

304.44-050 Reinsurance agreement. (Effective January 1, 2025)

- (1) All insurers writing property insurance covering structures in this state shall enter into a reinsurance agreement with the administrator in which each insurer agrees to cede to the administrator one hundred percent (100%), up to the maximum total insured value established under KRS 304.44-030(1), of any subsidence insurance coverage issued and, in consideration of the ceding commission retained by the insurer, agrees to undertake adjustment of losses and payment of taxes and to absorb all other expenses of the insurer necessary for sale of policies and administration of the mine subsidence insurance program.
- (2)
 - (a) The administrator shall:
 1. Agree to reimburse the insurer from the fund for all amounts paid policyholders for claims resulting from subsidence; and
 2. Pay from the fund all costs of administration incurred by the administrator.
 - (b) An insurer shall not be required to pay any claim for any loss insured under this subtitle except to the extent that the amount available in the mine subsidence insurance fund is sufficient to reimburse the insurer for such claim.
- (3) Claims made under the provisions of the subtitle shall not be deemed to constitute a debt, liability, or obligation of the Commonwealth or any political subdivision thereof or a pledge of the faith and credit of the Commonwealth or any political subdivision except to the extent the fund has accumulated reserves from premiums, state or federal grants, investment income, or state appropriations.

Effective: January 1, 2025

History: Amended 2024 Ky. Acts ch. 31, sec. 2, effective January 1, 2025. -- Amended 2010 Ky. Acts ch. 94, sec. 2, effective July 15, 2010. -- Amended 1998 Ky. Acts ch. 483, sec. 32, effective July 15, 1998. -- Created 1984 Ky. Acts ch. 167, sec. 5, effective July 13, 1984.

Legislative Research Commission Note (1/1/2025). 2024 Ky. Acts ch. 31, sec. 3, provides that amendments made to this statute in that Act shall apply to policies issued or renewed on or after January 1, 2025.