

## 2023 Kansas Statutes

**40-4335. Same; plan of operation.** (a) A special purpose insurance captive must file, as part of its application, a plan of operation to consist of a description of the contemplated financing transaction or transactions and a detailed description of transaction documents to which the special purpose insurance captive will be a party, including, but not limited to, the special purpose insurance captive contract and related transactions to which the special purpose insurance captive will be a party that must include:

- (1) Draft documentation or, at the commissioner's discretion, a written summary of all material agreements to which the special purpose insurance captive is to be a party that are to be entered into to effectuate the special purpose insurance captive contract and the financing transaction;
  - (2) the purpose of the transaction;
  - (3) maximum amounts;
  - (4) interrelationships of the various transactions, to which the special purpose insurance captive will be a party, required to effectuate the financing;
  - (5) the investment strategy and plan for the special purpose insurance captive;
  - (6) a description of the underwriting, reporting and claims payment methods by which losses covered by the special purpose insurance captive contract will be reported, accounted for and settled;
  - (7) the initial minimum capital to be held by the special purpose insurance captive; and
  - (8) a pro forma balance sheet and income statements illustrating the performance of the special purpose insurance captive, the special purpose insurance captive contract, and any ceded reinsurance agreements under scenarios reasonably requested by the commissioner or specified by rules and regulations.
- (b) The pro forma balance sheets and income statements filed under this section must be updated by the special purpose insurance captive and filed with the commissioner in the event of a material deviation from the original or most recently filed plan of operation.
- (1) The plan of operation must specify which deviations are to be considered material; and
  - (2) any other documents or descriptions the commissioner deems appropriate to explain such material deviation.

**History:** L. 2018, ch. 50, § 18; July 1.