

INSWEB CORP
Form DEF 14A
June 06, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

INSWEB CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

June 3, 2005

Dear Stockholder:

This year's annual meeting of stockholders will be held on Monday, July 18, 2005, at 3:30 p.m. local time, at the corporate headquarters of InsWeb Corporation, located at 11290 Pyrites Way, Suite 200, Gold River, California 95670. You are cordially invited to attend.

The Notice of Annual Meeting of Stockholders and a Proxy Statement, which describe the formal business to be conducted at the meeting, follow this letter.

After reading the Proxy Statement, please promptly mark, sign and return the enclosed proxy card in the postage-paid envelope to assure that your shares will be represented. Your shares cannot be voted unless you date, sign, and return the enclosed proxy card or attend the annual meeting in person. Regardless of the number of shares you own, your careful consideration of, and vote on, the matters before our stockholders are important.

A copy of InsWeb's Annual Report to Stockholders is also enclosed for your information. At the annual meeting we will review InsWeb's activities over the past year and our plans for the future. The Board of Directors and management look forward to seeing you at the annual meeting.

Very truly yours,

L. Eric Loewe
*Senior Vice President, Secretary and
General Counsel*

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD JULY 18, 2005

TO THE STOCKHOLDERS:

Please take notice that the annual meeting of the stockholders of InsWeb Corporation, a Delaware corporation (InsWeb), will be held on Monday, July 18, 2005, at 3:30 p.m. local time, at the corporate headquarters of InsWeb, located at 11290 Pyrites Way, Suite 200, Gold River, California 95670, for the following purposes:

1. To elect two (2) Class III directors to hold office for a three-year term and until their respective successors are elected and qualified.
2. To consider and ratify the appointment of Ernst & Young LLP as InsWeb s independent registered public accounting firm for the year ending December 31, 2005.
3. To transact such other business as may properly come before the meeting.

Stockholders of record at the close of business on May 20, 2005 are entitled to notice of, and to vote at, this meeting and any adjournment or postponement. For ten days prior to the meeting, a complete list of stockholders entitled to vote at the meeting will be available for examination by any stockholder, for any purpose relating to the meeting, during ordinary business hours at InsWeb s principal offices located at 11290 Pyrites Way, Suite 200, Gold River, California 95670.

By order of the Board of Directors,

L. Eric Loewe
*Senior Vice President, Secretary and
General Counsel*

Gold River, California

June 3, 2005

TABLE OF CONTENTS

	Page
<u>PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS</u>	1
<u>SOLICITATION AND VOTING OF PROXIES</u>	1
<u>INFORMATION ABOUT INSWEB</u>	2
<u>Stock Ownership of Certain Beneficial Owners and Management</u>	2
<u>Management</u>	3
<u>General Corporate Governance Matters</u>	5
<u>EXECUTIVE COMPENSATION AND OTHER MATTERS</u>	7
<u>Executive Compensation</u>	7
<u>Stock Options Granted in Fiscal 2004</u>	8
<u>Option Exercises and Fiscal 2004 Year-End Values</u>	8
<u>Compensation Of Directors</u>	9
<u>Employment Contracts and Termination of Employment and Change of Control Arrangements</u>	9
<u>Certain Relationships And Related Transactions</u>	10
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	10
<u>REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION</u>	11
<u>REPORT OF THE AUDIT COMMITTEE</u>	12
<u>AUDIT FEES</u>	13
<u>COMPARISON OF STOCKHOLDER RETURN</u>	14
<u>PROPOSAL NO. 1: ELECTION OF DIRECTORS</u>	15
<u>Vote Required and Board of Directors Recommendation</u>	15
<u>PROPOSAL NO. 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC</u>	
<u>ACCOUNTING FIRM</u>	16
<u>Vote Required and Board of Directors Recommendation</u>	16
<u>STOCKHOLDER PROPOSALS TO BE PRESENTED AT NEXT ANNUAL MEETING</u>	17
<u>TRANSACTION OF OTHER BUSINESS</u>	17
<u>APPENDIX A (NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER)</u>	A-1

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS

The accompanying proxy is solicited by the Board of Directors of InsWeb Corporation, a Delaware corporation (InsWeb or the Company), for use at its annual meeting of stockholders to be held on July 18, 2005, or any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. The date of this Proxy Statement is June 3, 2005, the approximate date on which this Proxy Statement and the accompanying form of proxy were first sent or given to stockholders.

SOLICITATION AND VOTING OF PROXIES

The cost of soliciting proxies will be borne by InsWeb. In addition to soliciting stockholders by mail, InsWeb will request banks and brokers, and other custodians, nominees and fiduciaries, to solicit their customers who have stock of InsWeb registered in the names of such persons and will reimburse them for their reasonable, out-of-pocket costs. InsWeb may use the services of its officers, directors and others to solicit proxies, personally or by telephone, without additional compensation. In addition, InsWeb has retained American Stock Transfer & Trust Co., a registrar and transfer agent firm, for assistance in connection with the annual meeting at no additional cost except for reasonable out-of-pocket expenses.

On May 20, 2005, there were 4,044,061 shares of InsWeb s Common Stock outstanding, all of which are entitled to vote with respect to all matters to be acted upon at the annual meeting. Each stockholder of record as of that date is entitled to one vote for each share of Common Stock held by him or her. InsWeb s bylaws provide that a majority of all of the shares of the stock entitled to vote, whether present in person or represented by proxy, shall constitute a quorum for the transaction of business at the meeting. Votes for and against, abstentions and broker non-votes will each be counted as present for purposes of determining the presence of a quorum.

All valid proxies received before the meeting will be exercised. All shares represented by a proxy will be voted, and where a stockholder specifies by means of his or her proxy a choice with respect to any matter to be acted upon, the shares will be voted in accordance with that specification. If no choice is indicated on the proxy, the shares will be voted in favor of the proposal. A stockholder giving a proxy has the power to revoke his or her proxy at any time before the time it is exercised by delivering to the Secretary of InsWeb a written instrument revoking the proxy or a duly executed proxy with a later date, or by attending the meeting and voting in person.

INFORMATION ABOUT INSWEB**Stock Ownership of Certain Beneficial Owners and Management**

The following table sets forth, as of May 20, 2005, certain information with respect to the beneficial ownership of InsWeb's Common Stock by (i) each stockholder known by InsWeb to be the beneficial owner of more than 5% of InsWeb's Common Stock, (ii) each director of InsWeb, (iii) the Chief Executive Officer and each of the other executive officers of InsWeb that received a total salary and bonus in excess of \$100,000 for the year ended December 31, 2004, and (iv) all current directors and executive officers of InsWeb as a group.

Name of Beneficial Owner(1)	Number of Shares Beneficially Owned	Percent of Common Stock Outstanding(2)
5% Stockholders		
Hassan Elsayaf(3)	431,536	9.6 %
Lloyd I. Miller III(4)	270,980	6.0 %
Directors and Executive Officers		
Hussein A. Enan(5)	1,393,413	30.9 %
James M. Corroon(6)	26,273	*
Dennis H. Chookaszian(7)	27,783	*
Robert A. Puccinelli(8)	42,290	*
Thomas W. Orr(9)	27,367	*
William D. Griffin(10)	101,668	2.3 %
L. Eric Loewe(11)	82,581	1.8 %
Current directors and executive officers as a group (7 persons)(12)	1,701,375	37.8 %

* Less than 1%.

(1) The persons named in the table above have sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by them, subject to community property laws where applicable and to the information contained in the footnotes to this table.

(2) Calculated on the basis of 4,044,061 shares of Common Stock outstanding as of May 20, 2005, except that shares of Common Stock underlying options exercisable within 60 days following May 20, 2005 are deemed outstanding for purposes of calculating the beneficial ownership of Common Stock of the holders of such options.

(3) The address for Mr. Elsayaf is c/o InsWeb Corporation, 11290 Pyrites Way, Suite 200, Gold River, California 95670.

(4) The address for Mr. Miller is 4500 Gordon Drive, Naples, Florida 34102.

(5) Includes 41,250 shares held by Mr. Enan's spouse. Includes 165,334 shares subject to options exercisable within 60 days following May 20, 2005. The address for Mr. Enan is c/o InsWeb Corporation, 11290 Pyrites Way, Suite 200, Gold River, California 95670.

(6) Includes 26,273 shares subject to options exercisable within 60 days following May 20, 2005.

(7) Includes 416 shares held by Mr. Chookaszian's spouse, which he disclaims beneficial ownership of. Includes 27,367 shares subject to options exercisable within 60 days following May 20, 2005.

(8) Includes 29,790 shares subject to options exercisable within 60 days following May 20, 2005.

(9) Includes 27,367 shares subject to options exercisable within 60 days following May 20, 2005.

(10) Includes 101,668 shares subject to options exercisable within 60 days following May 20, 2005.

- (11) Includes 81,281 shares subject to options exercisable within 60 days following May 20, 2005.
- (12) Includes 459,080 shares subject to options exercisable within 60 days following May 20, 2005.

Management

Executive Officers of the Registrant

As of May 20, 2005, InsWeb's executive officers were as follows:

Name	Position With InsWeb	Age
Hussein A. Enan	Chairman of the Board and Chief Executive Officer	59
William D. Griffin	Chief Financial Officer	47
L. Eric Loewe	Senior Vice President, General Counsel and Secretary	47

Hussein A. Enan co-founded InsWeb in February 1995 and has served as its Chairman of the Board since its inception. Mr. Enan served as InsWeb's Chief Executive Officer from February 1995 to June 2002 and was reinstated to that position in August 2004. Mr. Enan also served as InsWeb's President from May 1999 to June 2000. From March 1992 to November 1994, Mr. Enan was a general partner at E.W. Blanch, a reinsurance intermediary that merged with his own wholly-owned company, Enan & Company, a reinsurance intermediary, in March 1992. Mr. Enan founded Enan & Company in February 1979.

William D. Griffin joined InsWeb in May 2001 as Chief Financial Officer. From August 1999 to February 2001, Mr. Griffin was Chief Financial Officer of ZipSend, Inc., an Internet services company, of which he was a co-founder. From October 1998 through August 1999, Mr. Griffin provided consulting services to various early stage Internet and technology companies. Prior to that, from May 1990 through September 1998, Mr. Griffin was Senior Vice President and Chief Financial Officer of Inference Corporation, a customer services software company.

L. Eric Loewe joined InsWeb in October 1998 as Corporate Counsel, Legal and Regulatory, responsible for all regulatory compliance issues, and has served as Senior Vice President and General Counsel since September 2000 and as Secretary since July 2001. Mr. Loewe held various positions with the National Association of Independent Insurers (the NAII) from January 1980 to September 1998. As Senior Counsel for the NAII, Mr. Loewe was responsible for legislation and regulations affecting its 570 member companies. Mr. Loewe is a member of the Illinois and California bars.

Directors

This section sets forth certain information about InsWeb's current directors, including the Class III nominees to be elected at this meeting.

Name	Position with InsWeb	Age	Director Since
<i>Class I director whose term expires at the 2006 Annual Meeting of Stockholders:</i>			
Robert A. Puccinelli(1)(2)(3)	Director	67	1998
<i>Class II directors whose terms expire at the 2007 Annual Meeting of Stockholders:</i>			