

304.33-350 Reinsurer's liability.

The amount recoverable by the liquidator from a reinsurer shall not be reduced as a result of delinquency proceedings unless the reinsurance contract provides, in substance, that in the event of the insolvency of the ceding insurer the reinsurance shall be payable under a contract reinsured by the assuming insurer on the basis of reported claims allowed by the liquidation court, without diminution because of the insolvency of the ceding insurer. Such payments shall be made directly to the ceding insurer or to its domiciliary liquidator, except:

- (1) Where the contract or other written agreement specifically provides another payee of such reinsurance in the event of the insolvency of the ceding insurer; or
- (2) Where the assuming insurer, with the consent of the direct insured, has assumed such policy obligations of the ceding insurer as direct obligations of the assuming insurer to the payees under such policies and in substitution for the obligations of the ceding insurer to such payees.

Effective: July 13, 2004

History: Amended 2004 Ky. Acts ch. 125, sec. 3, effective July 13, 2004. -- Created 1970 Ky. Acts ch. 301, subtit. 33, sec. 35, effective June 18, 1970.