

(I) A TRANSACTION IN WHICH THE BENEFICIAL OWNER WAS NOT A BENEFICIAL OWNER BOTH AT THE TIME OF THE PURCHASE AND SALE, OR THE SALE AND PURCHASE, OF THE SECURITY INVOLVED; OR

(II) A TRANSACTION THAT THE COMMISSIONER EXEMPTS BY REGULATION AS NOT WITHIN THE PURPOSE OF THIS SUBSECTION.

(F) DELIVERY OF SECURITY SOLD.

(1) A BENEFICIAL OWNER, DIRECTOR, OR OFFICER OF A DOMESTIC STOCK INSURER MAY NOT SELL, DIRECTLY OR INDIRECTLY, AN EQUITY SECURITY OF THE DOMESTIC STOCK INSURER IF THE PERSON SELLING THE EQUITY SECURITY OR THE PERSON'S PRINCIPAL DOES NOT OWN THE EQUITY SECURITY SOLD.

(2) A BENEFICIAL OWNER, DIRECTOR, OR OFFICER OF A DOMESTIC STOCK INSURER MAY NOT SELL, DIRECTLY OR INDIRECTLY, AN EQUITY SECURITY OF THE DOMESTIC STOCK INSURER OWNED BY THE PERSON SELLING THE SECURITY OR THE PERSON'S PRINCIPAL IF THE PERSON OR THE PERSON'S PRINCIPAL:

(I) DOES NOT DELIVER THE EQUITY SECURITY AGAINST THE SALE WITHIN 20 DAYS AFTER THE SALE; OR

(II) WITHIN 5 DAYS AFTER THE SALE DOES NOT DEPOSIT THE EQUITY SECURITY IN THE MAIL OR OTHER USUAL CHANNELS OF TRANSPORTATION.

(3) A PERSON IS NOT CONSIDERED TO HAVE VIOLATED THIS SUBSECTION IF THE PERSON PROVES THAT, NOTWITHSTANDING THE EXERCISE OF GOOD FAITH, THE PERSON WAS UNABLE TO MAKE THE DELIVERY OR DEPOSIT WITHIN THE TIME ALLOWED OR PROVES THAT TO DO SO WOULD CAUSE UNDUE INCONVENIENCE OR EXPENSE.

(G) SALES BY DEALERS.

(1) THE FOLLOWING PROVISIONS DO NOT APPLY TO A DEALER ACTING IN THE ORDINARY COURSE OF THE DEALER'S BUSINESS AND INCIDENT TO THE ESTABLISHMENT OR MAINTENANCE BY THAT DEALER OF A PRIMARY OR SECONDARY MARKET, OTHER THAN ON AN EXCHANGE AS DEFINED IN THE SECURITIES EXCHANGE ACT OF 1934, FOR AN EQUITY SECURITY, EXCEPT FOR EQUITY SECURITIES HELD BY THE DEALER IN AN INVESTMENT ACCOUNT:

(I) SUBSECTION (E) OF THIS SECTION, FOR ANY PURCHASE AND SALE, OR SALE AND PURCHASE, OF AN EQUITY SECURITY OF A DOMESTIC STOCK INSURER; AND

(II) SUBSECTION (F) OF THIS SECTION, FOR ANY SALE OF AN EQUITY SECURITY OF A DOMESTIC STOCK INSURER.

(2) BY REGULATION AS THE COMMISSIONER CONSIDERS NECESSARY OR APPROPRIATE IN THE PUBLIC INTEREST, THE COMMISSIONER MAY DEFINE AND REQUIRE TERMS AND CONDITIONS FOR:

(I) SECURITIES HELD IN AN INVESTMENT ACCOUNT; AND