

**304.13-151 Insurer participation in pools, joint underwriting, joint reinsurance pools, and residual market mechanisms.**

- (1) Notwithstanding KRS 304.13-131(2)(a), insurers participating in joint underwriting, joint reinsurance pools, or residual market mechanisms may, in connection with such activity, cooperate with each other in the making of rates, rating systems, policy forms, underwriting rules, surveys, inspections and investigations, the furnishing of loss and expense statistics or other information, or carrying on research. Joint underwriting, joint reinsurance pools, and residual market mechanisms shall not be deemed advisory organizations.
- (2) Except to the extent modified by this section, insurers, joint underwriting, joint reinsurance pool and residual market mechanism activities are subject to the provisions of this chapter.
- (3) Every pool shall file with the commissioner a copy of its constitution, bylaws, rules, and regulations governing its activities, and articles of incorporation, agreement, or association. It shall also file with the commissioner a list of its members and the name and address of a resident of this state on whom notices or orders of the commissioner or process may be served, and any changes in amendments or changes in the foregoing.
- (4) Any residual market mechanism, plan, or agreement to implement a residual market mechanism, and any changes or amendments in the plan shall be submitted in writing to the commissioner for consideration and approval, together with any other information as may be reasonably required. The commissioner shall approve only those agreements that he or she finds contemplates both the use of rates which meet the standards of this chapter and activities and practices, that are not unfair, unreasonable, or otherwise inconsistent with the provisions of this chapter. At any time after any agreements are in effect, the commissioner may review the practices and activities of the adherents to these agreements and if, after a hearing, the commissioner finds that any practice or activity is unfair or unreasonable, or is otherwise inconsistent with the provisions of this chapter, the commissioner may issue a written order to the parties and either require the discontinuance of these acts or revoke approval of any such agreement.
- (5) If the commissioner finds after a hearing that any activity or practice of an insurer participating in joint underwriting or a pool is unfair, is unreasonable, will tend to lessen competition in any market, or is otherwise inconsistent with the provisions or purposes of this chapter, an order may be issued requiring the discontinuance of the activity or practice.
- (6) As a condition of its authority under this chapter to transact casualty insurance (as defined in KRS 304.5-070) in this state, every insurer so authorized shall become and remain a signatory to the "Kentucky automobile insurance plan" as it is presently formulated or as it is hereafter amended with the approval of the commissioner. The "Kentucky automobile insurance plan" shall be deemed to be a mandated "residual market mechanism" as defined in KRS 304.13-011(8).

**Effective:** July 15, 2010

**History:** Amended 2010 Ky. Acts ch. 24, sec. 1130, effective July 15, 2010. --

Amended 2000 Ky. Acts ch. 380, sec. 15, effective July 14, 2000. -- Amended 1986 Ky. Acts ch. 430, sec. 1, effective July 15, 1986. -- Created 1982 Ky. Acts ch. 278, sec. 14, effective July 15, 1982.