**Section 203.50 Information to Be Furnished to Security Holders**

a) No solicitation subject to this Part may be made unless each person is concurrently furnished or has previously been furnished with a written proxy statement containing the information specified in Exhibit A.

b) If the solicitation is made on behalf of the management of the company and relates to an annual meeting of security holders at which directors are to be elected, each proxy statement furnished pursuant to Subsection (a) must be accompanied or preceded by an annual report (in preliminary or final form) to the security holders containing such financial statements for the fiscal year as are referred to in Schedule SIS of the annual statement form as prescribed by the National Association of Insurance Companies (N.A.I.C.) under the heading "Financial Reporting to Stockholders". Subject to the requirements with respect to financial statements, the annual report to security holders may be in any form deemed suitable by the management which meets the requirements of law. If there is more than one security holder in a household, the company may, upon written authorization of all such security holders in the same household, send only one annual report to the security holder so designated by those security holders resident in the same household.

c) One copy of each report sent to the security holders under this Section must be mailed to the Director not later than the date on which the report is first sent or given to security holders or the date on which preliminary copies of solicitation material are filed with the Director under Subsection (a) of Section 203.70, whichever date is later.

d) If no solicitation is being made by management of the company with respect to any annual or other meeting, the company must mail to every security holder of record at least 20 days prior to the meeting date, and information statement as required by Section 203.30, containing the information called for by all of the Items of Exhibit A, other than Items 1, 3 and 4, which would be applicable to any matter to be acted upon at the meeting if proxies were to be solicited in connection with the meeting. If the information statement relates to an annual meeting at which directors are to be elected, it must be accompanied by an annual report to the security holders in the form provided in Subsection (b) of this Subpart.

(Source: Amended at 2 Ill. Reg. 48, p. 38, effective November 30, 1978)