304.24-120 Formation of mutual -- Applications for insurance.

(1) Upon receipt of the commissioner's approval of the bond or deposit as provided in KRS 304.24-110, the directors and officers of the proposed domestic mutual insurer may commence solicitation of such requisite applications for insurance policies as they may accept, and may receive deposits of premiums thereon.

(2) All such applications shall be in writing signed by the applicant, covering subjects of insurance resident, located or to be performed in this state.

(3) All such applications shall provide that:

  (a) Issuance of the policy is contingent upon the insurer qualifying for and receiving a certificate of authority;

  (b) No insurance is in effect unless and until the certificate of authority has been issued; and

  (c) The prepaid premium or deposit, and membership or policy fee, if any, shall be refunded in full to the applicant if organization is not completed and the certificate of authority is not issued and received by the insurer before a specified reasonable date, which date shall be not later than one (1) year after the date of the certificate of incorporation.

(4) All qualifying premiums collected shall be in cash.

(5) Solicitation for such qualifying applicants for insurance shall be by licensed agents of the corporation, and the commissioner shall, upon the corporation's application therefor, issue temporary agent's licenses expiring on the date specified pursuant to paragraph (c) of subsection (3) of this section to individuals qualified as for a resident's license except as to the taking or passing of an examination. The commissioner may suspend or revoke any such license for any of the causes and pursuant to the same procedures as are applicable to suspension or revocation of licenses of agent's in general under Subtitle 9.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1328, effective July 15, 2010. -- Created 1970 Ky. Acts ch. 301, subtit. 24, sec. 12, effective June 18, 1970.