

304.9-375 Fiduciary accounts.

All charges or premiums collected by an administrator on behalf of or for an insurer and return premiums or charges received from such insurer shall be held by the administrator in a fiduciary capacity. Such funds shall be immediately remitted to the person or persons entitled thereto, or shall be deposited promptly in a fiduciary bank account established and maintained by the administrator. If charges or premiums so deposited have been collected on behalf of or for more than one (1) insurer, the administrator shall cause the bank in which such fiduciary account is maintained to keep records clearly recording the deposits and withdrawals from such account on behalf of or for each insurer. The administrator shall promptly obtain and keep copies of all such records and, upon request of an insurer, shall furnish such insurer with copies of such records pertaining to deposits and withdrawals on behalf of or for such insurer. The administrator shall not pay any claim by withdrawals from such fiduciary account. Withdrawals from such fiduciary account shall be made, as provided in the written agreement between the administrator and the insurer, for:

- (1) Remittance to an insurer entitled thereto;
- (2) Deposit in an account maintained in the name of such insurer;
- (3) Transfer to and deposit in a claims paying account with claims to be paid as provided in KRS 304.9-376;
- (4) Payment to a group policyholder for remittance to the insurer entitled thereto;
- (5) Payment to the administrator of its commission, fees, or charges; or
- (6) Remittance of return premium or charges to any person entitled thereto.

Effective: July 15, 1986

History: Created 1986 Ky. Acts ch. 162, sec. 8, effective July 15, 1986.