

304.48-150 Membership -- Liability on termination of membership, insolvency, or bankruptcy.

- (1) An employer joining a liability self-insurance group after the group has been issued a certificate of filing shall submit an application for membership to the board of trustees or its administrator and enter into the indemnity agreement. Membership shall take effect no earlier than each member's date of application. The application for membership and its approval shall be maintained as permanent records of the board of trustees.
- (2) Individual members of a liability self-insurance group shall be subject to cancellation by the group pursuant to the bylaws of the group. In addition, individual group members may elect to terminate their participation in the group.
- (3) A liability self-insurance group shall pay all professional and public liabilities which are covered under the terms, conditions, and exclusions of the group's evidence of coverage for which each member incurs liability during its period of membership. A member who elects to terminate its membership or is canceled by a group remains liable for professional or public liability obligations which were incurred during the canceled or terminated group members' period of membership. A group member is not relieved of its professional or public liabilities incurred during its period of membership except through payment by the group or the member of liabilities.
- (4) The insolvency or bankruptcy of a group member does not relieve the liability self-insurance group or any group member of liability for the payment of professional or public liabilities which are covered under the terms, conditions, and exclusions of the group's evidence of coverage and incurred during the insolvent or bankrupt group member's period of membership.

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History: Created 1994 Ky. Acts ch. 358, sec. 15, effective July 15, 1994.