

342.350 Mutual insurance associations and reciprocal or interinsurance exchanges for compensation claims -- Reinsurance -- Self-insured groups -- Power to contract, sue, and be sued. (Effective until July 15, 2027)

- (1) In order to comply with KRS 342.340, groups of employers may form, either among themselves or with employers in other states, mutual insurance associations, or reciprocal or interinsurance exchanges subject to the insurance laws of this state and any reasonable conditions and restrictions not inconsistent therewith fixed by the commissioner. Membership in these mutual insurance associations or reciprocal or interinsurance exchanges so approved, together with evidence of the payment of premiums due, shall be evidence of compliance with KRS 342.340.
- (2) The commissioner may, except as provided in subsection (3), require any mutual insurance association or reciprocal or interinsurance exchange to purchase an annuity or to effect reinsurance with a company authorized to transact insurance in this state or to make a deposit with a bank or trust company of this state that shall in either case be approved by the commissioner for the purpose of fully securing the payment of all deferred installments upon any claim for compensation.
- (3) Any mutual insurance association or reciprocal or interinsurance exchange possessing a surplus of at least one hundred thousand dollars (\$100,000) and not less in amount than the capital required of a domestic stock insurance company transacting the same kind of insurance shall not be required to purchase an annuity or effect reinsurance with a company authorized to transact insurance in this state or to make a deposit with a bank or trust company of this state for the purpose of fully securing the payment of all deferred installments upon any claim for compensation.
- (4) In addition, under the provisions of KRS 304.50-010 and administrative regulations promulgated by the commissioner of the Department of Insurance, twenty (20) or more employers with common interests or membership in a bona fide trade association or two (2) or more city, county, charter county, urban-county, or consolidated local government employers or their agencies may enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as self-insured groups. Any heterogeneous self-insured group so authorized may contract and may sue and be sued in the name adopted by the group.

Effective: June 25, 2013

History: Amended 2013 Ky. Acts ch. 75, sec. 3, effective June 25, 2013. -- Amended 2010 Ky. Acts ch. 24, sec. 1824, effective July 15, 2010. -- Amended 2005 Ky. Acts ch. 7, sec. 45, effective March 1, 2005. -- Amended 1994 Ky. Acts ch. 181, Part 15, sec. 84, effective April 4, 1994. -- Amended 1990 Ky. Acts ch. 35, sec. 1, effective July 13, 1990; and ch. 490, sec. 5, effective July 13, 1990. -- Amended 1982 Ky. Acts ch. 447, sec. 11, effective January 1, 1984. -- Amended 1980 Ky. Acts ch. 104, sec. 11, effective July 15, 1980. -- Amended 1976 (1st Extra. Sess.) Ky. Acts ch. 26, sec. 4, effective January 1, 1977. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4948.