

304.6-050 Unearned premium reserve.

- (1) As to property, casualty, surety and mortgage guaranty insurance the insurer shall maintain an unearned premium reserve on all policies in force.
- (2) Except as provided in KRS 304.6-060 as to marine and transportation risks and in subsection (3) of this section the unearned premium reserve shall be computed, after deduction of applicable reinsurance in solvent insurers, at the insurer's election either:
 - (a) On a daily pro rata method basis on each item of premium; or
 - (b) On a monthly pro rata basis as to all such reserves.
- (3) As to mortgage guaranty insurers, premiums on risks written for one (1) year or less must be reserved on a monthly pro rata basis.
- (4) After adopting a method for computing such reserve, an insurer shall not change methods without the approval of the insurance supervisory official of the insurer's domicile.

Effective: July 13, 2004

History: Amended 2004 Ky. Acts ch. 24, sec. 14, effective July 13, 2004. -- Created 1970 Ky. Acts ch. 301, subtit. 6, sec. 5, effective June 18, 1970.