

2023 Kansas Statutes

40-4351. Same; conservation, rehabilitation or liquidation, grounds for. (a) The commissioner may, after notice and hearing, issue an order, subject to the Kansas administrative procedure act, to conserve, rehabilitate or liquidate a special purpose insurance captive domiciled in this state on one or more of the following grounds:

(1) There has been embezzlement, wrongful sequestration, dissipation or diversion of the assets of the special purpose insurance captive;

(2) the special purpose insurance captive is financially impaired, insolvent or otherwise deemed to be in a hazardous financial condition pursuant to K.S.A. 40-222b, and amendments thereto; or

(3) the holders of a majority in outstanding principal amount of each class of special purpose insurance captive securities or surplus notes request or consent to conservation, rehabilitation or liquidation under the provisions of this section.

(b) Upon any order of conservation, rehabilitation or liquidation of a special purpose insurance captive, the receiver shall manage the assets and liabilities of the special purpose insurance captive under the provisions of chapter 40 of the Kansas Statutes Annotated, and amendments thereto.

(c) With respect to amounts recoverable under a special purpose insurance captive contract, the amount recoverable by the receiver must not be reduced or diminished as a result of the entry of an order of conservation, rehabilitation or liquidation with respect to the ceding company, notwithstanding another provision in the special purpose insurance captive contract or other documentation governing the special purpose insurance captive's transactions.

History: L. 2018, ch. 50, § 34; July 1.