40-13-5 Ownership of more than 10 percent of an equity security.

(a) In determining whether a person is the beneficial owner, directly or indirectly, of more than 10 percent of any class of any equity security for the purpose of K.S.A. 40-264, the class shall be deemed to consist of the total number of shares of the class outstanding, but shall not include any securities of the class held by or for the account of the insurer or a subsidiary of the insurer.

(b) The class of voting trust certificates or certificates of deposit shall consist of the number of shares of voting trust certificates or certificates of deposit issuable out of the total amount of outstanding shares of the class which may be deposited under the voting trust agreement or deposit agreement in question, whether or not all of the outstanding securities have been so deposited.

(c) A person acting in good faith may rely on the information contained in the latest annual statement filed with the commissioner concerning the number of shares outstanding in a class or, in the case of voting trust certificates or certificates of deposit, the number issuable.

(d) In determining whether a person is the beneficial owner, directly or indirectly, of more than 10 percent of any class of equity security for the purpose of K.S.A. 40-264, a person shall be deemed to be the beneficial owner of securities of the class in which the person has the right to acquire securities through the exercise of presently exercisable options, warrants or rights, or through the conversion of presently convertible securities.

(e) The securities subject to the options, warrants, rights or conversion privileges held by a person shall be deemed to be outstanding for the purpose of computing, the percentage of outstanding securities of the class owned by the person described in paragraphs (a), (b) and (c), but shall not be deemed outstanding for the purpose of computing the percentage of the class owned by any other person. This paragraph shall not be construed to relieve a person of any duty to comply with K.S.A. 40-264 with respect to equity securities consisting of options, warrants, rights or convertible securities which are otherwise subject, as a class, to K.S.A. 40-264.