

304.24-220 Contingent liability of mutual member.

- (1) Except as otherwise provided in KRS 304.24-260 with respect to nonassessable policies, each member of a domestic mutual insurer shall have a contingent liability, pro rata and not one for another, for the discharge of its obligations, which contingent liability shall be in such maximum amount as is specified in the insurer's articles of incorporation consistent with paragraph (d) of subsection (3) of KRS 304.24-040.
- (2) Every policy issued by the insurer shall contain a statement of the contingent liability.
- (3) Termination of the policy of any such member shall not relieve the member of contingent liability for his proportion of the obligations of the insurer which accrued while the policy was in force as provided in KRS 304.24-230.
- (4) Unrealized contingent liability of members does not constitute an asset of the insurer in any determination of its financial condition.

Effective: June 18, 1970

History: Created 1970 Ky. Acts ch. 301, subtit. 24, sec. 22, effective June 18, 1970.