

2020 Kansas Statutes

40-4340. Same; issuance of securities. (a) A special purpose insurance captive may issue approved securities, subject to and in accordance with applicable law, its approved plan of operation and its organizational documents. A special purpose insurance captive may enter into and perform all its obligations under any required contract to facilitate the issuance of these securities.

(b) The commissioner may approve the use of surplus notes. If the commissioner so approves, the special purpose insurance captive shall:

(1) Account for the proceeds of surplus notes as surplus and not debt for purposes of statutory accounting; and

(2) submit for prior approval of the commissioner periodic written requests for payments of interest on and repayments of principal of surplus notes.

(c) The obligation to repay principal or interest, or both, on the securities issued by the special purpose insurance captive shall reflect the risk associated with the reinsurance obligations assumed by the special purpose insurance captive.

History: L. 2018, ch. 50, § 23; July 1.