

304.24-310 Participating policies.

- (1) If provided for in its articles of incorporation or charter, a stock insurer or mutual insurer may issue any or all of its policies or contracts with or without participation in profits, savings, unabsorbed portions of premiums, may classify policies issued and risks insured on a participating and nonparticipating basis, and subject to KRS 304.15-380, may determine the right to participate and the extent of participation of any class or classes of policies. Any such classification or determination shall be reasonable.
- (2) A life insurer may issue both participating and nonparticipating policies or contracts, only if the right or absence of right to participate is reasonably related to the premium charged. A combined stock and mutual life insurer shall only issue participating policies or contracts in its "mutual" branch, and shall only issue nonparticipating policies or contracts in its "stock" branch.
- (3) No dividend, otherwise earned, shall be made contingent upon the payment of renewal premium on any policy or contract.

Effective: July 13, 1984

History: Amended 1984 Ky. Acts ch. 343, sec. 8, effective July 13, 1984. -- Created 1970 Ky. Acts ch. 301, subtit. 24, sec. 31, effective June 18, 1970.