

2020 Kansas Statutes

40-4304. Capital requirements. (a) No captive insurance company shall be issued a certificate of authority unless it shall possess and thereafter maintain unimpaired paid-in capital and surplus of:

(1) In the case of a pure captive insurance company, not less than \$250,000; and
(2) in the case of an association captive insurance company incorporated as a stock insurer, not less than \$500,000.

(b) Such capital may be in the form of cash or, upon approval of the commissioner, an irrevocable letter of credit issued by a bank chartered by the state of Kansas or the United States comptroller of currency, domiciled in Kansas, and approved by the commissioner.

(c) In connection with the issuance of a certificate of authority, the commissioner may prescribe additional minimum capital and surplus based upon the type, volume and nature of the insurance business transacted.

(d) Loans of minimum capital and surplus funds shall be prohibited. Notwithstanding the foregoing, the minimum capital and surplus funds may be received by the issuance of a surplus note as approved by the commissioner.

(e) No pure captive insurance company shall make a loan or an investment in its parent company or affiliates without prior written approval of the commissioner, and any such loan or investment shall be evidenced by documentation approved by the commissioner.

History: L. 1988, ch. 156, § 4; L. 2018, ch. 50, § 39; July 1.