Regulation 25 (Revised)

SALE OF STOCK TO PUBLIC; STOCK OPTIONS

May 28, 1964

1. No new old line legal reserve life insurance company will be registered to sell stock to the public unless at least $1,000,000 is sold.

2. No new industrial life insurance company will be registered to sell stock to the public unless at least $300,000 is sold.

3. At least 100% of the proceeds of the sale of stock must be placed in escrow until either of the above amounts has been sold or until the expiration of one year from the date of original registration.

4. No company will be registered with a par value of less than $1.00 per share.

5. Stock options must comply with "Restricted Stock Options" under the Internal Revenue Code, and such options can not exceed 10% of the total outstanding shares after the sale to the public.

6. All officers, directors, incorporators or promoters of insurance companies must pay at least 85% of the public offering price into the company. No stock may be subscribed for at par by such individuals and then a public offering made at a price considerably in excess of par.

7. No stock of an insurance company, whether original or secondary, can be sold to pay off a personal loan of the holder thereof.

Dudley A. Guglielmo
COMMISSIONER OF INSURANCE

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