

304.27-280 Impaired reciprocals.

- (1) If the assets of a domestic reciprocal insurer are at any time insufficient to discharge its liabilities, other than any liability on account of funds contributed by the attorney or others, and to maintain the required surplus, its attorney shall forthwith make up the deficiency or levy an assessment upon the subscribers for the amount needed to make up the deficiency; but subject to the limitation set forth in the power of attorney or policy.
- (2) If the attorney fails to make up such deficiency or to make the assessment within thirty (30) days after the commissioner orders him or her to do so, or if the deficiency is not fully made up within sixty (60) days after the date the assessment was made, the insurer shall be deemed insolvent and shall be proceeded against as authorized by this code.
- (3) If liquidation of such an insurer is ordered, an assessment shall be levied upon the subscribers for such an amount, subject to limits as provided by this subtitle, as the commissioner determines to be necessary to discharge all liabilities of the insurer, exclusive of any funds contributed by the attorney or other persons, but including the reasonable cost of the liquidation.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1387, effective July 15, 2010. -- Created 1970 Ky. Acts ch. 301, subtit. 27, sec. 28, effective June 18, 1970.