

2715.5700 ACQUISITIONS AND DISPOSITIONS OF SECURITIES PURSUANT TO MERGERS OR CONSOLIDATIONS.

Subpart 1. **Exempt.** The following transactions shall be exempt from the provisions of clause (2) of the act as not comprehended within the purposes of said clause:

A. the acquisition of a security of an insurer, pursuant to a merger or consolidation, in exchange for a security of a company that, prior to said merger or consolidation, owned 85 percent or more of the equity securities of all other companies involved in the merger or consolidation except, in the case of consolidation, the resulting company;

B. the disposition of a security, pursuant to a merger or consolidation of an insurer that, prior to said merger or consolidation, owned 85 percent or more of the equity securities of all other companies involved in the merger or consolidation except, in the case of consolidation, the resulting company;

C. the acquisition of a security of an insurer, pursuant to a merger or consolidation, in exchange for a security of a company that, prior to said merger or consolidation, held over 85 percent of the combined assets of all the companies undergoing merger or consolidation, computed according to their book values prior to the merger or consolidation as determined by reference to their most recent available financial statements for a 12-month period prior to the merger or consolidation;

D. the disposition of a security, pursuant to a merger or consolidation, of an insurer that, prior to said merger or consolidation, held over 85 percent of the combined assets of all the companies undergoing merger or consolidation as determined by reference to their most recent available financial statements for a 12-month period prior to the merger or consolidation.

Subp. 2. **Merger defined.** A "merger" within the meaning of this part shall include the sale or purchase of substantially all the assets of one insurer by another in exchange for stock which is then distributed to the security holders of the insurer which sold its assets.

Subp. 3. **Excluded insider trading.** Notwithstanding the foregoing subparts, if an officer, director, or stockholder shall make any purchase (other than a purchase exempted by this part) of a security in any company involved in the merger or consolidation and any sale (other than a sale exempted by this part) of a security in any other company involved in the merger or consolidation within any period of less than six months during which the merger or consolidation took place, the exemption provided by this part shall be unavailable to such officer, director, or stockholder to the extent of such purchase and sale.

Statutory Authority: *MS s 60A.22*

Published Electronically: *September 14, 2007*