

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.1312 Statement filed with director; contents; duties.

Sec. 1312. (1) The statement filed with the director under section 1311(1) shall be made under oath or affirmation and must contain all of the following information:

(a) The name and address of each person by whom or on whose behalf the merger or other acquisition of control described in section 1311 will be effected, hereinafter referred to in this section and section 1315 as the acquiring party. If the person is an individual, his or her principal occupation, all offices and positions held during the past 5 years, any civil judgments against the person for \$25,000.00 or more in civil fines or penalties or injunctive or other equitable relief, and any conviction of crimes other than minor traffic violations during the past 10 years. If the person is not an individual, a report of the nature of its business operations during the past 5 years or for a lesser period in which the person and any predecessors of the person have been in existence, an informative description of the business intended to be done by the person and the person's subsidiaries, and a list of all individuals who are or who have been selected to become directors or executive officers of the person or who perform or will perform functions appropriate to those positions. The list must include for each individual the individual's principal occupation, all offices and positions held during the past 5 years, any civil judgments against the person for \$25,000.00 or more in civil fines or penalties or injunctive or other equitable relief, and any conviction of crimes other than minor traffic violations during the past 10 years.

(b) The source, nature, and amount of the consideration used or to be used in effecting the merger or other acquisition of control, a description of any transaction in which funds were or are to be obtained for the merger or other acquisition, including any pledge of the insurer's stock, or the stock of any of its subsidiaries or controlling affiliates, and the identity of persons furnishing the consideration. If a source of the consideration is a loan made in the lender's ordinary course of business, the identity of the lender must be disclosed but remain confidential if the person filing the statement so requests.

(c) Fully audited financial information as to the earnings and financial condition of each acquiring party for the preceding 5 fiscal years or for a lesser period in which the acquiring party and any predecessors of the acquiring party have been in existence and similar unaudited information as of a date not earlier than 90 days before the filing of the statement.

(d) Any plans or proposals that each acquiring party may have under consideration concerning the insurer's business operations, including, but not limited to, plans or proposals to liquidate the insurer, to sell its assets, to merge or consolidate it with any person, or to make any other material change in its business or corporate structure or management.

(e) The number of shares of any security described in section 1311 that each acquiring party proposes to acquire, the terms of the offer, request, invitation, agreement, or acquisition described in section 1311, and a statement as to how the proposal's fairness was arrived at.

(f) The amount of each class of a security described in section 1311 that is beneficially owned or concerning which there is a right to acquire beneficial ownership by each acquiring party.

(g) A full description of a contract, arrangement, or understanding concerning a security described in section 1311 in which an acquiring party is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. The description must identify the persons with whom the contracts, arrangements, or understandings have been entered into.

(h) A description of the purchase of a security described in section 1311 during the 12 calendar months preceding the filing of the statement, by an acquiring party, including the dates of purchase, names of the purchasers, and consideration paid or agreed to be paid for the security.

(i) A description of a recommendation to purchase a security described in section 1311 made during the 12 calendar months preceding the filing of the statement, by an acquiring party or by another person based upon interviews or at the suggestion of the acquiring party.

(j) Copies of all tender offers for, requests or invitations for tenders of, exchange offers for, and agreements to acquire or exchange a security described in section 1311 and additional related distributed soliciting material.

(k) The terms of an agreement, contract, or understanding made with or proposed to be made with a broker-dealer as to solicitation of securities described in section 1311 for tender, and the amount of a fee, commission, or other compensation to be paid to a broker-dealer.

(l) Additional information that the director prescribes by order or rule as necessary or appropriate for the

protection of the insurer's policyholders and securityholders or in the public interest.

(2) A person required to file the statement described in section 1311 shall do all of the following:

(a) File the annual enterprise risk report under section 1325a, for as long as control exists.

(b) Provide, and ensure that all subsidiaries within its control in the insurance holding company system will provide, information to the director on request as necessary to evaluate enterprise risk to the insurer.

History: Add. 1970, Act 136, Imd. Eff. July 29, 1970;—Am. 1992, Act 182, Imd. Eff. Oct. 1, 1992;—Am. 2015, Act 244, Imd. Eff. Dec. 22, 2015.

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