

CHAPTER 173

INSURANCE

SENATE BILL 95-232

BY SENATOR Schroeder;
also REPRESENTATIVE Schauer.**AN ACT****CONCERNING THE REENACTMENT OF LAWS, WITH AMENDMENTS, THAT REGULATE DOMESTIC STOCK INSURERS.***Be it enacted by the General Assembly of the State of Colorado:*

SECTION 1. 10-3-120 (1), Colorado Revised Statutes, 1994 Repl. Vol., as repealed by House BILL 95-1020, enacted at the First Regular Session of the Sixtieth General Assembly, is RECREATED AND REENACTED, WITH AMENDMENTS, to read:

10-3-120. Investments of officers, directors, and principal stockholders - repeal. (1) (a) EVERY PERSON WHO IS DIRECTLY OR INDIRECTLY THE BENEFICIAL OWNER OF MORE THAN TEN PERCENT OF ANY CLASS OF EQUITY SECURITY OF A DOMESTIC STOCK INSURANCE COMPANY OR WHO IS A DIRECTOR OR AN OFFICER OF SUCH COMPANY SHALL FILE IN THE OFFICE OF THE COMMISSIONER, ON OR BEFORE THE THIRTY-FIRST DAY OF JANUARY, 1966, OR WITHIN TEN DAYS AFTER HE BECOMES SUCH BENEFICIAL OWNER, DIRECTOR, OR OFFICER, A STATEMENT, IN SUCH FORM AS THE COMMISSIONER MAY PRESCRIBE, OF THE AMOUNT OF ALL CLASSES OF EQUITY SECURITIES OF SUCH COMPANY OF WHICH HE IS THE BENEFICIAL OWNER AND WITHIN TEN DAYS AFTER THE CLOSE OF EACH CALENDAR MONTH THEREAFTER, IF THERE HAS BEEN A CHANGE IN SUCH OWNERSHIP DURING SUCH MONTH, SHALL FILE IN THE OFFICE OF THE COMMISSIONER A STATEMENT, IN SUCH FORM AS THE COMMISSIONER MAY PRESCRIBE, INDICATING HIS OWNERSHIP AT THE CLOSE OF THE CALENDAR MONTH AND SUCH CHANGES IN HIS OWNERSHIP AS HAVE OCCURRED DURING SUCH CALENDAR MONTH.

(b) THIS SUBSECTION (1) IS REPEALED, EFFECTIVE JULY 1, 1996.

SECTION 2. 10-3-121, Colorado Revised Statutes, 1994 Repl. Vol., as repealed

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

by House BILL 95-1020, enacted at the First Regular Session of the Sixtieth General Assembly, is RECREATED AND REENACTED, WITH AMENDMENTS, to read:

10-3-121. Regulation of proxies, consents, or authorizations - repeal. (1) THE PURPOSE OF THIS SECTION IS TO REGULATE THE SOLICITATION OF PROXIES, CONSENTS, OR AUTHORIZATIONS BY DOMESTIC STOCK INSURERS HAVING ONE HUNDRED OR MORE STOCKHOLDERS OF RECORD IN ACCORDANCE WITH THE INTENT OF CONGRESS AS EXPRESSED IN THE "SECURITIES ACTS AMENDMENTS OF 1964", BY DECLARING UNLAWFUL CERTAIN SOLICITATION PRACTICES AND PROVIDING FOR THE REGULATION THEREOF.

(2) NO PERSON SHALL, IN CONTRAVENTION OF SUCH RULES AND REGULATIONS AS THE COMMISSIONER MAY PRESCRIBE AS NECESSARY OR APPROPRIATE IN THE PUBLIC INTEREST OR FOR THE PROTECTION OF INVESTORS, SOLICIT OR PERMIT THE USE OF HIS NAME TO SOLICIT ANY PROXY OR CONSENT OR AUTHORIZATION IN RESPECT OF ANY SECURITY OF A DOMESTIC STOCK INSURER HAVING ONE HUNDRED OR MORE STOCKHOLDERS OF RECORD.

(3) UNLESS PROXIES, CONSENTS, OR AUTHORIZATIONS IN RESPECT OF A SECURITY OF A DOMESTIC STOCK INSURER ARE SOLICITED BY OR ON BEHALF OF THE MANAGEMENT OF THE INSURER FROM THE HOLDERS OF RECORD OF SUCH SECURITY IN ACCORDANCE WITH THE RULES AND REGULATIONS PRESCRIBED UNDER SUBSECTION (2) OF THIS SECTION, PRIOR TO ANY ANNUAL OR OTHER MEETING OF THE HOLDERS OF SUCH SECURITY, SUCH INSURER SHALL, IN ACCORDANCE WITH THE RULES AND REGULATIONS PRESCRIBED BY THE COMMISSIONER, FILE WITH THE COMMISSIONER AND TRANSMIT TO ALL HOLDERS OF RECORD OF SUCH SECURITY INFORMATION SUBSTANTIALLY EQUIVALENT TO THE INFORMATION WHICH WOULD BE REQUIRED TO BE TRANSMITTED IF A SOLICITATION WERE MADE.

(4) THIS SECTION IS APPLICABLE TO ALL DOMESTIC STOCK INSURERS HAVING ONE HUNDRED OR MORE STOCKHOLDERS OF RECORD; EXCEPT THAT THIS SECTION SHALL NOT APPLY TO ANY INSURER IF NINETY-FIVE PERCENT OR MORE OF ITS STOCK IS OWNED OR CONTROLLED BY A PARENT OR AN AFFILIATED INSURER AND THE REMAINING SHARES ARE HELD BY LESS THAN FIVE HUNDRED STOCKHOLDERS. A DOMESTIC STOCK INSURER WHICH FILES WITH THE SECURITIES AND EXCHANGE COMMISSION FORMS OF PROXIES, CONSENTS, AND AUTHORIZATIONS COMPLYING WITH THE REQUIREMENTS OF THE FEDERAL "SECURITIES AND EXCHANGE ACT OF 1934", AS AMENDED, IS EXEMPT FROM THE PROVISIONS OF THIS SECTION.

(5) THE TERM "PERSON" AS USED IN THIS SECTION INCLUDES A NATURAL PERSON, CORPORATION, PARTNERSHIP, AND ASSOCIATION.

(6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 1996.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 23, 1995