 10. if the issuer has previously furnished to its security holders a report of the results of the most recent meeting of security holders at which directors were elected which includes a description of each matter voted upon at the meeting and a statement of the percentage of the shares voting which were voted for and against each matter and the information which

would be called for by 10. If an issuer has previously furnished these results to its security holders, this fact should be set forth in a letter accompanying the filing of preliminary proxy materials with the commissioner.

H. Remuneration of directors and officers. Furnish the information required by 1.-7. if action is to be taken with respect to the election of directors; any bonus, profit sharing or other remuneration plan, contract or arrangement in which any director, nominee for election as a director, or officer of the insurer will participate; any pension or retirement plan in which any such person will participate; or 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 issuer, the information required need be furnished only as to nominees of the persons making the solicitation and associates of the nominees.

1. Current remuneration. Furnish the information required in Exhibit 4 MCAR S 1.9267 H.1.b.-1., in substantially the tabular form specified, concerning all remuneration of the persons and groups in a. and b. for services in all capacities to the issuer and its subsidiaries during the issuer's last fiscal year, or, in specified instances, certain prior fiscal years.

a. Furnish the required information concerning each of the five most highly compensated officers or directors of the issuer as to whom the total remuneration required to be disclosed in Columns C1 and C2 of Exhibit 4 MCAR S 1.9267 H.1.b.-1. would exceed $50,000, naming each person.

b. Furnish the required information concerning all officers and directors of the issuer as a group, stating the number of persons in the group without naming them.

Exhibit 4 MCAR S 1.9267 H.1.b.-1.

Current Remuneration

(A) Name of individual or number of persons in group	(B) Capacities in which served	(C) Cash and cash equivalent forms of remuneration		(D) Aggregate of contingent forms of remuneration
		(C1) Salaries, fees, directors' fees, commissions, and bonuses	(C2) Securities or property, insurance benefits, reimbursement, or personal benefits	

Columns (C1), (C2) and (D) should contain with respect to each person or group of persons specified in 4 MCAR S 1.9267 H.1.a. and b. a dollar amount which reflects the total of all items of remuneration described in the heading to that column including those items set forth in the subparagraphs of that column.

COLUMN (C)		COLUMN (D)
Include all cash and cash equivalent forms of remuneration received during the fiscal year and all such amounts accrued during the fiscal year which, with reasonable certainty, will be distributed or vested in the future.		Include all contingent forms of remuneration the distribution, vesting, and measurement of which is subject to future events. Report only amounts relating to the latest fiscal year, not amounts accrued in previous periods.
COLUMN (C1)	COLUMN (C2)	
Salaries, bonuses, fees, and commissions	Securities, property, insurance benefits or reimbursement, personal benefits (Perquisites)	
1. All cash re-	1. Spread between	1. Amount expensed

muneration distributed or accrued in the form of salaries, commissions, bonuses and fees for services rendered.

2. Compensation earned for services performed in the latest fiscal year even if it is deferred for future payment.

3. Payments received in the latest fiscal year but earned in prior years which were deferred until the latest year, if such amounts were not shown in an earlier

the acquisition price, if any, and fair market price of securities or property acquired under any contract, plan or arrangement.

2. Cost of any life insurance premiums, health insurance premiums and medical reimbursement plans. Premiums for non-discriminatory plans generally available to all salaried employees are excluded.

3. Personal benefits (perquisites) not directly related to job performance, excluding benefits provided on a nondiscriminatory basis, valued on the

for financial reporting purposes representing non-vested contributions, payments, or accruals under any pension or retirement plans, annuities, employment contracts, deferred compensation plans including Internal Revenue Service qualified plans, unless the amount for the individual cannot be separated in which case a footnote is required indicating the percentage which contributions to the plan bear to participant's total remuneration.

2. The amount expensed for financial re-

proxy statement or annual report to stockholders.

basis of cost to the issuer of providing these benefits.

a. If unreasonable effort or expense is required to determine the amounts of personal benefits, they may be omitted if their aggregate value does not exceed $10,000 for each officer.

b. If the amount of personal benefits exceeds ten percent of the amount of total remuneration or $25,000, whichever is less, the amount and a brief description of the benefits must be disclosed

porting purposes under any incentive compensation plans (long-term income plans), such as stock appreciation rights, stock options, performance share plans, where payout is based on objective standards or stock value.

In subsequent years, if the corporation credits compensation expense for financial reporting purposes as a result of a decline in the value of contingent compensation, Column D may be reduced by a corresponding amount. A footnote ex-

in a footnote.	plaining such action should be included.
4. Vested company contributions to thrift, profit sharing, pension, stock purchase and similar plans.	3. The amount expensed for financial reporting purposes for any nonvested contribution payment or accrual to stock purchase plans, profit sharing, and thrift plans whether or not they are qualified under the Internal Revenue Code.

c. The provisions of 1.a. and b. include transactions between the issuer and a third party when the primary purpose of the transaction is to furnish remuneration to the persons specified in that paragraph. Other transactions between the issuer and third parties in which persons specified in 1.a. and b. have an interest, or may realize a benefit, generally are addressed by other disclosure requirements concerning the interest of management and others in certain transactions. Paragraph 1. does not require disclosure of remuneration paid to a partnership in which any officer or director was a partner; any such transaction should be disclosed pursuant to other disclosure requirements and not as a note to the remuneration table presented pursuant to 1.

d. The issuer may provide additional disclosure through a footnote to the table, through additional columns, or otherwise, describing the components of aggregate remuneration

in such greater detail as is appropriate.

2. Proposed remuneration.

a. Briefly describe all remuneration payments proposed to be made in the future pursuant to any existing plan or arrangement to the persons and groups specified in 1. As to defined benefit or actuarial plans with respect to which amounts are not included in the table, include a separate table showing the estimated annual benefits payable upon retirement to persons in specified remuneration and years-of-service classifications.

b. Information need not be furnished with respect to any group life, health, hospitalization, or medical reimbursement plans which do not discriminate in favor of officers or directors of the issuer and which are available generally to all salaried employees.

3. Remuneration of directors. Describe any standard or special arrangements by which directors of the issuer are compensated for services as a director. State the amount of compensation.

4. Options, warrants, or rights.

a. Furnish the information required by Exhibit 4 MCAR S 1.9267 H.4.a.-1. as to all options to purchase securities from the issuer or its subsidiaries which were granted to or exercised by the persons and groups specified in 1.a. since the beginning of the issuer's last fiscal year, and as to all options held by such persons as of the latest practicable date.

Exhibit 4 MCAR S 1.9267 H.4.a.-1. shows as to certain directors and officers and as to all directors and officers as a group:

(1) the amount of options granted since the beginning of the issuer's last full fiscal year;

(2) the amount of shares acquired since that date through the exercise of options;

(3) the amount of shares of the same class sold during the period; and

(4) the amount of shares subject to all unexercised options held as of the most recent practicable date.

Exhibit 4 MCAR S 1.9267 H.4.a.-1.

Options to Purchase Securities

From Issuer or Subsidiaries

Title of securities	Name	Name	Name	All Directors and Officers as a Group
Granted - 19-- to date:				
Number of shares	....	....	....	....
Average per share option price	$....	$....	$....	$....
Exercised - 19-- to date:				
Number of shares	....	....	....	....
Aggregate option price of options exercised	$....	$....	$....	$....
Aggregate market value of shares on date options exercised	$....	$....	$....	$....
Sales - 19-- to date:				
Number of shares	....	....	....	....

(Sales by directors and officers who exercised options during the month, day, and year to the date of the proxy material.)

Unexercised at

19--:

Number of shares ....

Average per share option price $.... $.... $.... $....

In addition, during the period employees were granted options for .... shares at an average price per share of $....

b. Instructions.

(1) All figures in Exhibit 4 MCAR S 1.9267 H.4.a.-1. should be adjusted, where applicable, in accordance with the terms of the options to reflect stock splits and to give effect to share dividends.

(2) Other tabular presentations are acceptable if they include the necessary data. Tabular presentation may not be needed if only a very few options have been granted.

(3) (a) Where the total market value on the granting dates of the securities called for by all options granted during the period specified does not exceed $10,000 for any officer or director named in answer to 1., or $40,000 for all officers and directors as a group, H. need not be answered with respect to options granted to the person or group.

(b) Where the total market value on the dates of purchase of all securities purchased through the exercise of options during the period specified does not exceed $10,000 for any person or $40,000 for a group, H. need not be answered with respect to options exercised by the person or group.

(c) Where the total market value as of the latest practicable date of the securities called for by all options held at that time does not exceed $10,000 for any person or $40,000 for a group, H. need not be answered with respect to options held as of the specified date by the person or group.

(4) The term "options" as used in 4. includes all options, warrants or rights, other than those issued to security holders as such on a pro rata basis. Where the average option price per share is called for, the weighted average price per

share shall be given.

(5) The extension, regranting or material amendment of options shall be deemed the granting of options within the meaning of (4).

(6) If the options relate to more than one class of securities the information shall be given separately for each class.

5. Indebtedness of management.

a. State as to each of the following persons who was indebted to the issuer or its subsidiaries at any time since the beginning of the last fiscal year of the registrant the largest aggregate amount of indebtedness outstanding at any time during that period; the nature of the indebtedness outstanding and the transaction in which it was incurred; the amount of the indebtedness outstanding as of the latest practicable date; and the rate of interest paid or charged on it:

(1) each director or officer of the issuer;

(2) each nominee for election as a director; and

(3) each associate of the director, officer or nominee.

b. The requirements of 5. do not apply to:

(1) any person whose aggregate indebtedness did not exceed $10,000 or one percent of the issuer's total assets, whichever is less, at any time during the period specified; or

(2) indebtedness under an insurance policy.

6. Transactions with management.

a. Describe briefly any transaction since the beginning of the issuer's last fiscal year or any presently proposed transactions, to which the issuer or any of its subsidiaries was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest, naming the person and stating his relationship to the issuer, the nature of his interest in the transaction and, where practicable, the amount of the interest:

(1) any director or officer of the issuer;

(2) any nominee for election as a director;

(3) any security holder who is known to the issuer to own of record or beneficially more than ten percent of any class of the issuer's voting securities; and

(4) any relative or spouse of any of the foregoing persons, or any relative of the spouse, who has the same home as the person or who is a director or officer of any parent or subsidiary of the issuer.

b. Describe briefly any material legal proceedings to which the person is a party adverse to the issuer or any of its subsidiaries or has a material interest adverse to the issuer or any of its subsidiaries.

c. No information need be given in response to 6. as to any remuneration or other transaction reported in response to 1.-5., or as to any transaction with respect to which information may be omitted pursuant to those provisions.

d. No information need be given in answer to 6. as to any transaction where:

(1) the rates or charges involved in the transaction are determined by competitive bids, or at rates or charges fixed in conformity with law or governmental authority;

(2) the transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services;

(3) the amount involved in the transaction or series of similar transactions, including all periodic installments in the case of any lease or other agreement providing for periodic payments or installments, does not exceed $40,000; or

(4) the interest of the specified person arises solely from the ownership of securities of the issuer and the specified person receives no extra or special benefit not shared on a pro rata basis by all holders of securities of the class.

e. It should be noted that H. calls for disclosure of indirect, as well as direct, material interests in transactions. A person who has a position or relationship with a firm, corporation, or other entity, which engages in a transaction with the issuer or its subsidiaries may have an

indirect interest in the transaction by reason of the position or relationship. A person does not have a material indirect interest in a transaction within the meaning of this paragraph where:

(1) the interest arises only (a) from the person's position as a director of another corporation or organization, other than a partnership, which is a party to the transaction; or (b) from the direct or indirect ownership by the person and all other persons specified in this paragraph of less than a ten percent equity interest in another person, other than a partnership, which is a party to the transaction; or (c) from both the position and ownership;

(2) the interest arises only from the person's position as a limited partner in a partnership in which he and all other persons specified in this paragraph had an interest of less than ten percent; or

(3) the interest of the person arises solely from the holding of an equity interest, including a limited partnership interest but excluding a general partnership interest, or a creditor interest in another person which is a party to the transaction with the issuer or any of its subsidiaries and the transaction is not material to the other person.

(4) Instructions.

(a) In describing any transaction involving the purchase or sale of assets by or to the issuer or any of its subsidiaries, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and, if acquired by the seller within two years prior to the transaction, the cost of them to the seller. Indicate the principle followed in determining the issuer's purchase or sale price and the name of the person making the determination.

(b) Information shall be furnished in answer to H. with respect to transactions not excluded above which involve remuneration from the issuer or its subsidiaries, directly or indirectly, to any of the specified persons for services in any

capacity unless the interest of the persons arises solely from the ownership individually and in the aggregate of less than ten percent of any class of equity securities of another corporation furnishing the services to the issuer or its subsidiaries.

7. Transactions with pension or similar plans.

a. Describe briefly any transactions since the beginning of the issuer's last fiscal year, or any presently proposed transactions, to which any pension, retirement, savings or similar plan provided by the issuer, or any of its parents or subsidiaries was or is to be a party, in which any of the persons specified in 6. or the issuer or any of its subsidiaries had or is to have a direct or indirect material interest naming the person and stating his relationship to the issuer, the nature of his interest in the transaction and, where practicable, the amount of the interest.

b. No information need be given in answer to 7. with respect to:

(1) payments to the plan, or payments to beneficiaries, pursuant to the terms of the plan;

(2) payment of remuneration for services not in excess of five percent of the aggregate remuneration received by the specified person during the issuer's last fiscal year from the issuer and its subsidiaries; or

(3) any interest of the issuer or any of its subsidiaries which arises solely from its general interest in the success of the plan.

c. Instructions.

(1) The provisions of 6.d. shall apply to this paragraph.

(2) Without limiting the general meaning of the term "transaction" there shall be included in answer to 7. any remuneration received or any loans received or outstanding during the period, or proposed to be received.

I. Matters related to accounting. If the solicitation is made on behalf of the issuer and relates to an annual meeting of security holders at which directors are to be elected or

financial statements are included, furnish the information contained in 1.-5 3.

1. If the issuer's financial statements are not certified by independent public or certified accountants, so state.

2. If the board of directors has no audit or similar committee, so state.

3. If the issuer's financial statements are certified by independent public or certified accountants, so state and provide the following information:

a. The name of the principal accountant selected or being recommended to shareholders for election, approval or ratification for the current year. If no accountant has been elected or recommended, so state and briefly describe the reasons therefor.

b. The name of the principal accountant for the fiscal year most recently completed if different from the accountant selected or recommended for the current year or if no accountant has been elected or recommended for the current year.

c. If a change in accountants has taken place since the date of the proxy statement for the most recent annual meeting of shareholders, so state, and, if in connection with the change a material disagreement in connection with financial disclosure between the accountant and issuer has occurred, the disagreement shall be described. Prior to filing the preliminary proxy materials with the commissioner which contains or amends the description, the issuer shall furnish the description of the disagreement to any accountant with whom the disagreement has occurred. If that accountant believes that the description of the disagreement is incorrect or incomplete, he may include a brief statement, not to exceed 200 words, in the proxy statement presenting his view of the disagreement. This statement shall be submitted to the issuer within ten business days of the date the accountant receives the issuer's description.

d. The proxy statement shall indicate whether or not representatives of the principal accountants for the current

year and for the most recently completed fiscal year are expected to be present at the stockholders' meeting with the opportunity to make a statement if they desire to do so and whether or not the representatives are expected to be available to respond to appropriate questions.

e. If any change in accountants has taken place since the date of the proxy statement for the most recent annual meeting of shareholders, state whether the change was recommended or approved by any audit or similar committee of the board of directors if the issuer has such a committee, or the board of directors if the issuer has no such committee.

~~4. For the fiscal year most recently completed, describe each professional service provided by the principal accountant and state the percentage relationship which the aggregate of the fees for all nonaudit services bear to the audit fees, and, except as provided in 5., state the percentage relationship which the fee for each nonaudit service bears to the audit fees. Indicate whether, before each professional service provided by the principal accountant was rendered, it was approved by, and the possible effect on the independence of the accountant was considered by, any audit or similar committee of the board of directors, and for any service not approved by an audit or similar committee, the board of directors.~~

~~5. Instructions.~~

~~a. For purposes of 5., all fees for services provided in connection with the audit function, including reviews of quarterly reports, may be computed as part of the audit fees. Indicate which services are reflected in the audit fees computation.~~

~~b. If the fee for any nonaudit service is less than three percent of the audit fees, the percentage relationship need not be disclosed.~~

~~c. Each service should be specifically described. Broad general categories such as "tax matters" or "management advisory services" are not sufficiently specific.~~

~~d. Describe the circumstances and give details of any~~

deletions per FqF

services provided by the issuer's independent accountant during the latest fiscal year that were furnished at rates or terms that were not customary.

e. Describe any existing direct or indirect understanding or agreement that places a limit on audit fees for the current or future years, including fee arrangements that provide fixed limits on fees that are not subject to reconsideration if unexpected issues involving accounting or auditing are encountered. Disclosure of fee estimates is not required.

J. Bonus, profit sharing and other remuneration plans; pension and retirement plans. If action is to be taken with respect to any bonus, profit sharing, or other remuneration plan or any pension or retirement plan, furnish the information contained in 1.-6.

1. Describe briefly the material features of the plan; identify each class of persons who will participate in it; indicate the approximate number of persons in each class; and state the basis of the participation.

2. Furnish the information, in addition to that required by this paragraph and H., necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past five years, for (a) each director or officer named in answer to H.1. who may participate in the plan to be acted upon; (b) all present directors and officers of the issuer as a group, if any director or officer may participate in the plan, and (c) all employees, if employees may participate in the plan.

3. If the plan to be acted upon can be amended otherwise than by a vote of stockholders to increase the cost of it to the issuer or to alter the allocation of the benefits as between the directors and officers on the one hand and employees on the other hand, state the nature of the amendments which can be made.

4. With regard to any bonus, profit sharing or other

remuneration plan on which action is to be taken, furnish the following information:

a. state separately the amounts which would have been distributable under the plan during the last fiscal year of the issuer to directors and officers, and to employees if the plan had been in effect; and

b. state the name and position with the issuer of each person specified in H.1. who will participate in the plan and the amount which each person would have received under the plan for the last fiscal year of the issuer if the plan had been in effect.

5. With regard to any pension or retirement plan on which action is to be taken furnish the following information:

a. state 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; the estimated annual payment to be made with respect to current services; and the amount of the annual payments to be made for the benefit of directors, officers, and employees; and

b. state the name and position with the issuer of each person specified in H.1. who will be entitled to participate in the plan; the amount which would have been paid or set aside by the issuer and its subsidiaries for the benefit of the person for the last fiscal year of the issuer if the plan had been in effect; and the amount of the annual benefits estimated to be payable to the person in the event of retirement at normal retirement date.

6. Instructions.

a. If action is to be taken with respect to the amendment or modification of an existing plan, J. shall be answered with respect to the plan as proposed to be amended or modified and shall indicate any material differences from the existing plan.

b. The following instructions shall apply to 2.:

(1) information need only be given with respect to

benefits received or set aside within the past five years;

(2) information need not be included as to payments made for, or benefits to be received from, group life or accident insurance, group hospitalization or similar group payments or benefits; and

(3) if action is to be taken with respect to any plan in which directors or officers may participate, the information called for by H.4. shall be furnished for the last five fiscal years of the issuer and any period subsequent to the end of the latest fiscal year, in aggregate amounts for the entire period for each person and group. If any named person, or any other director or officer, purchased securities through the exercise of options during the period, state the aggregate amount of securities of that class sold during the period by the named person and other directors and officers as a group. The information called for by this instruction is in lieu of the information since the beginning of the issuer's last fiscal year called for by H.4. If employees may participate in the plan to be acted upon, state the aggregate amount of securities called for by all options granted to employees during the five-year period and, if the options were other than "restricted" or "qualified" stock options or options granted pursuant to an "employee stock purchase plan", as these terms are defined in the Internal Revenue Code SS 422-424, as amended through the effective date of this rule, state that fact and the weighted average option price per share. The information called for by this instruction may be furnished in the form of the table set forth in Exhibit 4 MCAR S 1.9267 H.4.a.-1.

c. If the plan to be acted upon is set forth in a written document, three copies of it shall be filed with the commissioner at the time preliminary copies of the proxy statement and form of proxy are filed.

d. The information called for by H.5.a.(3) or H.5.b.(2) need not be given as to payments made on an actuarial basis pursuant to any group pension plan which provides for fixed benefits in the event of retirement at a specified age or

after a specified number of years of service.

K. Options, warrants or rights. If action is to be taken with respect to the granting or extension of any options to purchase securities of the issuer or any subsidiary, furnish the information contained in 1.-4.

1. State the following:

a. the title and amount of securities called for or to be called for by the options;

b. the prices, expiration dates, and other material conditions upon which the options may be exercised;

c. the consideration received or to be received by the issuer or subsidiary for the granting or extension of the options;

d. the market value of the securities called for or to be called for by the options as of the latest practicable date; and

e. in the case of options, the federal income tax consequences of the issuance and exercise of the option to the recipient and to the issuer.

2. State separately the amount of options received or to be received by the following persons, naming each person:

a. each director ~~of~~ or officer named in answer to H.1.;

b. each nominee for election as a director of the issuer;

c. each associate of the directors, officers, or nominees; and

d. each other person who received or is to receive ten percent or more of the options received or to be received by all directors and officers of the issuer as a group, without naming them.

3. In addition to that required by K. and H., furnish the information necessary to describe adequately the provisions already made pursuant to all bonus, profit sharing, pension, retirement, stock option, stock purchase, deferred compensation, or other remuneration or incentive plans, now in effect or in effect within the past five years, for each director or officer

named in answer to H.1. who may participate in the plan to be acted upon; all present directors and officers of the issuer as a group, if any director or officer may participate in the plan; and all employees, if employees may participate in the plan.

4. Instructions. The provisions of a.-d. apply to k.

a. The term option includes any option, warrant or right.

b. The provisions of 1. and 3. do not apply to warrants or rights to be issued to security holders as such on a pro rata basis.

c. The provisions of J.6.b. shall also apply to 3.

d. If the options described in answer to K. are issued pursuant to a plan which is set forth in a written document, three copies of it shall be filed with the commissioner at the time preliminary copies of the proxy statement and form of proxy are filed.

L. Authorization or issuance of securities otherwise than for exchange.

If action is to be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the issuer, furnish the information contained in 1.-4.

1. State the title and amount 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. Describe briefly the transaction in which the securities are to be issued, including a statement as to the nature and approximate amount of consideration received or to be received by the issuer; and the approximate amount devoted to each purpose, as far as is determinable, for which the net proceeds have been or are to be used. If it is impracticable to describe the transaction in which the securities are to be

issued, state the reason, indicate the purpose of the authorization of the securities and state whether further authorization for the issuance of the securities by a vote of security holders will be solicited prior to the issuance.

4. If the securities are to be issued otherwise than in a general public offering for cash, state the reasons for the proposed authorization or issuance and the general effect of it upon the rights of existing security holders.

M. Modification of or exchange of securities. If action is to be taken with respect to the modification of any class of securities of the issuer, or the issuance or authorization for issuance of securities of the issuer in exchange for outstanding securities of the issuer, furnish the information contained in 1.-5.

1. If outstanding securities are to be modified, state the title and amount of the securities. If securities are to be issued in exchange for outstanding securities, state the title and the amount of securities to be so issued, the title and the amount of outstanding securities to be exchanged, and the basis of the exchange.

2. Describe any material differences between the outstanding securities and the modified or new securities.

3. State the reasons for the proposed modification or exchange and the general effect of it upon the rights of existing security holders.

4. Furnish a brief statement as to arrears in dividends or defaults in principal or interest in respect to the outstanding securities which are to be modified or exchanged and other information appropriate in the particular case to disclose adequately the nature and effect of the proposed action.

5. Outline briefly any other material features of the proposed modification or exchange. If the plan of proposed action is set forth in a written document, file copies of it with the commissioner at the time the preliminary proxy material is filed.

N. Mergers, consolidations, acquisitions and similar

matters. Furnish the information contained in 1.-3. if action is to be taken with respect to any plan for: the merger or consolidation of the issuer into or with any other person or of any other person into or with the issuer; the acquisition by the issuer or any of its security holders of securities of another issuer; the acquisition by the issuer of any other going business or of the assets thereof; the sale or other transfer of all or any substantial part of the assets of the issuer; or the liquidation or dissolution of the issuer.

1. Outline briefly the material features of the plan. State the reasons for it and the general effect of it upon the rights of existing security holders. If the plan is set forth in a written document, file three copies of it with the commissioner at the time preliminary copies of the proxy statement and form of proxy are filed.

2. Furnish the information contained in a.-h. as to the issuer and each person to be merged into the issuer or into or with which the issuer is to be merged or consolidated or the business or assets of which are to be acquired or which is the issuer of securities to be acquired by the issuer in exchange for all or a substantial part of its assets or to be acquired by security holders of the issuer. What is required is information essential to an investor's appraisal of the action proposed to be taken.

a. Describe briefly the business of the person.

b. State the location and describe the general character of the plants and other important physical properties of the person. The description is to be given from an economic and business standpoint, as distinguished from a legal standpoint. Portfolio or investment assets of an issuer need not be disclosed.

c. Furnish a brief statement as to dividends in arrears or defaults in principal or interest in respect of any securities of the issuer or of the person, and as to the effect of the plan thereon and such other information as may be appropriate in the particular case to disclose adequately the

nature and effect of the proposed action.

d. Furnish a tabulation in columnar form showing the existing and the pro forma capitalization.

e. Furnish in columnar form for each of the last five fiscal years an historical summary of earnings and show per share amounts of net earnings, dividends declared for each year and book value per share at the end of the latest period.

f. Furnish in columnar form for each of the last five fiscal years a combined pro forma summary of earnings, as appropriate in the circumstances, indicating the aggregate and per-share earnings for each year and the pro forma book value per share at the end of the latest period. If the transaction establishes a new basis of accounting for assets of any of the persons included in the accounting, the pro forma summary of earnings shall be furnished only for the most recent fiscal year and interim period and shall reflect appropriate pro forma adjustments resulting from the new basis of accounting.

g. To the extent material for the exercise of prudent judgment in regard to the matter to be acted upon, furnish the historical and pro forma earnings data specified in e. and f. for interim periods of the current and prior fiscal years, if available.

h. Instructions. The provisions of 2. shall not apply if the plan described in answer to 1. involves only the issuer and one or more of its totally-held subsidiaries.

3. As to each class of securities of the issuer, or of any person specified in 2., which is admitted to dealing on a national securities exchange or with respect to which a market otherwise exists and which will be materially affected by the plan, state the high and low sale prices, or, in the absence of trading in a particular period, the range of the bid and asked prices for each quarterly period within two years. This information may be omitted if the plan involves merely the liquidation or dissolution of the issuer.

O. Financial statements.

1. If action is to be taken with respect to any matter

specified in L.-N., furnish financial statements of the issuer and its subsidiaries complying with the requirements of 4 MCAR S 1.9258 B.1.-3. including schedules of supplementary profit and loss information. The statements may be omitted with respect to a plan described in answer to N. if the plan involves only the issuer and one or more of its totally-held subsidiaries.

2. If action is to be taken with respect to any matter specified in N.2., furnish for each person specified, other than the issuer, financial statements complying with the requirements of 4 MCAR S 1.9258 B.1.-3.

3. The commissioner may, upon the request of the issuer, permit the omission of any of the statements required in O. where the statements are not necessary for the exercise of prudent judgment in regard to any matter to be acted upon, or may permit the filing in substitution therefor of appropriate statements of comparable character. The commissioner may also require the filing of other statements in addition to, or in substitution for, the statements required in O. in any case where the statements are necessary or appropriate for an adequate presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise material for the exercise of prudent judgment in regard to any matter to be acted upon. In the usual case, financial statements are deemed material to the exercise of prudent judgment where the matter to be acted upon is the authorization or issuance of a material amount of senior securities, but are not deemed material where the matter to be acted upon is in the authorization or issuance of common stock, otherwise than in an exchange, merger or consolidation, acquisition or similar transaction.

4. The proxy statement may incorporate by reference any financial statements contained in an annual report sent to security holders with respect to the same meeting as that to which the proxy statement relates, if the financial statements substantially meet the requirements of O.

P. Acquisition or disposition of property. If action is to

be taken with respect to the acquisition or disposition of any property, furnish the information contained in 1.-4.

1. Describe briefly the general character and location of the property.

2. State the nature and amount of consideration to be paid or received by the issuer or any subsidiary. To the extent practicable, outline briefly the facts bearing upon the question of the fairness of the consideration.

3. State the name and address of the transferor or transferee as the case may be, and the nature of any material relationship of the person to the issuer or an affiliate of the issuer.

4. Outline briefly any other material features of the contract or transaction.

Q. Restatement of accounts. If action is to be taken with respect to the restatement of any asset, capital, or surplus account of the issuer, furnish the information contained in 1.-4.

1. State the nature of the restatement and its effective date.

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

3. State the name and amount of each account, including any reserve accounts, affected by the restatement and the effect of the restatement on it. Tabular presentation of the amounts shall be made when appropriate, particularly in the case of recapitalizations.

4. To the extent practicable, state whether and the extent, if any, to which the restatement will, as of the date of it, alter the amount available for distribution to the holders of equity securities.

R. Action with respect to reports. If action is to be taken with respect to any report of the issuer or of its directors, officers or committees or any minutes of meetings of its stockholders, furnish the information contained in 1. and 2.

1. State whether or not the action constitutes approval or disapproval of any of the matters referred to in the reports

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or minutes.

2. Identify each of the matters which it is intended will be approved or disapproved and furnish the information required by the appropriate provisions of this rule with respect to each matter.

S. 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 reasons 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.

T. Amendment of charter, by-laws, or other documents.

1. If action is to be taken with respect to any amendment of the issuer's charter, by-laws or other documents as to which information is not required in 4 MCAR SS 1.9255-1.9267, state briefly the reasons for and general effect of the amendment.

2. Instruction. Where the matter to be acted upon is the classification of directors, state whether vacancies which occur during the year may be filled by the board of directors to serve only until the next annual meeting or may be filled for the remainder of the full term.

U. Other proposed action. If action is to be taken with respect to any matter not specifically referred to in 4 MCAR SS 1.9255-1.9267 describe briefly the substance of each matter in substantially the same degree of detail as is required by F.-T.

V. Vote required for approval. As to each matter which is to be submitted to a vote of security holders, other than elections to office or the selection or approval of auditors, state the vote required for its approval.

4 MCAR S 1.9268 Schedule B; information to be included in statements filed by or on behalf of a participant other than the issuer in a proxy solicitation in an election contest.

A. Requirement. The proxy statement shall contain the information required by B.-F.

B. Issuer. State the name and address of the issuer.

C. Identity and background.

1. State your name and business address and your present principal occupation or employment and the name, principal business and address of any corporation or other organization in which this employment is carried on.

2. State your residence address and 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.

3. 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.

4. 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 paragraph need not be included in the proxy statement or other proxy soliciting material.

D. Interest in securities of the issuer.

1. State the amount of each class of securities of the issuer which you own beneficially, directly or indirectly.

2. State the amount of each class of securities of the issuer which you own of record but not beneficially.

3. State with respect to all securities of the issuer purchased or sold within the past two years, the dates on which they were purchased or sold and the amounts purchased or sold on each date.

4. If any part of the purchase price or market value of any of the securities specified in 3. is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding the securities, so state and indicate the amount of the

indebtedness as of the latest practicable date. If the funds were borrowed or obtained otherwise than pursuant to a margin account or bank loan in the regular course of business of a bank, broker or dealer, briefly describe the transaction, and state the names of the parties.

5. State whether or not you are a party to any contracts, arrangements or understandings with any person with respect to any securities of the issuer, including 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 the contracts, arrangements, or understandings exist and give the details of them.

6. State the amount of securities of the issuer owned beneficially, directly or indirectly, by each of your associates and the name and address of each associate.

7. State the amount of each class of securities of any parent, subsidiary or affiliate of the issuer which you own beneficially, directly or indirectly.

E. Further matters.

1. 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.

2. 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.

3. State whether or not you or any of your associates have any arrangement or understanding with any person with respect to any future employment by the issuer or its subsidiaries or affiliates; or with respect to any future transactions to which the issuer or any of its subsidiaries or

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affiliates will or may be a party.

If so, describe the arrangement or understanding and state the names of the parties to it.

F. 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)

4 MCAR S 1.9269 Schedule C; information required in information statement.

A. Contents. The information statement shall contain the information required by B.-G.

B. Limitation. Where any provision other than F. calls for information with respect to any matter to be acted upon at the meeting, the provision need be answered only with respect to proposals to be made by the issuer.

C. Information required by 4 MCAR S 1.9267. Furnish the information called for by 4 MCAR S 1.9267 except A., B., D. and E. 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.

D. Statement that proxies are not solicited. The following statement shall be set forth on the first page of the information statement in bold face type:

"WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY."

E. Date, time and place of meeting. State the date, time and place of the meeting of security holders, unless the information is otherwise disclosed in material furnished to security holders with the information statement.

F. Interest of certain persons in or opposition to matters

to be acted upon.

1. Describe briefly any substantial interest, direct or indirect, by security holdings or otherwise, of each of the following persons in any matter to be acted upon, other than elections to office:

a. each person who has been a director or officer of the issuer at any time since the beginning of the last fiscal year;

b. each nominee for election as a director of the issuer; and

c. each associate of the foregoing persons.

2. Give the name of any director of the issuer who has informed the management in writing that he intends to oppose any action to be taken by the management at the meeting and indicate the action which he intends to oppose.

G. Proposals by security holders. If any security holder entitled to vote at the meeting has, not less than 90 days before the issuer's annual meeting, submitted to the issuer a proposal which is accompanied by notice of his intention to present the proposal for action at the meeting, make a statement to that effect, identify the proposal and indicate the disposition proposed to be made of the proposal by the management at the meeting.

4 MCAR S 1.9270 Alternative compliance. Notwithstanding the provisions of 4 MCAR SS 1.9255-1.9269, the commissioner may permit the solicitation of proxies, consents, or authorizations if the manner of solicitation and the form of proxy, proxy statement and other documents used in the solicitation comply with the National Association of Insurance Commissioner's Model Regulation and the Schedules thereto.

4 MCAR SS 1.9271-1.9274 [Reserved for future use.]

Repealer. Rules Ins 32 and 34 are repealed.

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
INSURANCE DIVISION

In the Matter of the Proposed Adoption of
Amendments to Rules Relating to Proxies,
Consents and Authorizations

ORDER ADOPTING
AMENDMENT OF RULES

The above-entitled matter was published in the State Register on January 4, 1982, as proposed amendments to rules pursuant to Minn. Stat. § 15.0412, subd. 4h (1980). After affording interested and affected persons an opportunity to submit written data and view within thirty (30) days of the publication date, reviewing and considering the data and views, determining that the rules are needed and reasonable;

NOW, THEREFORE, IT IS ORDERED that these rules identified as 4 MCAR §§ 1.9255 - 1.9270 are adopted as amended this 10th day of June, 1982, pursuant to authority vested in me by Minn. Stat. §§ 60A.22.

Michael D. Markman
Commissioner of Insurance

Elliot Long
Program Evaluation Division
Office of the Legislative Auditor
122 Veterans Service Building
St. Paul, MN 55155
(612) 296-1226

Final submission date for completed proposals is October 16, 1981.

OFFICIAL NOTICES

Pursuant to the provisions of Minn. Stat. § 15.0412, subd. 6, an agency, in preparing proposed rules, may seek information or opinion from sources outside the agency. Notices of intent to solicit outside opinion must be published in the *State Register* and all interested persons afforded the opportunity to submit data or views on the subject, either orally or in writing.

The *State Register* also publishes other official notices of state agencies, notices of meetings, and matters of public interest.

Department of Commerce Insurance Division

Notice of Intent to Solicit Outside Opinion Regarding Proposed Rules Governing Self-insurance of Workers' Compensation Liability by Pools of Political Subdivisions

Notice is hereby given that the Insurance Division is seeking information and opinions from sources outside the agency in preparing to promulgate rules governing self-insurance of workers' compensation liability by pools of political subdivisions as authorized by Minn. Stat. § 471.982, Subd. 2. This statute permits the agency to provide standards or guidelines governing the formation, operation, administration, disolution of political subdivision self-insurance pools.

The Insurance Division requests information and comments concerning the subject matter of these rules. Interested or affected persons or groups may submit information on this subject. Written or oral information and comments should be addressed to:

William R. Howard
(612) 297-2852
Insurance Division
Department of Commerce
500 Metro Square Building
St. Paul, Minnesota 55101

Information to be considered should be received by the Insurance Division no later than November 1, 1981. Any written material received by the Insurance Division shall become part of the record in the event that the rules are promulgated.

William Howard
Assistant Commissioner of Insurance

Department of Commerce Insurance Division

Notice of Intent to Solicit Outside Opinion Regarding Proposed Amendments to Rules Relating to Proxies, Consents and Authorizations Used for Equity Securities of Domestic Stock Insurance Companies

Notice is hereby given that the Insurance Division is seeking information and opinions from sources outside the agency in preparing to promulgate amendments to rules relating to proxies, consents and authorizations used for equity securities of domestic stock insurers as authorized by Minn. Stat. § 60A.22.

The Insurance Division requests information and comments concerning the subject matter of these rules. Interested or affected persons or groups may submit information on this subject. Written or oral information and comments should be addressed to:

William R. Howard
(612) 297-2852
Insurance Division
Department of Commerce
500 Metro Square Building
St. Paul, Minnesota 55101

Information to be considered should be received by the Insurance Division no later than October 16, 1981. Any written material received by the Insurance Division shall become part of the record in the event that the rules are promulgated.

William Howard
Assistant Commissioner of Insurance

Department of Health
Emergency Medical Services Section

Notice of application for Licensure to Operate a Basic Life Support Transportation Service at Hoffman, Minnesota

As of September 21, 1981, a complete application submitted by Wanda Kaplor was on file with the Department of Health for a license to operate a basic life support transportation service, with base of operation located at the City Offices, Hoffman, Minnesota 56339, and proposed name of service to be the Hoffman Volunteer Ambulance Service.

This notice is given pursuant to Minnesota Statutes, Section 144.802 (1979), which requires that the Commissioner of Health shall publish the notice in the *State Register* at the applicant's expense, and in a newspaper in the municipality in which the service will be provided, or if no newspaper is published in the municipality, or if the service would be provided in more than one municipality, in a newspaper published at the county seat of the county or counties in which the service would be provided. Each municipality, county, community health services agency, and any other interested person wishing to comment on this application may submit comments to the Min-Dak Health Systems Agency, 1721 South University Drive, Fargo, North Dakota 58103, before the close of business on October 21, 1981.

After a public hearing has been held in one of the municipalities in which the service is to be provided, the Min-Dak Health Systems Agency shall recommend that the Commissioner of Health grant or deny a license or recommend that a modified license be granted. The Min-Dak Health Systems Agency shall make the recommendations and reasons available to any individual requesting them.

Within 30 days of receipt of the Min-Dak Health Systems Agency recommendation, the Commissioner of Health shall grant or deny the license to the applicant.

Notice of Application for Licensure to Operate a Basic Life Support Transportation Service at Pembina, North Dakota

As of September 21, 1981, a complete application submitted by Clinton Littlefield was on file with the Department of Health for a license to operate a basic life support transportation service, with a base of operation located at the Fire Department, Pembina, North Dakota 58291, and proposed name of service to be the Pembina Ambulance Service.

This notice is given pursuant to Minnesota Statutes, Section 144.802 (1979), which requires that the Commissioner of Health shall publish the notice in the *State Register* at the applicant's expense, and in a newspaper in the municipality in which the service will be provided, or if no newspaper is published in the municipality, or if the service would be provided in more than one municipality, in a newspaper published at the county seat of the county or counties in which the service would be provided. Each municipality, county, community health services agency, and any other interested person wishing to comment on this application may submit comments to the Agassiz Health Systems Agency, 31 So. Third St., Box 129, Grand Forks, N.D. 58201, before the close of business on October 21, 1981.

After a public hearing has been held in one of the municipalities in which the service is to be provided, the Agassiz Health Systems Agency shall recommend that the Commissioner of Health grant or deny a license or recommend that a modified license be granted. The Agassiz Health Systems Agency shall make the recommendations and reasons available to any individual requesting them.

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
INSURANCE DIVISION

In the Matter of the Proposed Adoption of Amendments to Rules of the State of Minnesota Relating to Proxies, Consents and Authorizations

ORDER FOR NOTICE OF INTENT TO AMEND RULES WITHOUT PUBLIC HEARING

IT IS ORDERED this 21st day of April, 1982 that Notice of Intent to Amend Rules Without Public Hearing in the above-entitled matter be given to all persons who have registered their names with the Insurance Division for that purpose and be published in the State Register.

Michael D. Markman
Commissioner of Insurance

In the Matter of the Proposed Adoption of
Amendments to Rules of the State of Minnesota
Relating to Proxies, Consents and Authorizations

AFFIDAVIT OF
MAILING

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Patty Haglof, being first duly sworn, deposes and says:

That on the 28th day of April, 1982, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Intent to Adopt Rules Without Public Hearing by depositing in the United States Mail at said City of St. Paul, a copy properly enveloped, with postage prepaid, on all persons and associations who have requested that their names be placed on file with the Insurance Division for the purpose of receiving notice of the proposed adoption of rules.

Patty Haglof

Subscribed and sworn to before me
this 10th day of May ,
1982.

Mary P. Tolaas

MARY P. TOLAAS
NOTARY PUBLIC—MINNESOTA
RAMSEY COUNTY
My Comm. Expires Nov. 24, 1987

State of Minnesota
Department of Commerce
Insurance Division

In the Matter of the Proposed Adoption of
Amendments to Rules of the State of Minnesota
Relating to Proxies, Consents and Authorizations

Notice of Intent to Amend Rules Without a Public Hearing

Notice is hereby given that the Insurance Division proposes to adopt amendments to the above-entitled rules without a public hearing. The Commissioner of Insurance has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes § 15.0142, subd. 4h (1980). 2

Persons interested in these rules, published in the State Register January 4, 1982, shall have 30 days to submit comments. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change. 3 4

No public hearing will be held unless seven or more persons make a written request for a hearing within the 30-day comment period. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statutes § 15.0412, subd. 4-4f. 5 7

Persons who wish to submit comments or a written request for a public hearing should mail them to:

Bill Howard
Insurance Division
500 Metro Square Building
St. Paul, MN 55101 6

Authority for the adoption of these rules is contained in Minnesota Statutes § 60A.22 . Additionally, a Statement of Need and Reasonableness describing the need for and reasonableness of each provision and identifying the data and information relied upon to support the proposed rules has been prepared and is available upon request. 9

Any person who desires to be advised of the submission of this material to the Attorney General for approval may make this request in writing to the above named person. 8

Michael D. Markman
Commissioner of Insurance

STATE OF MINNESOTA

COUNTY OF RAMSEY

CERTIFICATE

In the Matter of the Proposed Adoption of
Amendments to Rules of the State of Minnesota
Relating to Proxies, Consents and Authorizations

I certify that the list of persons, associations, and other interested groups who have requested, pursuant to Minn. Stat. § 15.0412, subd. 4, that their names be placed on file for the purpose of receiving notice of the proposed adoption of rules by the Insurance Division is accurate and complete as of 8:00 A.M., this 28th day of April, 1982.

Susan M. Porter

INSURANCE LIST TO RECEIVE NOTICES OF RULEMAKING

James C. Shipman
Exec. Director
Assn. of Minn. Counties
2305 Ford Parkway
St. Paul, MN 55116

Bruce A. Poulsen, Counsel
8th Fl., Prudential Ins. Co. of America
P.O. Box 1143
Minneapolis, MN 55440

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Minn. Motor Transport Assn.
1821 Univ. Ave., Rm. 134N
St. Paul, MN 55104

Ohio State Life Insurance Co.
Attn: Harold I. Phillian
471 E. Broad St.
Columbus, Ohio 43215

Martin V. Timmins
Vice President & Gen. Counsel
The Wisconsin Life Ins. Co.
709 North Segoe Rd
Madison, WI 53705

National Assoc. of Independent Insurers
2600 River Rd
Des Plaines, IL 60018

Compliance Services
Metropolitan Property & Liability
Insurance Co.
700 Quaker Lane, P.O. Box 350
Warwick, RI 02887

Nicholas T. Kakos
Comp., Insurance & Benefit Fund
Federal Cartridge Corp./Admin.
Twin Cities Army Ammunition Plant
New Brighton, MN 55112

Jerrold T. Miller
J. T. Miller Co.
1000 Currie Ave.
Minneapolis, MN 55403

Colonial Penn Group, Inc.
Government Affairs Dept.
5 Penn Center Plaza
Philadelphia, PA 19103

Security Insurance Co.
1000 Asylum Ave.
Hartford, CT 06105

Murray M. McColloch
Senior Vice President, Secretary & Counsel
J. C. Penney Life Ins. Co.
2020 Live Oak
Dallas, TX 75221

The Connecticut Indemnity Co.
1000 Asylum Ave. 7/82 retid as undelivered
Hartford, CT 06105

The Fire & Casualty Ins. Co. of CT
1000 Asylum Avenue 7/82 retid as undelivered
Hartford, CT 06105

James M. Shamberger
Vice President-Government Relations
Reinsurance Assoc. of America
1025 Connecticut Ave., Suite 512
Washington, D.C. 20036

Abe Rosenthal
Executive Vice President
Minnesota Transport Services Assn.
1821 University Ave.
St. Paul, MN 55104

Alliance of American Insurers
Attn: Fred W. Beck
20 North Wacker Drive, Suite 2140
Chicago, IL 60606

Richard D. Kothe
Manager
League Service Corporation
575 University Ave.
St. Paul, MN 55103

Workers Compensation Reinsurance Assoc.
750 Northern Federal Bldg.
386 North Wabasha
St. Paul, MN 55102

Union Fidelity Life Insurance Co.
Union Fidelity Office Park
Trevose, PA 19049
Attn: Lewis Taylor, Assoc. Counsel

Trauner, King & Cohen; Attn: Kevin King
38 Old Ivy Rd, N.E.
Atlanta, GA 30342

Robert E. Swift, Vice President
Title Insurance Co. of MN
400 Second Ave. So.
Minneapolis, MN 55401

John B. LaMacchia & Associates
Actuaries Management Consultants
12 North Central Avenue
St. Louis, MO 63105

J. Robert Hunter, FCAS
President, The National Ins. Consumer Organization
344 Commerce St.
Alexandria, VA 22314

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William R. Anderson, Counsel
The National Assoc. of Life Underwriters
1922 F Street, NW
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Johanna E. Sterbin
Attorney at Law
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New York, NW 10028

Don Montgomery
Associated Builders & Contractors
6300 Walker St, RM 109
Minneapolis, MN 55416

Mr. Ronald R. Radtke, Mgr.
Compliance Services
Metropolitan Property & Liability Ins. Co.
700 Quaker Ln
Warwick, RI 02887

NIARS Corporation
Three Eighteen West Franklin
Minneapolis, MN 55404

Richard Bouhan, Government Relations Director
National Assoc. of Prof. Surplus Lines Offices
P.O. Box 1507
Roswell, GA 30077

Wisconsin Employers Ins. Co.
Contracts Department
P.O. Box 1100
DePere, WI 54115

GENERAL LIST

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Office of Administrative Hearings
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James Miller, Sr., Attorney
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John A. Knapp
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Director, Developmental
Disabilities Planning Office
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St. Paul, MN 55101

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Minnesota Board of Nursing
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Minn. Manufactured Housing Assn.
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Minn. Dept. of Econ. Develop.
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Courey, Schwinn, Kodadek & Reece
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Kathy Burek
Legis. Comm. to Review Admin. Rules
Exec. Director
Room 430 - State Office Bldg.
St. Paul, MN 55155

State Bond & Mortgage Co.
Attn: David A. Peterson
100-106 No. Minn. St.
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Minneapolis, MN 55401

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Eyota, MN 55934

Phillips Legislative Service, Inc.
459 Rice St.
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Peterson, Popovich, Knutson & Flynn
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St. Paul, MN 55[redacted]101

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248 Classroom - Ofc. Bldg.
1994 Buford Ave.
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Frundt, Frundt & Johnson--Attorney at Law
117 West 5th St.
Blue Earth, MN 56013

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Midland Glass Company, Inc.
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Shakopee, MN 55379

STATE OF MINNESOTA

COUNTY OF RAMSEY

CERTIFICATE

In the Matter of the Proposed Adoption of
Amendments to Rules Relating to Proxies,
Consents and Authorizations

I certify that the list of persons, associations, and other interested groups who have requested, pursuant to Minn. Stat. § 15.0412, subd. 4, that their names be placed on file for the purpose of receiving notice of the proposed adoption of amendments to rules by the Insurance Division is accurate and complete as of 9:00 A.M., this 10th day of June, 1982.

Debbie J. Lindsey

Alliance of American Insurers
Attn: Dave Anderson
20 North Wacker Drive
Suite 2140
Chicago, IL 60606

Daniel D. Foth
Associated Builders & Contractors
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Minneapolis, MN 55416

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Executive Director
Association of Minnesota Counties
2305 Ford Parkway
St. Paul, MN 55116

Colonial Penn Group, Inc.
Law Department
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Philadelphia, PA 19181

Nicholas T. Kakos
Comp., Insurance Benefit Fund
Federal Cartridge Corp./Admin.
Twin Cities Army Ammunition Plant
New Brighton, MN 55112

Murray M. McColloch
Sr. Vice Pres., Secretary & Counsel
J. C. Penney Life Insurance Co.
2020 Live Oak
Dallas, TX 75221

Jerrold T. Miller
J. T. Miller Company
1000 Currie Avenue
Minneapolis, MN 55403

John B. LaMacchia & Associates
Actuaries Management Consultants
12 North Central Avenue
St. Louis, MO 63105

Richard D. Kothe, Manager
League Service Corporation
575 University Avenue
St. Paul, MN 55103

Compliance Services
Metropolitan Property & Liability
Insurance Company
700 Quaker Lane, P.O. Box 350
Warwick, RI 02887

Mr. Ronald R. Radtke, Manager
Compliance Services
Metropolitan Prop. & Liability Ins. Co.
700 Quaker Lane
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1821 University Ave., Room 134N
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Abe Rosenthal
Executive Vice President
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1821 University Avenue
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National Assoc. of Prof. Surplus
Lines Offices
P.O. Box 1507
Roswell, GA 30077

J. Robert Hunter, FCAS
President, The National Insurance
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344 Commerce Street
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NIARS Corporation
Three Eighteen West Franklin
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Ohio State Life Insurance Company
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Union Fidelity Office Park
Trevose, PA 19049
Attn: Edward G. Farmer, Jr., V.P.

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Vice President & General Counsel
The Wisconsin Life Insurance Co.
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Madison, WI 53705

Workers Compensation Reinsurance
Association
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386 North Wabasha
St. Paul, MN 55102

GENERAL LIST

TO RECEIVE NOTICE OF RULEMAKING IN COMMERCE

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Disabilities Planning Office
200 Capitol Sq. Bldg.
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425 Portland Ave.
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2400 Wycliff St.
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Kathy Burek
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Exec. Director
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David R. Knodell, Esq.
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459 Rice St.
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Peter S. Popovich
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Prof. Robert Snyder
248 Classroom - Ofc. Bldg.
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Attorney at Law
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Frundt, Frundt & Johnson--Attorney at Law
117 West 5th St.
Blue Earth, MN 56013

R. J. Barto, Plant Manager
Midland Glass Company, Inc.
P. O. Box 69
Shakopee, MN 55379

Pursuant to Minn. Stat. § 4.035, this Order shall be effective fifteen (15) days after its publication in the *State Register* and filing with the Secretary of State and shall remain in effect until it is rescinded by proper authority or expires in accordance with the provisions of § 4.035, subd. 3.

IN TESTIMONY WHEREOF, I hereunto set my hand on this 26th day of April, 1982.

Albert H Quie

PROPOSED RULES

Pursuant to Minn. Laws of 1980, § 15.0412, subd. 4h, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless seven or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules;

and

4. that the rule may be modified if modifications are supported by the data and views submitted.

If, during the 30-day comment period, seven or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of § 15.0412, subds. 4 through 4g, which state that if an agency decides to hold a public hearing, it must publish in the *State Register* a notice of its intent to do so. This notice must appear at least 30 days prior to the date set for the hearing, along with the full text of the proposed rules. (If the agency has followed the provisions of subd. 4h and has already published the proposed rules, a citation to the prior publication may be substituted for republication.)

Pursuant to Minn. Stat. § 15.0412, subd. 5, when a statute, federal law or court order to adopt, suspend or repeal a rule does not allow time for the usual rulemaking process, temporary rules may be proposed. Proposed temporary rules are published in the *State Register*, and for at least 20 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Department of Commerce
Insurance Division

Proposed Amendments to Rules Relating to Proxies, Consents and Authorizations

Notice of Intent to Amend Rules without a Public Hearing

Notice is hereby given that the Insurance Division proposes to adopt amendments to the above-entitled rules without a public hearing. The Commissioner of Insurance has determined that the proposed adoption of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minnesota Statutes § 15.0412, subd. 4h (1980).

Persons interested in these rules, which were published in the *State Register* January 4, 1982, shall have 30 days to submit comments. The proposed rules may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change.

No public hearing will be held unless seven or more persons make a written request for a hearing within the 30-day comment period. In the event a public hearing is required, the agency will proceed according to the provisions of Minnesota Statutes § 15.0412, subd. 4-4f.

Persons who wish to submit comments or a written request for a public hearing should mail them to:

Bill Howard
Insurance Division
500 Metro Square Building
St. Paul, MN 55101

Authority for the adoption of these rules is contained in Minnesota Statutes § 60A.22. Additionally, a statement of need and reasonableness describing the need for and reasonableness of each provision and identifying the data and information relied upon to support the proposed rules has been prepared and is available upon request.

Any person who desires to be advised of the submission of this material to the Attorney General for approval may make this request in writing to the above named person.

Michael D. Markman
Commissioner of Insurance

Department of Natural Resources Minerals Division

Proposed Amendment of Rules Governing Permits to Prospect for and Leases to Mine Copper, Nickel and Associated Minerals

Notice of Intent to Amend Rules without a Public Hearing

Notice is hereby given that the Minnesota Department of Natural Resources proposes to adopt amendments to the above-entitled rules without a public hearing. The commissioner has determined that the proposed amendments of these rules will be noncontroversial in nature and has elected to follow the procedures set forth in Minn. Stat. § 15.0412 (1980), subd. 4h, as amended by Laws of 1981, ch. 253, § 14. The only substantive change to the rules is the addition of a special royalty provision. All other changes shown by strikeout or underlining are renumbering or revisions of style or form made by the Revisor of Statutes pursuant to legislative mandate to make uniform the style and form of rules of all state agencies.

Persons interested in these rules shall have 30 days to submit comments on the proposed amendments. The proposed amendments may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change in the proposed language.

Unless seven or more persons submit written requests for a public hearing on the proposed amendments within the 30 day comment period, a public hearing will not be held. In the event a public hearing is required, the agency will proceed according to the provisions of Minn. Stat. § 15.0412 (1980), subds. 4-4f, as amended by Laws of 1981, ch. 253, §§ 8-12.

Persons who wish to submit comments should submit such comments to:

Elwood F. Rafn
Department of Natural Resources
Box 45
Centennial Office Building
658 Cedar Street
St. Paul, Minnesota 55155
Phone: (612) 296-4807

Persons who wish to submit a request for a public hearing should submit such written request to Elwood F. Rafn.

Authority for the adoption of the proposed amendments is contained in Minn. Stat. §§ 93.08-93.12 and 93.25. Additionally, a statement of need and reasonableness that describes the need for and reasonableness of each provision of the proposed amendments and identifies the data and information relied upon to support the proposed amendments has been prepared and is available from Elwood F. Rafn upon request.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
INSURANCE DIVISION

In the Matter of the Proposed Adoption of
Amendments to Rules Relating to Proxies,
Consents and Authorizations

FINDINGS OF FACT
AND CONCLUSIONS

After affording interested persons an opportunity to present written and oral data, statements and arguments on the adoption of amendments to rules relating to proxies, consents and authorizations and having considered all of the evidence brought forward for consideration in the records, files, and proceedings herein, I find the following:

1. That the proposed rules, published in the State Register on January 4, 1982, included language which the Securities and Exchange Commission has since deleted from its rules.

2. That the SEC rescission dealt with a disclosure requirement in proxy statements concerning nonaudit services performed by independent accountants for their audit clients.

3. That the SEC concluded that the value of the non-audit information provided stockholders was not generally of sufficient utility to investors to justify continuation of the disclosure requirement.

4. That the Minnesota rules concerning the regulation of proxies, consents and authorizations are based on the Securities and Exchange Commission's regulation for solicitation of proxies.

5. That the deletion of those sections of the Minnesota proposed rule corresponding to the rescinded language of the Securities and Exchange Commission is not substantial in nature.

Based on the foregoing, I conclude that the proposed adoption of amendments to rules relating to proxies, consents, and authorizations as modified attached hereto as Exhibit 1 are adopted.

Michael D. Markman
Commissioner of Insurance

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
INSURANCE DIVISION

In the matter of the proposed rules relating to regulations of proxies, consents and authorizations

STATEMENT OF NEED AND REASONABLENESS OF PROPOSED RULES

STATEMENT OF NEED AND AUTHORITY

Chapter 60A of the Minnesota Statutes provides statutory authority empowering the Commissioner to make rules and regulations concerning the regulation of proxies, consents and authorizations which authority is set forth in Minnesota Statutes § 60A.22, subd. 5.

Minnesota's proxy regulations are based on the National Association of Insurance Commissioners (NAIC) model proxy regulation which was first developed in 1964 and amended in 1970. Both the model proxy regulation and Minnesota's proxy regulations contain many of the provisions contained in the Securities and Exchange Commission's regulations for solicitation of proxies.

Minnesota's stock insurance companies, if publicly owned, would be subject to the SEC proxy regulations were it not for an exemption for publicly owned stock insurance companies if they are subject to state proxy regulations that are in substance similar to the SEC's proxy regulations. Since 1970, the amount and type of information provided by corporations to their shareholders has expanded both voluntarily and because of changes in the SEC's proxy regulations. Minnesota's current proxy regulations require substantially less information to be provided by Minnesota stock insurers to their shareholders than is commonly being provided and required by the SEC. This could cause the Minnesota Commissioner to lose sole jurisdiction of proxy solicitations by Minnesota companies and could result in Minnesota stock insurers being subjected to dual regulation, i.e. State and Federal.

Proposed MCAR § 1.9255 - MCAR § 1.9274 closely resemble the NAIC model regulation. If shareholders of publicly owned Minnesota insurance corporations are to have the benefits of the more up-to-date disclosure requirements incorporated therein, the proposed rules should be adopted.

FACTS ESTABLISHING REASONABLENESS

The proposed rule was developed, except for one or two minor differences required by Minnesota statutes, by an NAIC task force with input from the American Insurance Association, the American Council of Life Insurance, two major insurance trade associations, and a number of life and casualty companies.

The model regulation was adopted by the NAIC at its semi-annual meeting held in June 1980 at Denver, Colorado and the Insurance Federation of Minnesota, together with all of the four organizations mentioned above, support enactment of these rules as MCAR § 1.9255 - MCAR § 1.9274.

Dated Jan 28 1982

Michael D. Markman
Commissioner of Insurance

In the Matter of the Proposed
Adoption of Amendments to Rules
Relating to Proxies, Consents
and Authorizations

STATEMENT OF
COMPLIANCE WITH
RULEMAKING PROCEDURES

I, Robert J. Clayton, do hereby declare that I have examined the rules and all related documents and that, based on my examination and my personal familiarity with the applicable procedures, the Administrative Procedure Act, the rules of the Office of Administrative Hearings, and the rules of the Attorney General have been followed. Any exceptions are noted below.

The Order Adopting Rules does not affirmatively state that less than 7 persons requested a hearing in this matter. However, based upon my review of the file and upon inquiry of department personnel, only 1 comment was received. That commend did not request a hearing. No other requests for a hearing were received.

ROBERT J. CLAYTON
Special Assistant
Attorney General

Dated: June 24, 1982.

In the Matter of the Proposed Adoption of Amendments to Rules Relating to Proxies, Consents and Authorizations

AFFIDAVIT OF MAILING NOTICE OF SUBMISSION TO THE ATTORNEY GENERAL

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Debbi J. Lindlief, being first duly sworn, deposes and says:

That on the 10th day of June, 1982, in the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Submission to the Attorney General by depositing in the State of Minnesota Central Mail System for United State mailing at the City of St. Paul, a copy thereof, properly enveloped, with postage prepaid, to all persons and associations who requested notice that the rules in the above-entitled matter have been submitted to the Attorney General.

Debbi J. Lindlief

Subscribed and sworn to before me this 10th day of June, 1982.

Norene M Cark

NORENE M CARK
NOTARY PUBLIC - MINNESOTA
RAMSEY COUNTY
My Commission Expires Feb 24 1985

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
INSURANCE DIVISION

In the Matter of the Proposed Adoption of
Amendments to Rules Relating to Proxies,
Consents and Authorizations

Pursuant to your request in and accordance with Minn. Stat. § 15.0412:

PLEASE TAKE NOTICE that these amendments to rules have been submitted to the Office of the Attorney General on this date, June 10, 1982, for review as to form and legality. Pursuant to 1 MCAR § 1.206 B., the Attorney General will not approve the rules for at least 5 calendar days after receipt to allow any person or association time to comment on the legality of the rules, after which that Office will complete its review. If you desire to comment on the legality of these rules, you should direct your comments to the Office of the Attorney General, G-25 State Administration Building, 50 Sherburne Avenue, St. Paul, Minnesota 55155, (612) 296-7030. Please note that these rules of the Attorney General also provide that a copy of any written comments submitted to the Attorney General must be submitted simultaneously to this agency.

If you are interested in determining what changes, if any, were made in the proposed rules after publication in the State Register and before submission to the Attorney General, you may contact William Howard, Assistant Commissioner, Insurance Division, 500 Metro Square Building, St. Paul, Minnesota 55101.

Michael D. Markman
Commissioner of Insurance