

304.37-535 Capital stock.

- (1) The majority of the voting shares of the capital stock of the reorganized insurance company, which is required by KRS 304.37-505 to be at all times owned by a mutual insurance holding company, shall not be conveyed, transferred, assigned, pledged, subjected to a security interest or lien, encumbered, or otherwise hypothecated or alienated by the mutual insurance holding company or intermediate holding company.
- (2) Any conveyance, transfer, assignment, pledge, security interest, lien, encumbrance, hypothecation, or alienation of, in, or on the majority of the voting shares of the reorganized insurance company, which is required by KRS 304.37-505 to be at all times owned by a mutual insurance holding company, is in violation of KRS 304.37-505, and shall be void in inverse chronological order of the date of the conveyance, transfer, assignment, pledge, security interest, lien, encumbrance, hypothecation, or alienation, as to the shares necessary to constitute a majority of the voting shares.
- (3) The majority of the voting shares of the capital stock of the reorganized insurance company, which is required by KRS 304.37-505 to be at all times owned by a mutual insurance holding company, shall not be subject to execution and levy as provided in KRS Chapter 426.
- (4) The shares of the capital stock of the surviving or new company resulting from a merger or consolidation of two (2) or more reorganized insurance companies or two (2) or more intermediate holding companies which were subsidiaries of the same mutual insurance holding company are subject to the same requirements, restrictions, and limitations as provided in this section to which the shares of the merging or consolidating reorganized insurance companies or intermediate holding companies were subject by KRS 304.37-505, prior to the merger or consolidation.

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History: Created 1998 Ky. Acts ch. 546, sec. 8, effective July 15, 1998.