

299.400 Collection and use of membership or policy fees -- Levy and collection of assessments.

- (1) Any company may collect such membership fees or policy fees as are provided for in its bylaws, and any portion of the fees not expended for agents' commissions and the expenses of writing insurance shall be placed in the reserve fund of the company.
- (2) The directors or executive committee of the company may declare, levy and issue assessments in such amounts and at such times as in their judgment is for the best interests of the company. When the reserve fund equals one and one-half percent (1.5%) of the insurance in force against fire, and two and one-half percent (2.5%) of the insurance in force against windstorm, and one-half of one percent (0.5%) of the insurance in force against any other hazard, then no assessment shall be made for a greater sum than the amount of losses and expenses sustained and accrued since the last previous assessment was issued. All assessments shall be made pro rata upon all property at such time insured, according to its classification.
- (3) If at any time the total liabilities of a company exceed its actual cash assets to an amount equal to fifty cents (\$0.50) for each one hundred dollars (\$100) of insurance held by the company, the secretary shall notify the officer whose duty it is to call a meeting of the directors or executive committee, and that officer shall immediately call the directors or executive committee in session. The directors or executive committee shall, within thirty (30) days, declare, levy and issue an assessment sufficient to pay all the liabilities of the company that are in excess of its actual cash assets.

Effective: October 1, 1942

History: Amended 1944 Ky. Acts ch. 80, sec. 2. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 709a.