

304.37-500 Definitions for KRS 304.37-500 to 304.37-580.

The following definitions shall apply to KRS 304.37-500 to 304.37-580:

- (1) "Interested person" means:
 - (a) Any affiliated person of a company;
 - (b) Any member of the immediate family of any natural person who is an affiliated person of a company;
 - (c) Any person or partner or employee of any person who at any time since the beginning of the last two (2) completed fiscal years of a company has acted as legal counsel for the company; or
 - (d) Any natural person whom the commissioner by order shall have determined to be an interested person by reason of having had, at any time since the beginning of the last two (2) completed fiscal years of a company, a material business or professional relationship with a company or with the principal executive officer of the company;
- (2) "Intermediate holding company" means a holding company which is a subsidiary of a mutual insurance holding company and which either directly or through a subsidiary intermediate holding company has one (1) or more subsidiary reorganized insurance companies of which a majority of the voting shares of the capital stock would otherwise have been required by KRS 304.37-505, to be at all times owned by the mutual insurance holding company. The commissioner shall have jurisdiction over an intermediate holding company as if it were a mutual insurance holding company;
- (3) "Majority of the voting shares of the capital stock of the reorganized insurance company" means shares of the capital stock of the reorganized insurance company which carry the right to cast a majority of the votes entitled to be cast by all of the outstanding shares of the capital stock of the reorganized insurance company for the election of directors and on all other matters submitted to a vote of the shareholders of the reorganized insurance company. The ownership of a majority of the voting shares of the capital stock of the reorganized insurance company which are required by KRS 304.37-505 to be held by the mutual insurance holding company may be held by indirect ownership through one (1) or more intermediate holding companies in a corporate structure approved by the commissioner, provided, however, that indirect ownership through one (1) or more intermediate holding companies shall not result in the mutual insurance holding company owning less than the equivalent of a majority of the voting shares of the capital stock of the reorganized insurance company;
- (4) "Mutual insurance holding company" means a holding company organized on the mutual plan and incorporated under the laws of Kentucky, resulting from the reorganization of a domestic mutual insurance company in accordance with KRS 304.37-505 and 304.37-510, with one (1) or more stock insurance holding company subsidiaries or stock insurance company subsidiaries;
- (5) "Plan of reorganization" means a plan to reorganize a domestic mutual insurance company by forming a mutual insurance holding company; and

- (6) "Stock offering" means any proposed sale, exchange, transfer, or other change of ownership of stock or of securities convertible into or exchangeable or exercisable for stock; including but not limited to an initial public offering, private equity placement, or grants of stock options and other equity based compensation. For purposes of KRS 304.37-570, 304.37-575, and 304.37-580, "stock offering" shall not mean:
- (a) An offering of preferred stock which is not convertible or exchangeable into common stock and which has no ordinary voting rights; or
 - (b) A transfer of stock between a mutual insurance holding company, an insurance company subsidiary of a mutual holding company, and an insurance company subsidiary of an intermediate holding company subsidiary to a mutual holding company.

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