

31A-5-301 Securities regulation.

- (1)
 - (a) Except as provided in Subsections (1)(b) and (c), no security issued by a domestic or nondomestic insurance corporation may be sold in this state by or for the corporation or any other person unless it is registered under Section 31A-5-302 and otherwise complies with this chapter. Securities that comply with this chapter are not subject to Title 61, Chapter 1, General Provisions.
 - (b) Securities and transactions exempt under Section 61-1-14 are also exempt under this chapter.
 - (c) Any exemption under Section 61-1-14 may be revoked by the commissioner for a particular insurance corporation by an order after a hearing. The order shall explain the reasons for the revocation.
- (2)
 - (a) No person which is organizing or is acquiring additional funds in this state or elsewhere solely or partly for the purpose of organizing a corporation under this chapter, may register or sell its securities in this state, directly or indirectly, unless it obtains an organization permit under Section 31A-5-204.
 - (b) No security may be registered or sold in this state if the person registering or selling the security, or any person affiliated with the person, represents that an insurer will be organized or purchased in this state with the proceeds of the sale, unless the issuer first obtains an organization permit under Section 31A-5-204.
- (3) If a security is issued or sold in violation of this chapter, the transaction is valid and enforceable by an outsider against the corporation or against an insider, and is valid and enforceable by the corporation against an insider.
- (4) This section does not apply to securities issued prior to July 1, 1986.

Amended by Chapter 204, 1986 General Session