

304.3-420 Authority of commissioner -- Actions.

- (1) If the commissioner believes that the controlling producer or any other person has not materially complied with KRS 304.3-400 to 304.3-430, or any administrative regulation or order promulgated under KRS 304.3-400 to 304.3-430, the commissioner may:
 - (a) Order the controlling producer to cease placing business with the controlled insurer; or
 - (b) If it was found that because of the material noncompliance that the controlled insurer or any policyholder has suffered any loss or damage, the commissioner may maintain a civil action, intervene in an action brought by or on behalf of the insurer or a policyholder for recovery of compensatory damages for the benefit of the insurer or policyholder, or seek other appropriate relief.
- (2) Appeals from orders issued under subsection (1) of this section shall be taken as provided in Subtitle 2 of this chapter.
- (3) If an order for liquidation or rehabilitation of the controlled insurer has been entered pursuant to Subtitle 33 of this chapter, and the receiver appointed under that order believes that the controlling producer or any other person has not materially complied with KRS 304.3-400 to 304.3-430, or any administrative regulation or order promulgated under KRS 304.3-400 to 304.3-430, and the insurer suffered any loss or damage, the receiver may maintain a civil action for recovery of the damages or seek other appropriate sanctions for the benefit of the insurer.
- (4) Nothing contained in this section shall affect the right of the commissioner to exercise any other authority granted to him or her by law.
- (5) Nothing contained in this section is intended to or shall in any manner alter or affect the rights of policyholders, claimants, creditors, or other third parties.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 980, effective July 15, 2010. -- Created 1992 Ky. Acts ch. 157, sec. 5, effective July 14, 1992.