

304.24-040 Incorporation of domestic stock, combined stock and mutual life, or mutual insurers -- Votes allotted to stockholders and policyholders.

- (1) This section applies to stock, combined stock and mutual life, or mutual insurers hereafter incorporated in this state. Such an insurer may be formed for the purpose of transacting any kind or kinds of insurance, as well as annuity business.
- (2) Incorporators. Three (3) or more individuals, none of whom is less than eighteen (18) years of age, may incorporate a stock insurer; ten (10) or more individuals may incorporate a mutual insurer. At least a majority of the incorporators must be citizens of the United States. At least a majority of the incorporators must be residents of Kentucky.
- (3) Articles. The incorporators shall deposit the articles of incorporation, in quadruplicate originals, with the commissioner, and the articles shall not be filed with the Secretary of State until approved by the commissioner as provided in KRS 304.24-050, and the commissioner's approval has been stamped upon or otherwise attached to the articles. In addition to the applicable requirements of laws in this state governing the incorporation of business corporations generally:
 - (a) The name of the corporation, which shall be subject to KRS 304.3-100, shall contain the words "insurance company;" if a mutual, or a combined stock and mutual, the word "mutual" must be a part of the name.
 - (b) The articles of incorporation shall specify the kind or kinds of insurance proposed to be transacted.
 - (c) Each share of capital stock shall have a par value of not less than \$1.00.
 - (d) If a mutual, or a combined stock and mutual life, the articles of incorporation shall state the maximum contingent liability of its participating policyholder members, other than as to nonassessable policies, for payment of losses and expenses incurred. Such liability shall be as stated in the articles of incorporation, but shall not be less than one (1) or more than six (6) times the premium for member's policy at the annual premium rate for a term of one (1) year.
 - (e) The names and residence addresses of the incorporators.
- (4) Unless otherwise provided in the articles of incorporation or an amendment thereto, each stockholder of a combined stock and mutual life insurance company shall, at all meetings, be entitled to one (1) vote for each share of common stock held by him, and each holder of a policy entitled to participate in profits or savings shall be a member and, as such, shall be entitled to vote on the same basis to which he would be entitled in a mutual company under KRS 304.24-210.

Effective: July 15, 1998

History: Amended 1998 Ky. Acts ch. 483, sec. 24, effective July 15, 1998. -- Amended 1984 Ky. Acts ch. 343, sec. 7, effective July 13, 1984. -- Created 1970 Ky. Acts ch. 301, subtit. 24, sec. 4, effective June 18, 1970.