

304.33-120 Court's seizure order.

- (1) Issuance. Upon the filing by the commissioner in any Circuit Court in this state of a verified petition alleging any ground that would justify a court order for a formal delinquency proceeding against an insurer under this subtitle and that the interests of policyholders or creditors will be endangered by delay, and setting out the order deemed necessary by the commissioner, the court may issue forthwith, ex parte and without a hearing, the requested order which may (a) direct the commissioner to take possession and control of all or a part of the property, books, accounts, documents, and other records of an insurer and of the premises occupied by it for the transaction of its business, and (b) until further order of the court, enjoin the insurer and its officers, managers, agents, and employees from disposition of its property and from transaction of its business except with the written consent of the commissioner.
- (2) Duration. The court shall specify in the order what its duration shall be, which shall be such time as the court deems necessary for the commissioner to ascertain the condition of the insurer. On motion of either party or on its own motion, the court may hold such hearings as it deems desirable after such notice as it deems appropriate, and may extend, shorten or modify the terms of the seizure order. The court shall vacate the seizure order if the commissioner fails to commence a formal proceeding under this subtitle after having had a reasonable opportunity to do so. The issuance of an order of the court pursuant to a formal proceeding under this subtitle vacates the seizure order.
- (3) Anticipatory breach. Entry of a seizure order under this section shall not constitute an anticipatory breach of any contract of the insurer.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1437, effective July 15, 2010. -- Created 1970 Ky. Acts ch. 301, subtit. 33, sec. 12, effective June 18, 1970.