

AN ACT related to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

→Section 1. KRS 304.22-040 is amended to read as follows:

An insurer shall not in any manner guarantee the payment of the principal or the interest of bonds or other obligations executed by others, other than:

- (1)~~(a)~~ In connection with the handling of litigation relating to losses or claims involving the insurer, its insureds, its agents or its attorneys;~~;~~ ~~or~~
- (2)~~(b)~~ In connection with the settlement of such losses or claims;~~;~~ ~~or~~
- (3)~~(c)~~ In the event such guarantee is specifically approved by the commissioner.