

304.24-617 Fairness of method or formula in plan of conversion.

In determining whether the method or formula in the plan of conversion is fair and equitable, the commissioner may consider the following factors:

- (1) Voting rights;
- (2) Number of eligible members;
- (3) Length of membership in the converting mutual;
- (4) Premiums paid by members;
- (5) Policy limits;
- (6) Risk of line of insurance;
- (7) Sources of the proportionate contributions to historical surplus, based on such groupings, classification, historical information, assumptions, and projections as are actuarially sound and reasonable;
- (8) For a converting mutual that is a property and casualty company, the net earned premiums each eligible member has paid to the converting mutual, compared to the total net earned premiums paid by all eligible members, in each case during the period of time specified in the plan of conversion; and
- (9) Any other relevant factors the commissioner may deem appropriate.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1357, effective July 15, 2010. -- Created 2000 Ky. Acts ch. 42, sec. 10, effective July 14, 2000.