40-13-15 Exemption from K.S.A. 40-265 of certain transactions in which securities are received by redeeming other securities.

Each acquisition of an equity security (other than a convertible security or right to purchase a security) by a director or officer of the insurer issuing the security shall be exempt from the operation of K.S.A. 40-265, upon condition that:

(a) The equity security is acquired by way of redemption of another security of an insurer substantially all of those assets other than cash (or government bonds) consist of securities of the insurer issuing the equity security so acquired, and which:

(1) Represented substantially a stated or readily ascertainable amount of the equity security;

(2) had a value which was substantially determined by the value of such equity security; and

(3) conferred upon the holder the right to receive the equity security without the payment of a consideration other than the security redeemed.

(b) A security of the same class as the security redeemed was not acquired by the director or officer within six months prior to the redemption or shall be acquired within six months after the redemption;

(c) The insurer issuing the equity security acquired has recognized the applicability of paragraph (a) of this section by appropriate corporate action.

(Authorized by K.S.A. 40-103, 40-271; implementing K.S.A. 40-265; effective Jan. 1, 1967; amended May 1, 1986.)