

EXECUTIVE ORDER NO. 13

TO: Honorable Bill Armstrong  
Acting Superintendent of Insurance  
Capitol

Amendment to Executive Order #5

WHEREAS, since Executive Order No. 5 was issued the several life insurance companies in Alabama have gradually improved their positions by eliminating common stock, debentures, notes and other like securities from their portfolios; and

WHEREAS, the valued reputation of the insurance industry in Alabama should be protected at all times;

NOW, THEREFORE, BE IT RESOLVED that allowable reserves in common stock be reduced to 5%, but in no event shall the market value of these common stocks exceed 50% of the company's surplus. All such securities must be listed with and traded in by security dealers recognized by the Security and Exchange Commission of the United States and the Securities Commission of Alabama; and

BE IT FURTHER RESOLVED that you are reminded not to admit any notes, debentures, promises to pay or other security as admitted assets by any company except as specifically permitted by statute, and

BE IT ALSO RESOLVED that in the event that a life insurance company in Alabama wishes to retain any common stock in its portfolio, its ownership may not, under any circumstances, exceed 10% of the capital stock of the other corporation.

This Executive Order applies to life insurance companies only and another executive order pertaining to fire and casualty companies will be forthcoming.

DONE this the 21 day of August, 1956.



*James E. Dabney*  
GOVERNOR

ATTEST:

*Mary Texas Hurt*  
Secretary of State