

304.24-430 Voluntary dissolution.

- (1) A solvent domestic stock or mutual insurer, which then is not the subject of a delinquency proceeding under Subtitle 33 of this chapter, may voluntarily dissolve under a plan therefor in writing authorized by its board of directors, approved or adopted by stockholders or members as hereinafter provided, and filed with and approved by the commissioner. The plan shall provide for the disposition, by bulk reinsurance or other lawful procedure, of all insurance in force in the insurer, for full discharge of all obligations of the insurer, and designate or provide for trustees to conduct and administer the settlement of the insurer's affairs.
- (2) The commissioner shall approve the plan unless found by him or her to be unlawful or unfair or inequitable or prejudicial to the interests of stockholders, policyholders, or creditors.
- (3) If a mutual insurer, the plan must have been approved by vote of not less than two-thirds (2/3) of the policyholders voting thereon at a special meeting of such policyholders called and held for the purpose pursuant to such reasonable notice and information as the commissioner may have approved.
- (4) If a stock insurer, the plan must have been adopted by vote of not less than two-thirds (2/3) of all outstanding voting securities of the insurer at a special meeting of such security holders called and held for the purpose.
- (5) Following approval of the dissolution and plan therefor by members or adoption thereof by stockholders as above provided, and approval by the commissioner, the trustees designated or provided for in the plan shall proceed to execute the plan. When all liabilities of the corporation have been discharged or otherwise adequately provided for, and all assets of the corporation have been liquidated and distributed in accordance with the plan, the trustees shall so certify in quadruplicate under oath in writing. The trustees shall deliver the original and the three (3) copies of such certificate to the commissioner. The commissioner shall make such examination of the affairs of the corporation, and of the liquidation and distribution of its assets and discharge of or provision for its liabilities as the commissioner deems advisable. If upon such examination the commissioner finds that the facts set forth in the certificate of the trustees are true, the commissioner shall inscribe his or her approval on the certificate, file the original thereof so inscribed in the office of the Secretary of State, file copy thereof in the department, and return the remaining two (2) copies to the trustees. The trustees shall file one (1) of such copies for recording in the office of the county clerk of the county in which the corporation's principal place of business is located, and retain the fourth copy for the corporate files.
- (6) Upon filing the certificate of the trustees with the Secretary of State as provided in subsection (5) of this section, the Secretary of State shall issue to the trustees his or her certificate of dissolution, and the corporate existence of the corporation shall thereupon forever terminate. The Secretary of State shall charge and collect a fee of twenty-five dollars (\$25) for the filing of the trustee's certificate, and shall deposit the same with the State Treasurer for credit to the general fund.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1347, effective July 15, 2010. --

Amended 1978 Ky. Acts ch. 384, sec. 468, effective June 17, 1978. -- Created 1970
Ky. Acts ch. 301, subtit. 24, sec. 43, effective June 18, 1970.