

CHAPTER 32

(HB 164)

AN ACT relating to the Kentucky FAIR plan reinsurance association.

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

Section 1. KRS 304.35-040 is amended to read as follows:

- (1) The Reinsurance Association shall be governed by a committee consisting of seven (7) persons to be appointed by the commissioner of insurance. ***The commissioner shall appoint***~~[within five (5) days from July 15, 1980. The governing committee shall be composed of]~~ two (2) persons representing insurers chartered under the laws of the Commonwealth of Kentucky, one (1) person representing an insurer that is neither chartered under the laws of the Commonwealth of Kentucky nor affiliated with one (1) of the national insurance trade associations, one (1) person representing an insurer from each of the following three (3) associations: American Insurance Association, ***National Association of Mutual Insurance Companies, the Property Casualty Insurers Association of America***~~[Alliance of American Insurers, National Association of Independent Insurers]~~, and one (1) licensed insurance agent.
- (2) ***The "FAIR" plan shall maintain a formulated plan and articles consistent with this subtitle.*** ~~[Within thirty (30) days following July 15, 1980, The governing committee of the association shall submit to the commissioner of insurance, for his review, a proposed "FAIR" plan and articles of association consistent with the provisions of this subtitle.~~
- ~~(3) The "FAIR" plan and articles of association shall be subject to approval by the commissioner of insurance and shall take effect five (5) days after having been approved by him. If the commissioner disapproves all or any part of the proposed plan and articles, the governing committee of the association shall within fifteen (15) days submit for review an appropriately revised plan and articles; and, if the governing committee fails to do so, the commissioner shall thereafter promulgate such plan and articles consistent with the provisions of this subtitle.~~
- ~~(4) [The governing committee of the association may, on its own initiative or shall at the request of the commissioner, amend the plan and articles, subject to approval by the commissioner.~~
- ~~(3)[(5)]~~ The governing committee of the association shall, on or before April 1 of each year, file with the commissioner, on such forms as the commissioner requires, an accounting of the plan's operations during the preceding calendar year together with its financial condition, and its underwriting experience as to each separate account maintained therein, as of the end of such year. The commissioner may require interim accountings on a quarterly basis or examine the affairs of the association when, in his opinion, such action is necessary to determine the continued solvency of the Reinsurance Association.
- ~~(4)[(6)]~~ If at any time the commissioner determines that the Reinsurance Association is or may become unable to meet its financial obligations during the current year, the commissioner shall order the governing committee to levy appropriate assessments within the limitations of KRS 304.35-030(1) against all members.

Approved March 8, 2005.