

2023 Kansas Statutes

40-3620. Same; petition for liquidation of insurer, when; defense against petition, payment of costs and expenses; termination of rehabilitation, petition and order; payment of costs and expenses. (a) Whenever the commissioner believes further attempts to rehabilitate an insurer would substantially increase the risk of loss to creditors, policyholders or the public, or would be futile, the commissioner may petition the district court of Shawnee county for an order of liquidation. A petition under this subsection shall have the same effect as a petition under K.S.A. 40-3621. The court shall permit the directors of the insurer to take such actions as are reasonably necessary to defend against the petition and may order payment from the estate of the insurer of such costs and other expenses of defense as justice may require.

(b) The rehabilitator may at any time petition the court for an order terminating rehabilitation of an insurer. The court shall also permit the directors of the insurer to petition the court for an order terminating rehabilitation of the insurer and may order payment from the estate of the insurer of such costs and other expenses of such petition as justice may require. If the court finds that rehabilitation has been accomplished and that grounds for rehabilitation under K.S.A. 40-3616 no longer exist, the court shall order that the insurer be restored to possession of such insurer's property and the control of the business. The court may also make that finding and issue that order at any time upon such court's own motion.

History: L. 1991, ch. 125, § 16; July 1.