

40-19a11. Disbursement limitations; administrative expenses defined. (a) No corporation subject to the provisions of this act shall during any one year disburse more than five percent (5%) of the aggregate amount of the payments received from subscribers during that year as expenditures for the soliciting of subscribers, except that during the first year after the issuance of a permit, such corporation may so disburse not more than twenty percent (20%) of such amount, during the second year not more than fifteen percent (15%), and during the third year not more than ten percent (10%).

(b) No such corporation shall, during any one year, disburse more than twelve percent (12%) of the aggregate amount of the payments received from subscribers during that year as administrative expenses, except that during the first two years after the issuance of the permit, such corporation may disburse not more than twenty percent (20%) of the payments received from subscribers. The term, "administrative expenses," as used in this section, shall include all expenditures for nonprofessional services and, in general, all expenses not directly connected with the furnishing of the benefits specified in this act, but not including expenses referred to in subsection (a) hereof.

History: L. 1972, ch. 174, § 11; July 1.