

2012 Kansas Statutes

40-1209. Advancements to company; annual report; commission or promotion expenses prohibited; approval of commissioner to issue or retire certificates of indebtedness. Any director, officer or member of any such company, or any other person, may advance to such company any sum or sums of money necessary for the purposes of its business or to enable it to comply with any of the requirements of the laws of this state, and such moneys and such interest thereon as may have been agreed upon, not exceeding an amount equal to 1 1/2 percentage points below the maximum rate of interest prescribed by subsection (b) of K.S.A. 16-207 and amendments thereto for real estate transactions. The rate of interest to be applied to any specific certificate of indebtedness shall be calculated using the most immediate prior month's usury rate published by the secretary of state in the Kansas register. The sum or sums of money advanced pursuant to this authorization and any interest thereon shall be payable only out of the surplus remaining after providing for all reserves and other liabilities, and shall not otherwise be a liability or claim against the company or any of its assets. No commission or promotion expenses shall be paid in connection with the advance of any such money to the company, and the amount of such advance shall be reported in each annual statement. [Provided, however,]* Such certificates of indebtedness shall not be issued nor retired and no interest thereon shall be paid without the approval of the commissioner of insurance who must be satisfied that all requirements of the law have been met.

History: L. 1927, ch. 231, 40-1209; L. 1939, ch. 211, § 5; L. 1992, ch. 35, § 1; April 9.

* Bracketed wording should have been deleted.