

# **Kansas Administrative Regulations**

## **Kansas Department of Insurance**

### **Article 13.—Insider Stock Trading**

#### **40-13-1. Definition of certain terms.**

(a) "Insurer" means any domestic insurance company with an equity security subject to the terms of K.S.A. 40-264, 40-265, 40-266, 40-267, 40-268, 40-269, and not exempt by the provisions of K.S.A. 40-270.

(b) "Director" means those persons named as directors in the articles of incorporation for the first year, or those persons elected as directors by the stockholders.

(c) "Officer" means the president, vice-president, treasurer, secretary, controller, actuary or any other person who performs at the election or appointment by the board of directors of the corporation.

(d) Securities "held of record":

(1) Securities shall be deemed to be "held of record" by each person who is identified as the owner of the securities on a record of security holders maintained by or on behalf of the insurer, subject to the following:

(A) In each case where the records of security holders have not been maintained in accordance with accepted practice, each additional person who would be identified as an owner on such records if they had been maintained in accordance with accepted practice shall be included as a holder of record.

(B) Securities identified as held of record by a corporation, a partnership, a trust whether or not the trustees are named, or other organization shall be considered to be held by one person.

(C) Securities identified as held of record by one or more persons as trustees, executors, guardians, custodians or in other fiduciary capacities with respect to a single trust, estate or account shall be considered to be held of record by one person.

(D) Securities held by two or more persons as co-owners shall be considered to be held by one person.

(E) Each outstanding unregistered or bearer certificate shall be considered to be held of record by a separate person, except to the extent the insurer can establish that if the securities were registered they would be held of record under the provisions of this rule by a lesser number of persons.

(F) Securities registered in substantially similar names where the insurer has reason to believe, because of the address or other indications, that the names represent the same person, may be included as held of record by one person.

(2) Notwithstanding subsection (1) of this paragraph:

(A) Securities held with the knowledge of the insurer that they are subject to a voting trust, deposit agreement, or similar arrangement shall be of interest in the securities. The insurer may rely in good faith on information received in response to its request from a nonaffiliate of the certificates or evidence of interest.

(B) If the insurer knows or has reason to know that the method of holding securities of record is used primarily to circumvent the provisions of a statute or these regulations, the beneficial owners of the securities shall be deemed the record owners.

(e) "Class" means all securities of an insurer which are of similar character and the holders of which enjoy similar rights and privileges.

(Authorized by K.S.A. 40-103, 40-271; implementing K.S.A. 40-264; through 40-271; effective Jan. 1, 1967; amended May 1, 1980; amended May 1, 1981; amended May 1, 1986; amended May 1, 1987.)

\*\*\*\*\* Authenticated Kansas Administrative Regulation \*\*\*\*\*