

CHAPTER 101**(SB 106)**

AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.6-020 is amended to read as follows:

The following expressly shall not be allowed as assets in any determination of the financial condition of an insurer:

- (1) Good will, trade names and other like intangible assets, ***except as expressly permitted and as prescribed by the National Association of Insurance Commissioners' accounting practices and procedures.***
- (2) Advances to officers or directors (other than policy loans) whether secured or not, and advances to employees, agents and other persons on personal security only.
- (3) Stock of such insurer, owned by it, or loans secured thereby. Any such stock owned by such insurer shall be held as treasury stock and be deducted from the total issue of outstanding shares.
- (4) Furniture, fixtures, furnishings, safes, vehicles, libraries, stationery, literature and supplies (other than equipment authorized under subsection (1) of KRS 304.6-010), except in the case of title insurers such materials and plants as the insurer is expressly authorized to invest in under paragraph (k) of subsection (1) of KRS 304.6-010 and except, in the case of an insurer, such personal property as the insurer is permitted to hold pursuant to Subtitle 7 or which is reasonably necessary for the maintenance and operation of real estate lawfully acquired and held by the insurer, other than real estate used by it for home office, branch office and similar purposes.
- (5) The amount, if any, by which the aggregate book value of investments as carried in the ledger assets of the insurer exceeds the aggregate value thereof as determined under this code.

Approved March 15, 2001