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### **Amending 72-1-43, Colorado Revised Statutes 1963, as Amended, Relating to Pecuniary Interests of Officers, Directors, and Employees of Insurance Companies.**

Colorado General Assembly

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## CHAPTER 180

## INSURANCE

## GENERAL PROVISIONS

(Senate Bill No. 217. By Senator L. Fowler; also Representatives Braden and Koster.)

## A N A C T

AMENDING 72-1-43, COLORADO REVISED STATUTES 1963, AS AMENDED, RELATING TO PECUNIARY INTERESTS OF OFFICERS, DIRECTORS, AND EMPLOYEES OF INSURANCE COMPANIES.

*Be it enacted by the General Assembly of the State of Colorado:*

Section 1. 72-1-43, Colorado Revised Statutes 1963 (1967 Supp.), is amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to read:

72-1-43. Directors—terms—election—conflicts of interest—recovery of profits.—(3) No director, officer, or employee having any authority in the investment or disposition of the funds of a domestic insurance company shall accept, except on behalf of the company, or be the beneficiary of any fee, brokerage, gift, or other emolument because of any investment, loan, deposit, purchase, sale, payment, or exchange made by or for the company; but a director, who is not otherwise an officer or employee of the company, may receive reasonable compensation for necessary services performed for sales or purchases made to or for the company in the ordinary course of its business and in the usual private professional or business capacity of such director.

(4) Any profit or gain received by or on behalf of any person in violation of subsection (3) of this section shall inure to and be recoverable by the company. Suit to recover such profit may be instituted in any court of competent jurisdiction by the company, or by any stockholder of the company in its name and in its behalf, if the company shall fail or refuse to bring such suit within sixty days after request in writing, or shall fail diligently to prosecute the same thereafter; but no such suit shall be brought more than two years after the date such profit was realized.

Section 2. Effective date.—This act shall take effect July 1, 1969.

Section 3. Safety clause.—The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 10, 1969