

304.33-200 Liquidation orders.

- (1) Order to liquidate. An order to liquidate the business of a domestic insurer shall appoint the commissioner and his or her successors in office liquidator and shall direct the liquidator forthwith to take possession of the assets of the insurer and to administer them under the orders of the court. The liquidator shall be vested by operation of law with the title to all of the property, contracts, and rights of action and all of the books and records of the insurer ordered liquidated, wherever located, as of the date of the filing of the petition for liquidation. He or she may recover and reduce the same to possession except that ancillary receivers in reciprocal states shall have, as to assets located in their respective states, the rights and powers which are prescribed in subsection (3) of KRS 304.33-540 for ancillary receivers appointed in this state as to assets located in this state. The filing or recording of the order with any county clerk in this state shall impart the same notice as a deed, bill of sale, or other evidence of title duly filed or recorded with that county clerk.
- (2) Fixing of rights.
 - (a) Upon issuance of the order, the rights and liabilities of any such insurer and of its creditors, policyholders, shareholders, members, and all other persons interested in its estate are fixed as of the date of filing of the petition for liquidation, except as provided in KRS 304.33-210 and 304.33-380.
 - (b) Entry of an order of liquidation shall not constitute an anticipatory breach of any contracts of the insurer, and it shall not be grounds for rescission, revocation, or cancellation of any contracts of the insurer in force as of the date of liquidation, except as provided in KRS 304.33-210.
- (3) Alien insurer. An order to liquidate the business of an alien insurer domiciled in this state shall be in the same terms and have the same legal effect as an order to liquidate a domestic insurer, except that the assets and the business in the United States shall be the only assets and business included under the order.
- (4) Declaration of insolvency. At the time of petitioning for an order of liquidation, or at any time thereafter, the commissioner may petition the court to declare the insurer insolvent, and after such notice and hearing as it deems proper, the court may make the declaration.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1443, effective July 15, 2010. -- Amended 1990 Ky. Acts ch. 422, sec. 14, effective July 13, 1990. -- Amended 1978 Ky. Acts ch. 384 Ky. Acts ch. 470, effective June 17, 1978. -- Created 1970 Ky. Acts ch. 301, subtit. 33, sec. 20, effective June 18, 1970.