

304.6-030 Use of "wash" transactions -- Penalty.

- (1) Any member, officer, director, employee, or attorney in fact of any company, association, or exchange licensed to do an insurance business in this state, who on behalf of such company, association, or exchange, borrows, rents, hires, leases, or otherwise engages the use of stocks, bonds, debentures, notes, investment certificates, securities, or other obligations or evidences of indebtedness owned or issued by any other corporation, company, association, or individual, or of any government, political subdivision, or agency thereof, with intent to injure or defraud any other company, body politic, or corporation, or person, or to deceive the commissioner or other person legally authorized to examine the affairs of any such company, association, or exchange, is guilty of a Class D felony.
- (2) Any individual that aids and abets such insurance company, association, or exchange in borrowing, renting, hiring, leasing, or engaging the use of such stocks, bonds, debentures, notes, investment certificates, securities, or other obligations or evidences of indebtedness, is guilty of a Class D felony.
- (3) If any insurance company, association, or exchange is found in possession of stocks, bonds, debentures, notes, investment certificates, securities, or other obligations or evidences of indebtedness acquired in violation of subsection (1) of this section, or if any of its officers, directors, members, or attorneys in fact have been convicted under subsection (1) of this section, the company, association, or exchange may be subject to suspension of its certificate of authority by the commissioner. Nothing in this section shall be construed to prevent the commissioner from commencing delinquency proceedings under this code.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 996, effective July 15, 2010. -- Amended 1992 Ky. Acts ch. 463, sec. 34, effective July 14, 1992. -- Amended 1982 Ky. Acts ch. 320, sec. 11, effective July 15, 1982. -- Created 1970 Ky. Acts ch. 301, subtit. 6, sec. 3, effective June 18, 1970.