

304.37-575 Prohibited practices.

The following practices are prohibited:

- (1) Borrowing funds from the mutual insurance holding company, or its subsidiaries and affiliates, to finance the purchase of any portion of a stock offering;
- (2) Payment of commissions, "special fees," and any other special payment or extraordinary compensation to officers, directors, interested persons, and affiliates, for arranging, promoting, aiding, or assisting in reorganization to a mutual insurance holding company, or for arranging, promoting, aiding, assisting, or participating in the structuring and placement of a stock offering; and
- (3) Entering into an understanding or agreement transferring legal or beneficial ownership of stock to another person in avoidance of these rules.

Effective: July 15, 1998

History: Created 1998 Ky. Acts ch. 546, sec. 16, effective July 15, 1998.