

304.6-040 Liabilities, in general.

In any determination of the financial condition of an insurer, capital stock and liabilities to be charged against its assets shall include:

- (1) The amount of its capital stock outstanding, if any, less the amount of shares held by the insurer as treasury stock as provided in subsection (3) of KRS 304.6-020;
- (2) The amount, estimated consistent with the provisions of Subtitle 6, necessary to pay all of its unpaid losses and claims incurred on or prior to the date of statement, whether reported or unreported, together with the expenses of adjustment or settlement thereof;
- (3) With reference to life insurance policies and annuity contracts, and disability and accidental death benefits in or supplemental thereto:
 - (a) The amount of reserves on life insurance policies and annuity contracts in force, valued according to the tables of mortality, rates of interest, and methods adopted pursuant to KRS 304.6-130 to 304.6-180, inclusive;
 - (b) Reserves for disability benefits, for both active and disabled lives required by paragraph (e) of subsection (2) of KRS 304.6-140;
 - (c) Reserves for accidental death benefits, required by paragraph (f) of subsection (2) of KRS 304.6-140; and
 - (d) Any additional reserves which may be required by the commissioner consistent with applicable customary and general practice in insurance accounting as set forth in regulations promulgated by the commissioner but no such additional reserve shall be required of any company solely for contingent liabilities which may arise under any agreement, filed with and approved by the commissioner, for the assumption of liability by the company growing out of the acts of its exclusive agents within the course and scope of their representation;
- (4) Reserves for health insurance required by KRS 304.6-070;
- (5) With reference to insurance other than specified in subsections (3) and (4) of this section, and other than title insurance, the amount of the policy reserves computed in accordance with Subtitle 6;
- (6) Taxes, expenses and other obligations due or accrued at the date of the statement; and
- (7) Deferred tax liabilities as defined in SSAP No. 10.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 997, effective July 15, 2010. -- Amended 2004 Ky. Acts ch. 24, sec. 13, effective July 13, 2004. -- Amended 1978 Ky. Acts ch. 161, sec. 5, effective June 17, 1978. -- Created 1970 Ky. Acts ch. 301, subtit. 6, sec. 4, effective June 18, 1970.