

Kansas Administrative Regulations
Agency 40. Insurance Department
Article 12. Sale of Stock

40-12-8 Stock insurance companies; sale of stock; permits; organizers and promoters; holding companies; requirements.

(a) When the plan by which a domestic insurance company in the process of organization proposes to offer its stock for sale provides that the insurance company shall be sponsored by a holding company or other legal entity which will subscribe for and purchase sufficient shares to control the operation of the insurance company, the organizers and promoters of the insurance company shall not be subject to K.A.R. 40-12-7.

(b) When the provision of paragraph (a) shall apply, each share of the insurance company purchased by the organizers and promoters and each share purchased by the holding company or other legal entity shall be deposited in escrow pursuant to an escrow agreement approved by the commissioner of insurance.

(c) The escrow agreement shall include a provision that the shares shall not be sold, transferred, assigned, encumbered or alienated in any manner except by operation of law without the prior approval of the commissioner of insurance. The sale restriction shall be effective for a period of time as the commissioner shall deem reasonable, necessary or advisable to protect the interests of the company, its policyholders, and stockholders.

(Authorized by K.S.A. 40-103, 40-205; implementing K.S.A. 40-205; effective Jan. 1, 1966; amended May 1, 1980; amended May 1, 1986.)