

304.37-565 Hearing -- Notice -- Application and plan review -- Order -- Revocation -- Notice and documentation of completion.

- (1) A public hearing required by KRS 304.37-505 and 304.37-510 shall be conducted as directed in Subtitle 2 of this chapter and KRS Chapter 13B.
- (2) In addition to any notice required by this chapter and KRS Chapter 13B, the department shall supplement any notice by newspaper publication and broadcast announcements, in accordance with KRS Chapter 424.
- (3) The commissioner may retain at the applicant's expense any attorneys, actuaries, accountants, investment bankers, or other experts not otherwise a part of the commissioner's staff that may be necessary to assist the commissioner in reviewing the proposed application and plan of reorganization or merger.
- (4) Upon receipt of the application and plan of reorganization or merger, the commissioner shall submit any application to the Attorney General for examination. The Attorney General shall have access to the commissioner's staff and all consultants retained by the commissioner for review of the application. The Attorney General may examine the application and plan or reorganization or merger for compliance with the standards in KRS 304.37-555. The Attorney General may submit written findings and a recommendation of approval, disapproval, or conditional approval of the application and plan or reorganization or merger to the commissioner. Written findings and recommendations shall be delivered to the commissioner no later than five (5) days prior to the public hearing required by KRS 304.37-505 and 304.37-510 and shall be entered into the record at the hearing.
- (5) The commissioner shall at all times retain jurisdiction over the mutual insurance holding company and its intermediate holding company subsidiaries with stock insurance company subsidiaries.
- (6) Following the hearing required in KRS 304.37-505 and 304.37-510, the commissioner shall, by order, approve, conditionally approve, or deny an application. The commissioner may require, as a condition of approval of the proposed reorganization, modification of the proposed plan or reorganization as the commissioner finds necessary. The applicant shall accept required modifications by filing appropriate amendments to the proposed plan of reorganization with the commissioner within thirty (30) days of the date of the order of the commissioner requiring modifications. If the applicant does not accept the required modifications by failing to file the required amendments to the proposed plan of reorganization within thirty (30) days, the proposed reorganization shall be deemed denied.
- (7) An approval or conditional approval of a plan of reorganization shall expire if the reorganization is not completed within one hundred eighty (180) days unless the time period is extended by the commissioner upon a showing of good cause.
- (8) The commissioner may revoke approval or conditional approval of an applicant's plan of reorganization if the commissioner finds the applicant has failed to comply with the plan of reorganization. The commissioner may compel completion of a plan of reorganization unless the plan is abandoned in its entirety. The

commissioner shall retain jurisdiction over the applicant until a plan of reorganization has been completed.

- (9) Upon completion of all elements of a plan of reorganization and any conditions placed on the reorganization by the commissioner, the applicant shall provide a notice of and documentation of completion to the commissioner.
- (10) Within twelve (12) months after the commissioner receives the notice specified in subsection (9) of this section, the commissioner shall examine the affairs, transactions, accounts, records, and assets of the mutual holding company, reorganized insurer, and its affiliated persons for compliance with the plan of reorganization and for protection of policyholder interests.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1496, effective July 15, 2010. -- Created 1998 Ky. Acts ch. 546, sec. 14, effective July 15, 1998.