

BLUE NILE INC
Form 4
March 09, 2016

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BINDER DAVID BRADLEY

(Last) (First) (Middle)
C/O BLUE NILE INC, 411 1ST AVE SOUTH SUITE 700

(Street)

SEATTLE, WA 98104

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
BLUE NILE INC [NILE]

3. Date of Earliest Transaction (Month/Day/Year)
03/07/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP, CAO, & CFO

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	03/07/2016		A		1,735 (1) \$ 0	83,850 (2)	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 6)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BINDER DAVID BRADLEY C/O BLUE NILE INC 411 1ST AVE SOUTH SUITE 700 SEATTLE, WA 98104			EVP, CAO, & CFO	

Signatures

/s/ Lauren Neiswender, Power of Attorney 03/09/2016

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
Represents additional restricted stock units (RSUs) issued as dividend equivalents resulting from an adjustment of outstanding unvested RSUs by a factor of 1.0267 in connection with the special cash dividend declared by the Issuer's board of directors on February 9, 2016.
- (1) The unvested RSUs were issued on February 15, 2013, February 15, 2014, February 15, 2015, and February 15, 2016. The adjustment of outstanding unvested RSUs was required pursuant to the terms of the Issuer's equity plans' governing documents. These reported RSUs are subject to the same vesting schedules as the original RSUs to which they relate.
- (2) Includes vested and unvested units of restricted stock.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential 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 number. Ittee responsibilities that will be expected of them. Members of the Board of Directors are expected to rigorously prepare for, attend and participate in all meetings of the Board of Directors and applicable committees. Other than the foregoing, there are no specific minimum criteria for director nominees, although the Nominating and Corporate Governance Committee believes that it is preferable that at least one member of the Board of Directors should meet the criteria for an audit committee financial expert as defined by SEC rules. Under applicable Nasdaq listing requirements, at least a majority of the members of the Board of Directors must meet the definition of independent director set forth in such requirements. The Nominating and Corporate Governance Committee also believes it appropriate for one or more key members of InsWeb's management, including the Chief Executive Officer, to serve on the Board of Directors.

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The Nominating and Corporate Governance Committee will consider candidates for director proposed by directors or management, and will evaluate any such candidates against the criteria and pursuant to the policies and procedures set forth above. If the Nominating and Corporate Governance Committee believes that the Board of Directors requires additional candidates for nomination, the Nominating and Corporate Governance Committee may engage, as appropriate, a third party search firm to assist in identifying qualified candidates. All incumbent directors and nominees will be required to submit a completed directors and officers questionnaire as part of the nominating process. The process may also include interviews and additional background and reference checks for non-incumbent nominees, at the discretion of the Nominating and Corporate Governance Committee.

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The Nominating and Corporate Governance Committee will also consider candidates for director recommended by a stockholder, provided that any such recommendation is sent in writing to General Counsel, InsWeb Corporation, 11290 Pyrites Way, Suite 200, Gold River, CA 95670-4481, at least 120 days prior to the anniversary of the date definitive proxy materials were mailed to stockholders in connection with the prior year's annual meeting of stockholders and contains the following information:

- the candidate's name, age, contact information and present principal occupation or employment; and
- a description of the candidate's qualifications, skills, background and business experience during at least the last five years, including his or her principal occupation and employment and the name and principal business of any company or other organization where the candidate has been employed or has served as a director.

The Nominating and Corporate Governance Committee will evaluate any candidates recommended by stockholders against the same criteria and pursuant to the same policies and procedures applicable to the evaluation of candidates proposed by directors or management.

In addition, stockholders may make direct nominations of directors for election at an annual meeting, provided the advance notice requirements set forth in our Bylaws have been met. Under our Bylaws, written notice of any such nomination, including certain information and representations specified in the Bylaws, must be delivered to our principal executive offices, addressed to the General Counsel, at least 120 days prior to the anniversary of the date definitive proxy materials were mailed to stockholders in connection with the prior year's annual meeting of stockholders, except that if no annual meeting was held in the previous year or the date of the annual meeting has been advanced by more than 30 days from the date contemplated at the time of the previous year's proxy statement, such notice must be received not later than the close of business on the tenth day following the day on which the public announcement of the date of such meeting is first made.

Stockholder Communications with Directors; Director Attendance at Annual Meetings

Stockholders may communicate with any and all members of our Board of Directors by transmitting correspondence by mail or facsimile addressed to one or more directors by name (or to the Chairman, for a communication addressed to the entire Board) at the following address and fax number:

Name of the Director(s)
c/o Corporate Secretary
InsWeb Corporation
11290 Pyrites Way, Suite 200
Gold River, CA 95670
(916-853-3327) (FAX)

Communications from our stockholders received as indicated above will be forwarded to the indicated director or directors unless the communication is primarily commercial in nature or relates to an improper or irrelevant topic.

We do not have a policy regarding directors' attendance at annual meetings. All directors attended the 2005 Annual Meeting.

Committee Charters and Other Corporate Governance Materials

The Board has adopted a Code of Business Conduct and Ethics that applies to all of our employees and officers and members of the Board of Directors. A copy of the Code of Business Conduct and Ethics is available on the Company's website at <http://investor.insweb.com/index.cfm>.

The Board has also adopted a written charter for each of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. Each charter is available on the Company's website at <http://investor.insweb.com/index.cfm>.

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Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires InsWeb's executive officers, directors and persons who beneficially own more than 10% of InsWeb's Common Stock to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are required by SEC regulations to furnish InsWeb with copies of all Section 16(a) forms filed by such persons.

Based on InsWeb's review of reports furnished to InsWeb and representations from certain reporting persons, InsWeb believes that reports of changes in ownership (Form 4) during the year ended December 31, 2005 were timely filed, except for the reporting of the annual grant of options to directors in July 2005 which were reported in August 2005.

EXECUTIVE COMPENSATION AND OTHER MATTERS**Executive Compensation**

The following table sets forth information for the years ended December 31, 2005, 2004 and 2003 concerning the compensation of the Chief Executive Officer and each of the other executive officers of InsWeb that received total salary and bonus compensation in excess of \$100,000 for the year ended December 31, 2005.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation Salary	Bonus(1)	Long term Compensation Awards Securities Underlying Options	All other Compensation(2)
Hussein A. Enan(3) Chairman of the Board and Chief Executive Officer	2005	\$ 250,000	\$	155,000	\$ 6,250
	2004	250,000			6,240
	2003	250,000		6,000	6,250
William D. Griffin Chief Financial Officer	2005	\$ 208,000	\$	25,000	\$ 5,772
	2004	208,000	54,600	25,000	6,240
	2003	205,846		45,000	6,000
L. Eric Loewe Senior Vice President, Secretary and General Counsel	2005	\$ 182,000	\$	25,000	\$ 3,360
	2004	182,000	31,850	15,000	4,600
	2003	180,117		25,000	4,810

(1) Bonuses are based on performance. See Report of the Compensation Committee on Executive Compensation below.

(2) Represents employer contributions to InsWeb's 401(k) plan.

(3) Mr. Enan served as Chairman of the Board throughout the three-year period ended December 31, 2005. He also served as Chief Executive Officer until June 2002 and was reinstated to that position in August 2004.

Stock Options Granted in Fiscal 2005

The following table provides the specified information concerning grants of options to purchase InsWeb's Common Stock made during the year ended December 31, 2005 to the persons named in the Summary Compensation Table.

OPTION GRANTS IN LAST FISCAL YEAR

Name Name	Number of Securities Underlying Options Granted(2)	Individual Grants % of Total Options Granted to		Exercise Price (\$/Sh)(3)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(1)	
		Employees in Fiscal Year				5%	10%
Hussein A. Enan	78,263	18.4		\$ 2.79	2/10/2015	\$ 137,322	\$ 348,000
	71,737	16.8		\$ 2.79	2/10/2015	\$ 125,871	\$ 318,982
	5,000	1.2		\$ 3.25	7/1/2015	\$ 10,220	\$ 25,898
William D. Griffin	20,057	4.7		\$ 2.79	2/10/2015	\$ 35,192	\$ 89,184
	4,943	1.2		\$ 2.79	2/10/2015	\$ 8,673	\$ 21,979
L. Eric Loewe	25,000	5.9		\$ 2.79	2/10/2015	\$ 43,865	\$ 111,164

(1) Potential gains are net of exercise price, but before taxes associated with exercise. These amounts represent hypothetical gains based on certain assumed rates of appreciation in accordance with Securities and Exchange Commission rules. Actual gains, if any, on stock option exercises are dependent on the future performance of InsWeb's Common Stock, overall market conditions and the option holders' continued employment through the vesting period. The amounts reflected in this table may not necessarily be achieved.

(2) Options granted under the 1997 Stock Option Plan generally vest and become exercisable over a three-year period from the date of grant. These options generally vest at the rate of one-third on the first anniversary of the date of grant and 1/36th per month thereafter for each full month of the optionee's continuous employment with InsWeb. On October 19, 2005, the Compensation Committee of the Board of Directors approved the acceleration of vesting of all stock options outstanding as of October 19, 2005 held by employees and the Company's Section 16 officers. Under the 1997 Stock Option Plan, the Board retains discretion to modify the terms, including the prices, of outstanding options. For additional information regarding options, see Report of the Compensation Committee on Executive Compensation.

(3) All options were granted at market value of InsWeb's Common Stock on the date of grant.

Option Exercises and Fiscal 2005 Year-End Values

The following table provides the specified information concerning exercises of options to purchase InsWeb's Common Stock in the fiscal year ended December 31, 2005, and unexercised options held as of December 31, 2005, by the persons named in the Summary Compensation Table above:

AGGREGATE OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END VALUES

Name	Shares Acquired on Exercise	Value Realized	Number of Securities Underlying Unexercised Options at Fiscal Year-End		Value of Unexercised In-the-Money Options at Fiscal Year-End(1)	
			Exercisable(2)	Unexercisable(2)	Exercisable	Unexercisable
Hussein A. Enan		\$	303,667		\$ 78,750	\$
William D. Griffin		\$	151,667		\$ 69,000	\$
L. Eric Loewe		\$	119,614		\$ 44,000	\$

(1) Based on a fair market value of \$3.30, the closing price of InsWeb's Common Stock on December 31, 2005, as reported by The Nasdaq National Market, less the exercise price payable for such shares.

(2) These options generally vest over a three-year period from the date of grant. See Footnote (2) of Option Grants in Last Fiscal Year. The options listed in the Exercisable column had vested as of December 31, 2005.

Equity Compensation Plan Information

InsWeb currently maintains three equity compensation plans that provide for the issuance of InsWeb Common Stock to employees, officers, directors, independent contractors and consultants of InsWeb and its subsidiaries. These consist of the 1997 Stock Option Plan, the Senior Executive Option Plan and the 1999 Employee Stock Purchase Plan, all of which have been approved by the stockholders. The following table sets forth information regarding outstanding options and shares reserved for future issuance under the foregoing plans as of December 31, 2005:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance
Equity compensation plans approved by security holders	1,464,000	\$ 6.98	888,000
Equity compensation plans not approved by security holders			

Compensation Committee Interlocks and Insider Participation

None of our Compensation Committee members is an officer or employee of the Company. None of our executive officers serves as a member of the Board of Directors or compensation committee of any entity that has one or more of its executive officers serving on our Compensation Committee.

Compensation of Directors

For the year ended December 31, 2005, each non-employee director received an annual retainer of \$30,000 payable on a quarterly basis, and fees of \$2,500 for each regularly scheduled Board meeting attended. The chairman of the Audit Committee received an additional fee of \$2,500 for each regularly scheduled Audit Committee meeting attended. In addition, each director was reimbursed for reasonable expenses incurred in attending meetings of the Board.

On April 20, 2006, the Compensation Committee approved and the Board of Directors ratified a change in the compensation for non-employee members of the Board of Directors. Non-employee directors Mr. Corroon, Mr. Orr and Mr. Puccinelli will receive an annual retainer of \$20,000, payable on a semi-annual basis, and each will receive an option grant of 20,000 options, which vest over one-year. Non-employee director Mr. Chookaszian will receive an annual retainer of \$10,000, payable on an annual basis, and an option grant of 30,000 options, which vests over one-year. The chairman of the Audit Committee, Mr. Orr, will receive an additional fee of \$2,500 for each regularly scheduled Audit Committee meeting attended. The annual retainer relates to the twelve-month period from January 1, 2006 through December 31, 2006. In addition, each director will be reimbursed for reasonable expenses incurred in attending meetings of the Board.

In addition, all directors will continue to receive an annual grant of options to purchase 5,000 shares, with the date of grant being on or about July 1 of each year that they serve. These options are fully vested. As with all options, the per-share exercise price of each such option will equal the fair market value of a share of Common Stock on the date of grant.

Employment Contracts and Termination of Employment and Change of Control Arrangements

We have no long-term employment agreements with any of our key personnel. However, the executive officers and certain other key members of management are eligible to participate in the InsWeb Executive Retention and Severance Plan approved by the Board of Directors on June 14, 2004. Participants in the Plan are entitled to receive cash severance payments and health and medical benefits in the event their employment is terminated in connection with a change in control. Participants will also receive the benefits if InsWeb terminates their employment other than for cause or if the participant voluntarily terminates his employment for good reason following certain specified actions by InsWeb. Upon any other termination of employment, the participant will be entitled only to accrued salary and any other vested benefits through the date of termination.

InsWeb's 1997 Stock Option Plan provides that, in the event of a change in control of InsWeb, any outstanding option that is not assumed or substituted by the acquiring corporation will become fully vested. Further, the option agreements applicable to options granted under the 1997 Stock Option Plan provide for full acceleration of vesting if, within 12 months following a change in control, the optionee's employment is terminated without cause or the optionee resigns for good reason, as defined in such option agreements.

Certain Relationships and Related Transactions

Negotiated common stock repurchases

In March 2005, the Board of Directors authorized management to repurchase 755,821 shares of InsWeb common stock, consisting of 531,947 shares held by Nationwide Mutual Insurance Company and 223,874 shares held by Century Capital Partners, L.P. These shares represented 16% of InsWeb's total outstanding common stock at that date and were purchased for \$1,738,000, or \$2.30 per share. Subsequent to the closing of these transactions, Nationwide Mutual and Century Capital held no shares.

Accelerated vesting of employee stock options

On October 19, 2005, the Compensation Committee of the Board of Directors of InsWeb Corporation approved the acceleration of vesting of all stock options outstanding as of October 19, 2005 held by employees and the Company's Section 16 officers (the Acceleration). Options to purchase approximately 496,000 shares of common stock, or 33% of the total outstanding options, with varying remaining vesting schedules, were subject to the Acceleration and became immediately exercisable. All other terms and conditions applicable to such options, including the exercise prices, remain unchanged. As a result of the Acceleration, the Company expects to reduce its exposure to the effects of FAS 123(R), which will require companies to recognize stock-based compensation expense associated with stock options based on the fair value method.

Subsequent Event

On April 20, 2006, the Compensation Committee of the Board of Directors (the Committee) of InsWeb Corporation approved the 2006 compensation plan for the company's three executive officers: the Chief Executive Officer, Chief Financial Officer, and General Counsel and Secretary. The compensation plan is comprised of base compensation, incentive compensation and option grants. In approving the 2006 compensation plan, the Committee reviewed, among other things, compensation for comparable publicly traded companies in the insurance and other financial services sectors.

As recommended by the Committee and approved by the Board of Directors, the 2006 base compensation for each of the executive officers is as follows: the Chief Executive Officer's base compensation is unchanged at \$250,000 per year; the Chief Financial Officer's base compensation is increased to \$230,000 per year; and the General Counsel and Secretary's base compensation is increased to \$200,000 per year. The incentive compensation component applies to key managers of InsWeb Corporation above a certain salary grade, including the Chief Financial Officer and the General Counsel and Secretary, but does not include the Chief Executive Officer. If profitability is achieved, subject to certain adjustments, in the fourth quarter of 2006, the Chief Financial Officer and the General Counsel and Secretary each would receive incentive compensation of \$30,000.

To align the compensation of the executive officers with increased shareholder value, the 2006 compensation plan also provides an option grant of 20,000 to both the Chief Financial Officer and the General Counsel and Secretary; in addition, the approved 2006 compensation plan provides a performance option grant of 50,000 options to the Chief Executive Officer, and a performance option grant of 10,000 options to both the Chief Financial Officer and the General Counsel and Secretary, which will vest only upon achievement of certain specified financial objectives.

**REPORT OF THE COMPENSATION COMMITTEE
ON EXECUTIVE COMPENSATION**

The current members of the Compensation Committee are Mr. Chookaszian, Mr. Orr and Mr. Puccinelli. The Compensation Committee is responsible for setting and administering the policies governing compensation of the executive officers of InsWeb. The Compensation Committee reviews the performance and compensation levels for executive officers, sets salary levels and approves cash and incentive compensation. The Compensation Committee acts pursuant to a written charter that has been adopted by the Board of Directors.

The goals of InsWeb's executive officer compensation policies are to attract, retain and reward executive officers who contribute to InsWeb's success, to align executive officer compensation with InsWeb's performance and to motivate executive officers to achieve InsWeb's business objectives. InsWeb uses salary, bonus compensation and option grants to attain these goals. The Compensation Committee reviews compensation surveys prepared by management of InsWeb and by outside compensation consultants to compare InsWeb's compensation package with that of similarly sized high technology companies in InsWeb's geographic area. In preparing the performance graph set forth in the section entitled "Comparison of Stockholder Return," InsWeb has selected the AMEX Internet Index as its published industry index; however, the companies included in InsWeb's salary surveys are not necessarily those included in this index, because companies in the index may not compete with InsWeb for executive talent, and companies which do compete for executive officers may not be publicly traded.

Base salaries of executive officers are reviewed annually by the Compensation Committee and adjustments are made based on (i) salary recommendations from the Chairman and Chief Executive Officer, (ii) individual performance of executive officers for the previous fiscal year, (iii) financial results of InsWeb for the previous year and (iv) reports to the Compensation Committee from outside compensation consultants concerning competitive salaries, scope of responsibilities of the officer position and levels paid by similarly-sized high technology companies in InsWeb's geographic area.

InsWeb strongly believes that equity ownership by executive officers provides incentives to build stockholder value and aligns the interests of executive officers with those of the stockholders, and therefore makes periodic grants of stock options under the 1997 Stock Option Plan and the Senior Executive Nonstatutory Stock Option Plan. Historically, the size of an option grant to an executive officer has generally been determined with reference to similarly sized high technology companies in InsWeb's geographical area, the responsibilities and expected future contributions of the executive officer, previous grants to that officer, as well as recruitment and retention considerations. To assist InsWeb in retaining and motivating key employees, option grants generally vest over a three-year period from the date of grant. During 2005, the Compensation Committee approved stock option grants to certain of the executive officers consistent with these criteria. See "Option Grants in Last Fiscal Year."

Mr. Enan's compensation as Chief Executive Officer during the 2005 fiscal year was determined by the Compensation Committee using the same general philosophy and criteria used for other executive officers as described above.

COMPENSATION COMMITTEE

Dennis H. Chookaszian (Chair)

Thomas W. Orr

Robert A. Puccinelli

REPORT OF THE AUDIT COMMITTEE

The current members of the Audit Committee are Mr. Orr, Mr. Corroon and Mr. Puccinelli. The Audit Committee acts pursuant to a written charter that has been adopted by the Board of Directors.

The Audit Committee oversees the quality of InsWeb's financial statements and financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal control. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements in the Annual Report with management, including a discussion of the quality, not just the acceptability, of the accounting principles; the reasonableness of significant judgments; and the clarity of disclosures in the financial statements.

The Audit Committee reviewed with the independent registered public accounting firm, Ernst & Young LLP, who are responsible for expressing an opinion on the conformity, in all material respects, of those audited financial statements with United States generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the committee under generally accepted auditing standards (including Statement on Auditing Standards No. 61). In addition, the Audit Committee has discussed with the independent registered public accounting firm the auditors' independence from management and the Company, including the matters in the written disclosures required by the Independence Standards Board (including Independence Standards Board Standard No. 1), and considered the compatibility of non-audit services with the auditors' independence.

The Audit Committee discussed with the Company's independent registered public accounting firm the overall scope and plans for their respective audits. The Audit Committee meets with the independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal control, and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the board has approved) that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2005 filed with the Securities and Exchange Commission.

AUDIT COMMITTEE

Thomas W. Orr (Chair)

James M. Corroon

Robert A. Puccinelli

PRINCIPAL ACCOUNTANT FEES

The following table sets forth the aggregate fees billed to InsWeb for the years ended December 31, 2005 and 2004 by InsWeb's principal accounting firm, Ernst & Young LLP:

	2005	2004
Audit Fees(1)	\$ 556,000	\$ 506,500
Audit-Related Fees(2)	30,000	27,500
Tax Fees(3)	68,752	56,105
	\$ 654,752	\$ 590,105

(1) Audit fees consist of fees billed for services related to the audit of InsWeb's financial statements (including required quarterly reviews) and other procedures required to be performed by the independent registered public accounting firm to be able to form an opinion on the Company's consolidated financial statements.

(2) Audit-related fees consist of fees billed for services related to assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements or that are traditionally performed by the independent registered public accounting firm. Audit-related services in 2005 and 2004 consisted of the audit of the Company's employee benefit plan.

(3) Tax fees consist of fees billed for services related to tax return preparation, tax compliance, tax planning and tax advice.

The Audit Committee considered the role of Ernst & Young LLP in providing non-audit services to InsWeb and has concluded that such services are compatible with Ernst & Young's independence as InsWeb's independent registered public accounting firm.

Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy that requires advance approval of all audit, audit-related, tax services, and other services performed by the independent registered public accounting firm. The policy provides for pre-approval by the Audit Committee of specifically defined audit and non-audit services. Unless the specific service has been pre-approved with respect to that year, the Audit Committee must approve the permitted service before the independent registered public accounting firm is engaged to perform it. The Audit Committee has delegated to the chair of the Audit Committee the authority to approve permitted services, provided that the chair reports any decisions to the Audit Committee at its next scheduled meeting.

COMPARISON OF STOCKHOLDER RETURN

Set forth below is a line graph comparing the annual percentage change in the cumulative total return on InsWeb's Common Stock with the cumulative total returns of the Standard & Poor's 500 Index and the AMEX Internet Index since the date of its Initial Public Offering (July 23, 1999) and ending on December 31, 2005.(1)

**Comparison of Cumulative Total Return from July 23, 1999 through December 31, 2005(1):
InsWeb Corporation, Standard & Poor's 500 Index and AMEX Internet Index**

	7/23/99	12/31/99	12/31/00	12/31/01	12/31/02	12/31/03	12/31/04	12/31/05
InsWeb Corporation	\$ 100.00	\$ 150.35	\$ 5.18	\$ 4.17	\$ 1.59	\$ 4.52	\$ 2.70	\$ 3.24
Standard & Poor's 500 Index	\$ 100.00	\$ 108.00	\$ 97.05	\$ 84.30	\$ 64.84	\$ 81.94	\$ 89.31	\$ 89.12
AMEX Internet Index	\$ 100.00	\$ 194.32	\$ 94.76	\$ 49.46	\$ 28.13	\$ 48.69	\$ 58.88	\$ 59.64

(1) Assumes that \$100.00 was invested on July 23, 1999, at the closing price of InsWeb's initial public offering, in InsWeb's Common Stock and each index. No cash dividends have been declared on InsWeb's Common Stock. Stockholder returns over the indicated period should not be considered indicative of future stockholder returns.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

InsWeb has a classified Board of Directors consisting of one Class I director (Mr. Puccinelli), two Class II directors (Mr. Corroon and Mr. Orr), and two Class III directors (Mr. Enan and Mr. Chookaszian) who will serve until the Annual Meetings of Stockholders to be held in 2006, 2007 and 2008, respectively, and until their respective successors are duly elected and qualified. At each annual meeting of stockholders, directors are elected for a term of three years to succeed those directors whose terms expire at the annual meeting date.

The term of the Class I director will expire on the date of the 2006 annual meeting. Accordingly, one person is to be elected to serve as the Class I director of the Board of Directors at the meeting. Management's nominee for election by the stockholders to the position is the current Class I director, Robert A. Puccinelli. Please see Information About InsWeb-Management above for information concerning the nominee. If elected, the nominee will serve as director until InsWeb's Annual Meeting of Stockholders in 2009 and until his successor is elected and qualified. If the nominee declines to serve or becomes unavailable for any reason, or if a vacancy occurs before the election (although InsWeb knows of no reason to anticipate that this will occur), the proxies may be voted for such substitute nominee as InsWeb may designate.

Vote Required and Board of Directors Recommendation

If a quorum is present, the one nominee for Class I director receiving the highest number of votes will be elected as the Class I director. Abstentions and broker non-votes have no effect on the vote.

The Board of Directors recommends a vote FOR the nominee named above.

PROPOSAL NO. 2

**RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

The Audit Committee of InsWeb's Board of Directors has selected Ernst & Young LLP as InsWeb's independent registered public accounting firm to audit the consolidated financial statements of InsWeb for the fiscal year ending December 31, 2006. Ernst & Young LLP has acted in such capacity since its appointment in fiscal year 2001. A representative of Ernst & Young LLP is expected to be present at the annual meeting, with the opportunity to make a statement if the representative desires to do so, and is expected to be available to respond to appropriate questions.

Vote Required and Board of Directors Recommendation

The affirmative vote of a majority of the votes cast affirmatively or negatively at the annual meeting of stockholders at which a quorum representing a majority of all outstanding shares of Common Stock of InsWeb is present, either in person or by proxy, is required for approval of this proposal. Abstentions and broker non-votes will each be counted as present for purposes of determining the presence of a quorum. Neither abstentions nor broker non-votes will have any effect on the outcome of the proposal.

The Board of Directors recommends a vote FOR ratification of the appointment of Ernst & Young LLP as InsWeb's independent registered public accounting firm for the fiscal year ending December 31, 2006.

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**STOCKHOLDER PROPOSALS TO BE PRESENTED
AT NEXT ANNUAL MEETING**

Under InsWeb's bylaws, in order for stockholder business to be properly brought before a meeting by a stockholder, such stockholder must have given timely notice thereof in writing to the Secretary of InsWeb. To be timely, such notice must be delivered to or mailed and received at InsWeb's principal executive offices, not less than 30 days nor more than 60 days prior to the meeting; provided, however, that in the event that less than 40 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made.

In connection with InsWeb's next annual meeting of stockholders, under the Securities and Exchange Commission Rule 14a-4, management may solicit proxies that confer discretionary authority to vote with respect to any non-management proposal unless InsWeb has received notice of the proposal not later than March 23, 2007.

Proposals of stockholders intended to be included in InsWeb's proxy statement for the next annual meeting of the stockholders of InsWeb must be received by InsWeb at its offices at 11290 Pyrites Way, Suite 200, Gold River, California 95670, no later than January 12, 2007, and satisfy the conditions established by the Securities and Exchange Commission for stockholder proposals to be included in InsWeb's proxy statement for that meeting.

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TRANSACTION OF OTHER BUSINESS

At the date of this Proxy Statement, the Board of Directors knows of no business that will be conducted at the 2006 Annual Meeting of Stockholders of InsWeb other than as described in this Proxy Statement. If any other matter or matters are properly brought before the meeting, or any adjournment or postponement of the meeting, it is the intention of the persons named in the accompanying form of proxy to vote the proxy on such matters in accordance with their best judgment.

By Order of the Board of Directors

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

June 2, 2006

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Please mark

votes as in this example

The Board of Directors recommends a Vote **FOR** the following proposals:

FOR all nominees listed at right

WITHHOLD AUTHORITY to vote (except as marked to the contrary below) for all nominees listed at right.

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- 1. To elect the following one (1) person as the Class I director to hold office for a three-year term and until his respective successor is elected and qualified:

NOMINEES: **ROBERT A. PUCCINELLI**

(INSTRUCTION: TO WITHHOLD AUTHORITY TO VOTE FOR ANY INDIVIDUAL NOMINEE, WRITE THAT NOMINEE S NAME BELOW.)

- | | | | |
|----|--|---------|---------|
| | FOR | ABSTAIN | AGAINST |
| 2. | To consider, approve and ratify the appointment of Ernst & Young LLP as independent auditors for InsWeb for the fiscal year ending December 31, 2006 | | |

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, YOU ARE URGED TO SIGN AND PROMPTLY MAIL THIS PROXY IN THE RETURN ENVELOPE SO THAT YOUR STOCK MAY BE REPRESENTED AT THE MEETING.

MARK HERE FOR ADDRESS CHANGE AND // NOTE AT LEFT

MARK HERE IF YOU PLAN TO ATTEND THE // MEETING

Date: _____, 2006

Signature

Please sign here. If shares of stock are held jointly, both or all of such persons should sign. An authorized person should sign Corporate or partnership proxies in full corporate or partnership name. Persons signing in a fiduciary capacity should indicate their full titles in such capacity.

Explanation of Responses:

