

304.44-050 Reinsurance agreement.

All insurers writing property insurance covering structures in this state shall enter into a reinsurance agreement with the administrator in which each insurer agrees to cede to the administrator one hundred percent (100%), up to three hundred thousand dollars (\$300,000), of any subsidence insurance coverage issued and, in consideration of the ceding commission retained by the insurer, agrees to undertake adjustment of losses, and payment of taxes, and to absorb all other expenses of the insurer necessary for sale of policies and administration of the mine subsidence insurance program. The administrator shall agree to reimburse the insurer from the fund for all amounts paid policyholders for claims resulting from subsidence and shall pay from the fund all costs of administration incurred by the administrator, but an insurer is not required to pay any claim for any loss insured under this subtitle except to the extent that the amount available in the mine subsidence insurance fund is sufficient to reimburse the insurer for such claim. Claims made under the provisions of the subtitle shall not be deemed to constitute a debt, liability, or obligation of the Commonwealth or any political subdivision thereof or a pledge of the faith and credit of the Commonwealth or any political subdivision except to the extent the fund has accumulated reserves from premiums, state or federal grants, investment income, or state appropriations.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 94, sec. 2, effective July 15, 2010. -- Amended 1998 Ky. Acts ch. 483, sec. 32, effective July 15, 1998. -- Created 1984 Ky. Acts ch. 167, sec. 5, effective July 13, 1984.