

304.41-040 Plan of operation.

- (1) Within forty-five (45) days following the order of the commissioner implementing the operation of the association, the directors of the association shall submit to the commissioner for his or her review a proposed plan of operation, consistent with the provisions of this subtitle.
- (2) The plan of operation shall provide for economic, fair, and nondiscriminatory administration and for the prompt and efficient provision of legal professional liability insurance; and shall contain other provisions including, but not limited to, preliminary assessment of all members for initial expenses necessary to commence operations, establishment of necessary facilities, management of the association, assessment of members to defray losses and expenses, commission arrangements, reasonable and objective underwriting standards, acceptance and cession of reinsurance, appointment of servicing carriers or other servicing arrangements and procedures for determining amounts of insurance to be provided by the association.
- (3) The plan of operation shall be subject to approval by the commissioner after consultation with the members of the association, representatives of the public, and other affected individuals and organizations. If the commissioner disapproves all or any part of the proposed plan of operation, the directors shall within fifteen (15) days submit for review an appropriate revised plan of operation or part thereof. If the directors fail to do so, the commissioner shall promulgate a plan of operation or part thereof, as the case may be. The plan of operation approved or promulgated by the commissioner shall become effective upon order of the commissioner.
- (4) Amendments to the plan of operation may be made by the directors of the association, subject to the approval of the commissioner, or shall be made at the direction of the commissioner.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1550, effective July 15, 2010. -- Created 1978 Ky. Acts ch. 365, sec. 4, effective June 17, 1978.