

304.37-020 Registration of insurers.

- (1) Every insurer which is authorized to do business in this state and which is a member of an insurance holding company system shall register with the commissioner, except a foreign or alien insurer subject to disclosure requirements and standards adopted by statute or regulation in the jurisdiction of its domicile which are substantially similar to those contained in this section. For an alien insurer, the domiciliary state shall be deemed to be its state of entry. Any insurer which is subject to registration under this section shall register within sixty (60) days after June 16, 1972, or fifteen (15) days after it becomes subject to registration, whichever is later, and annually thereafter by April 1 of each year for the previous calendar year, unless the commissioner for good cause shown extends the time for registration, and then within the extended time. The commissioner may require any authorized insurer which is a member of a holding company system which is not subject to registration under this section to furnish a copy of the registration statement or other information filed by the insurer with the insurance regulatory authority of its domiciliary jurisdiction.
- (2) Every insurer subject to registration shall file a registration statement on a form provided by the commissioner, which shall contain current information about:
 - (a) The capital structure, general financial condition, ownership, and management of the insurer and any person controlling the insurer;
 - (b) The identity of every member of the insurance holding company system;
 - (c) The following agreements in force, relationships subsisting, and transactions currently outstanding between such insurer and its affiliates:
 1. Loans to, other investments in, or purchases, sales, or exchanges of securities of the affiliates by the insurer or of the insurer by its affiliates;
 2. Purchases, sales, or exchanges of assets;
 3. Transactions not in the ordinary course of business;
 4. Guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the insurer's assets to liability, other than insurance contracts entered in the ordinary course of the insurer's business;
 5. All management and service contracts and all cost-sharing arrangements;
 6. All reinsurance agreements;
 7. Dividend and other distributions to shareholders; and
 8. Consolidated tax allocation agreements;
 - (d) Any pledge of the insurer's stock, including stock of any subsidiary or controlling affiliate for a loan made to any member of the insurance holding company system;
 - (e) If requested by the commissioner, financial statements of, or within, an insurance holding company system, including all affiliates. Financial statements may include but are not limited to annual audited financial

statements filed with the United States Securities and Exchange Commission, pursuant to the Securities Act of 1933, as amended, or the Securities Exchange Act of 1932, as amended. An insurer required to file financial statements pursuant to this paragraph may satisfy the request by providing the commissioner with the most recently filed parent corporation financial statements that have been filed with the United States Securities and Exchange Commission;

- (f) Other matters concerning transactions between registered insurers and any affiliates as may be included from time to time in any registration forms adopted or approved by the commissioner;
 - (g) Statements that the insurer's board of directors oversees corporate governance and internal controls and that the insurer's officers or senior management have approved, implemented, and continue to maintain and monitor corporate governance and internal control procedures; and
 - (h) Any other information required by the commissioner through administrative regulations.
- (3) It shall not be necessary to disclose information on the registration statement filed pursuant to subsection (2) of this section if the information is not material for the purposes of this section. Unless the commissioner by administrative regulation or order provides otherwise, sales, purchases, exchanges, loans, or extensions of credit, or investments, involving one-half of one percent (0.5%) or less of an insurer's admitted assets as of the thirty-first day of December next preceding shall not be deemed material for purposes of this section.
 - (4) Each registered insurer shall keep current the information required to be disclosed in its registration statement by reporting all material changes or additions on amendment forms provided by the commissioner within thirty (30) days after the end of the month in which it learns of each change or addition.
 - (5) All registration statements shall contain a summary outlining all items in the current registration statement representing changes from the prior registration statement.
 - (6) Subject to KRS 304.37-030(5), each registered insurer shall report to the commissioner all dividends and other distributions to shareholders within fifteen (15) business days following the dividend or distribution declaration.
 - (7) Any person within an insurance holding company system subject to registration shall be required to provide complete and accurate information to an insurer, if the information is reasonably necessary to enable the insurer to comply with the provisions of this subtitle.
 - (8) The commissioner shall terminate the registration of any insurer which demonstrates that it no longer is a member of an insurance holding company system.
 - (9) The commissioner may require or allow two (2) or more affiliated insurers subject to registration to file a consolidated registration statement or consolidated reports amending their consolidated registration statement or their individual registration statements.

- (10) The commissioner may allow an insurer which is authorized to do business in this state and which is part of an insurance holding company system to register on behalf of any affiliated insurer which is required to register under subsection (1) and to file all information and material required to be filed under this section.
- (11) The provisions of this section shall not apply to any insurer, information, or transaction if and to the extent that the commissioner by administrative regulation or order shall exempt it from the provisions of this section.
- (12) Any person may file with the commissioner a disclaimer of affiliation with any authorized insurer or a disclaimer may be filed by the insurer or any member of an insurance holding company system. The disclaimer shall fully disclose all material relationships and bases for affiliation between the persons and the insurer as well as the basis for disclaiming the affiliation. A disclaimer of affiliation shall be deemed to have been granted unless the commissioner, within thirty (30) days following receipt of a complete disclaimer, notifies the filing party the disclaimer is disallowed. In the event of disallowance, the disclaiming party may request an administrative hearing, which shall be granted. The disclaiming party shall be relieved of its duty to register under this section if approval of the disclaimer has been granted by the commissioner, or if the disclaimer is deemed to have been approved.
- (13) On and after July 15, 2014, the ultimate controlling person of every insurer subject to registration shall also file an annual enterprise risk report. The report shall, to the best of the ultimate controlling person's knowledge and belief, identify the material risks within the insurance holding company system that could pose enterprise risk to the insurer. The report shall be filed with the lead state commissioner of the insurance holding company system as determined by the procedures within the Financial Analysis Handbook adopted by the National Association of Insurance Commissioners.
- (14) The failure to file a registration statement or any amendment thereto, a summary of the registration statement, or an enterprise risk filing required by this section within the time specified for the filing shall be a violation of this subtitle.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 74, sec. 14, effective July 12, 2012. -- Amended 2010 Ky. Acts ch. 24, sec. 1473, effective July 15, 2010. -- Amended 1996 Ky. Acts ch. 326, sec. 4, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 92, sec. 5, effective July 15, 1994; and ch. 93, sec. 17, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 267, sec. 4, effective July 14, 1992. -- Created 1972 Ky. Acts ch. 52, sec. 2, effective June 16, 1972.