

(B) THE INVESTMENTS IN ANY SUCH SEGREGATED ASSET ACCOUNT SHALL BE SUBJECT TO THE PROVISIONS OF THIS ARTICLE EXCEPT THAT:

(1) PREFERRED AND COMMON STOCK INVESTMENTS OF AMOUNTS ALLOCATED TO ANY SUCH ACCOUNT SHALL NOT BE INCLUDED IN APPLYING THE 10% LIMITATIONS PROVIDED IN THE FIRST PROVISIO OF SECTION 96, SUBSECTION (6) OF THIS ARTICLE.

(2) UP TO ~~[[50%]]~~ 25% OF THE ASSETS OF ANY SUCH ACCOUNT MAY BE INVESTED IN NON-DIVIDEND PAYING STOCK PROVIDED THAT THE ISSUER OF SUCH STOCK HAS NOT HAD A NET OPERATING LOSS IN MORE THAN TWO OF ITS TWELVE FISCAL QUARTERS IMMEDIATELY PRECEDING THE DATE OF PURCHASE OF THE STOCK, OR HAS NOT HAD A NET OPERATING LOSS IN MORE THAN TWO OF ITS FISCAL QUARTERS FROM THE DATE OF ITS INCORPORATION IF IT HAS NOT BEEN INCORPORATED FOR AT LEAST THREE YEARS PRIOR TO THE DATE OF PURCHASE OF THE STOCK.

~~[[3]]~~ SUCH INVESTMENTS SHALL ALSO COMPLY WITH RULES AND REGULATIONS PROMULGATED BY THE COMMISSIONER ~~[[IN REGARD TO SUCH SEGREGATED ASSET ACCOUNTS]]~~.

(c) No variable life insurance policies and annuity contracts shall be delivered, or issued for delivery, in this State until the form thereof has been filed with and approved by the Commissioner. The Commissioner shall, by regulation, determine the grace, reinstatement and nonforfeiture provisions and other pertinent required policy provisions which shall be appropriate to such variable contracts.

(D) ~~[[AMOUNTS ALLOCATED TO A SEGREGATED ASSET ACCOUNT SHALL BE OWNED BY THE COMPANY, AND THE COMPANY SHALL NOT BE, NOR HOLD ITSELF OUT TO BE, A TRUSTEE WITH RESPECT TO SUCH AMOUNTS.]]~~ IF, AND TO THE EXTENT, SO PROVIDED UNDER THE APPLICABLE CONTRACTS, THAT PORTION OF THE ASSETS OF ANY SUCH SEGREGATED ASSET ACCOUNT EQUAL TO THE RESERVES AND OTHER CONTRACT LIABILITIES WITH RESPECT TO SUCH ACCOUNT SHALL NOT BE CHARGEABLE WITH LIABILITIES ARISING OUT OF ANY OTHER BUSINESS THE COMPANY MAY CONDUCT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1973.

Approved May 24, 1973.