

304.3-140 Deposit requirement in general.

- (1) The commissioner shall not authorize an insurer to transact insurance in this state, other than an alien insurer or a title insurer, unless it makes and thereafter continuously maintains on deposit in this state, through the commissioner, cash or securities eligible for such deposit under the laws of this state, of a fair market value not less than its minimum required capital stock (if a stock insurer) or minimum required basic surplus (if a mutual, reciprocal, or Lloyd's plan insurer), for the protection of the insurer's policyholders or its policyholders and creditors.
- (2) The commissioner shall not so authorize a title insurer unless it so deposits and maintains such cash or securities of a fair market value not less than its minimum required capital stock as a guaranty fund which shall be held as security for the faithful performance by the insurer of all its undertakings and liabilities under its title policies or other guarantees of title to property.
- (3) The commissioner shall not authorize an alien insurer unless it so makes and thereafter continuously maintains such a deposit, representing funds in excess of all the insurer's liabilities under insurance contracts in force in the United States of a fair market value of not less than that required under subsection (1) of this section, as to a like foreign insurer. The deposit shall be held in trust for the protection of the insurer's policyholders, or its policyholders and creditors, in the United States.
- (4) In lieu of such a deposit made or maintained in this state, the commissioner may, in his or her discretion, accept the certificate in proper form of the public officer having general supervision of insurers in any other state to the effect that a deposit of like quality and amount, or part thereof, by such insurer is being maintained for like purposes in public custody or control pursuant to the laws of such state.
- (5) All such deposits in this state are subject to the applicable provisions of Subtitle 8.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 965, effective July 15, 2010. -- Created 1970 Ky. Acts ch. 301, subtit. 3, sec. 14, effective June 18, 1970.