

**304.26-040 Profits realized by beneficial owner, director, or officer from purchase -
- Sale of equity securities recoverable by insurer -- Limitation of actions --
Exceptions.**

- (1) For the purpose of preventing the unfair use of information which may have been obtained by such beneficial owner, director, or officer by reason of his or her relationship to such insurer, any profit realized by him or her from any purchase and sale, or any sale and purchase, of any equity security of such insurer within any period of less than six (6) months, unless such security was acquired in good faith in connection with a debt previously contracted, shall inure to and be recoverable by the insurer, irrespective of any intention on the part of such beneficial owner, director, or officer in entering into such transaction or holding the security purchased or of not repurchasing the security sold for a period exceeding six (6) months.
- (2) Suit to recover such profit may be instituted at law or in equity in any court of competent jurisdiction by the insurer, or by the owner of any security of the insurer in the name and in behalf of the insurer if the insurer fails or refuses to bring such suit within sixty (60) days after request or fails diligently to prosecute the same thereafter; but no such suit shall be brought more than two (2) years after the date such profit was realized.
- (3) This section shall not be construed to cover any transaction where such beneficial owner was not such both at the time of the purchase and sale, or the sale and purchase, of the security involved, or any transaction or transactions which the commissioner by rules and regulations may exempt as not comprehended within the purpose of this section.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1369, effective July 15, 2010. -- Created 1970 Ky. Acts ch. 301, subtit. 26, sec. 4, effective June 18, 1970.