

304.24-100 Formation of mutual -- Initial qualifications.

- (1) When newly organized, a domestic mutual insurer may be authorized to transact any one of the kinds of insurance listed in the schedule contained in subsection (2) of this section.
- (2) When applying for an original certificate of authority, the insurer must be otherwise qualified therefor under this code, and must have received and accepted bona fide applications as to substantial insurable subjects for insurance coverage of a substantial character of the kind of insurance proposed to be transacted, must have collected in cash the full premium therefor at a rate not less than that usually charged by other insurers for comparable coverages, and must have surplus funds on hand and deposited as of the date such insurance coverages are to become effective, all in accordance with that part of the following schedule which applies to the kind of insurance the insurer proposes to transact:

(a)	(b)	(c)	(d)	(e)
Kind of Insurance	Min. No. of Apps. Accepted	Min. No. Subjects Covered	Minimum Premium Collected	Min. Amt. Ins. ea. Subject
Life (i)	500	500	Annual	\$1,000
Disability (ii)	500	500	Quarterly	\$ 15
Life & Health	500	500	Quarterly	(weekly indem.)
Property (iii)	100	250	Annual	\$1,000
Casualty (iv) excluding surety and workers' compensation	250	500	Annual	\$1,000
Casualty with workers' compensation	250	1,500	Quarterly	\$1,000
(a)	(f)	(g)		
Kind of Insurance	Max.Amt. Ins. ea. Subject	Deposit of Min. Sur-plus Funds		
	(v)	(vi)		
Life (i)	\$ 2,500	\$ 500,000		
Disability (ii)	\$ 30	\$ 500,000		
Life & Health	(weekly indem.)	\$ 500,000		
Property (iii)	\$ 3,000	\$ 500,000		
Casualty (iv) excluding surety and workers' compensation	\$10,000	\$1,000,000		
Casualty with	\$10,000	\$1,500,000		

workers'
compensation

Expendable Surplus: In addition to surplus deposited and thereafter to be maintained as shown in column (g) above, the insurer when first authorized must have on hand surplus funds, which it can thereafter expend in the conduct of its business, in amount not less than \$500,000 or 50 percent of the deposited surplus required of it under the above schedule, whichever is the larger amount.

- (3) The following provisions are respectively applicable to the foregoing schedule and provisions as indicated by like Roman numerals appearing in such schedule:
- (i) No group insurance or term policies for terms of less than ten (10) years shall be included.
 - (ii) No group, blanket or family plans of insurance shall be included. In lieu of weekly indemnity a like premium value in medical, surgical, and hospital benefits may be provided. Any accidental death or dismemberment benefit provided shall not exceed \$2,500.
 - (iii) Only insurance of the owner's interest in real property may be included.
 - (iv) Must include insurance of legal liability for bodily injury and property damage, to which the maximum and minimum insured amounts apply.
 - (v) The maximums provided for in this column (f) are net of applicable reinsurance.
 - (vi) The deposit of surplus in the amount specified in column (g) must thereafter be maintained unimpaired. The deposit is subject to the provisions of Subtitle 8.

Effective: July 5, 1982

History: Amended 1982 Ky. Acts ch. 128, sec. 3, effective July 15, 1982. -- Created 1970 Ky. Acts ch. 301, subtit. 24, sec. 10, effective June 18, 1970.