§ 1221. Transactions by officers, directors and certain shareowners in the insurer's shares. (a) Every person who directly or indirectly owns beneficially more than ten percent of any class of shares of a domestic insurer or is a director or officer thereof shall file in the office of the superintendent:

(1) within ten days after he becomes such owner, director or officer a statement, in form prescribed by the superintendent, of the amount of all such shares of which he is the beneficial owner, and

(2) within ten days after the close of each calendar month in which a change in such ownership occurs a statement, in such form as the superintendent may prescribe, indicating his ownership at the close of such calendar month and such changes in his ownership as have occurred during such calendar month.

(b) To prevent unfair use of any information obtained by such beneficial owner, director or officer by reason of his relationship to such insurer, any profit realized by him from any purchase and sale, or any sale and purchase, of the insurer's shares within any period of less than six months, unless the shares were acquired in good faith in connection with a debt previously contracted, shall inure to and be recoverable by the insurer, irrespective of any intention he had in entering into such transaction to hold the shares purchased or not to repurchase the shares sold for a period exceeding six months. A proceeding to recover such profit may be instituted at law or in equity in any court of competent jurisdiction by the insurer or by the owner of any shares of the insurer in the insurer's name and behalf if it fails or refuses to bring such suit within sixty days after request or fails diligently to prosecute it; but no such suit shall be brought more than two years after the date such profit was realized. This subsection shall not apply to any transaction where such beneficial owner was not such at the time of both the purchase and sale, or both the sale and purchase, of the shares involved, or any transaction which the superintendent may by rules and regulations exempt as not comprehended within the purpose of this subsection.

(c) It shall be unlawful for any such beneficial owner, director or officer, directly or indirectly, to sell any shares of such insurer if the person selling the shares or his principal either does not own the shares sold, or, if owning them, does not deliver them against such sale

within twenty days thereafter, or does not within five days after such sale deposit them in the mails or other usual channels of transportation; but no person shall be deemed to have violated this subsection if he proves that notwithstanding the exercise of good faith he was unable to make such delivery or deposit within such time, or that to do so would cause undue inconvenience or expense.