

304.24-609 Findings requiring commissioner's approval of plan -- Hiring of experts -- Deposits in anticipation of expenses -- Commissioner may consider effect of insurer's past actions.

- (1) The commissioner shall approve the plan of conversion if the commissioner finds, following the hearing, that the plan of conversion:
 - (a) Complies with the provisions of this chapter and all other applicable laws;
 - (b) Is fair and equitable to the eligible members and the other policyholders of the converting mutual;
 - (c) Is actuarially reasonable and appropriate;
 - (d) Will not jeopardize the financial stability of the former mutual or prejudice the interest of its policyholders; and
 - (e) Provides that the former mutual shall be able to satisfy the requirements for issuance of a certificate of authority to write the kinds of insurance for which the converting mutual is presently authorized.
- (2) The commissioner shall, at the converting mutual's expense, hire accountants, actuaries, attorneys, financial advisors, investment bankers, and other experts as may be necessary to assist the commissioner in reviewing all matters under KRS 304.24-600 to 304.24-625 that are related to the plan of conversion and the application. The commissioner may at any time require the converting mutual to deposit an amount of money with the department in anticipation of expenses to be incurred by the commissioner under this subsection.
- (3) The commissioner may consider the effect of any action taken by the converting insurer within a three (3) year period immediately prior to the filing of the plan of conversion if the action taken by the insurer has a material effect on the fairness and equity of the plan of conversion.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1354, effective July 15, 2010. --
Created 2000 Ky. Acts ch. 42, sec. 6, effective July 14, 2000.