

17-2246. Share insurance required; conversion to federal insurance required, when. (a) (1) Every credit union which is organized and operating under the laws of the state of Kansas, except a corporate credit union, shall insure the shares of each shareholder of such credit union.

(2) Every credit union shall insure the shares of each shareholder of such credit union with the national credit union share insurance fund, or its successor.

(b) (1) The application for NCUSIF insurance shall be filed with the Kansas state department of credit unions, then forwarded to the national credit union administration.

(2) Every credit union chartered after the effective date of this act shall obtain NCUSIF coverage prior to commencing business.

(3) The administrator may suspend the charter, merge, liquidate, or take possession of any credit union which fails to comply with the provisions of this section or which loses or allows such coverage to lapse.

(c) Every credit union shall forward a copy of the NCUSIF certificate of insurance to the administrator within 30 days after the credit union receives the certificate.

(d) (1) Every credit union shall take every action legally required to maintain NCUSIF insurance coverage in full force and effect, and shall refrain or desist from taking any action that is likely to cause termination of NCUSIF insurance coverage.

(2) The administrator shall order the merger, consolidation, or liquidation of any credit union whose NCUSIF insurance is terminated.

History: L. 1975, ch. 136, § 1; L. 1981, ch. 103, § 1; L. 1991, ch. 78, § 1; L. 1992, ch. 225, § 23; L. 2012, ch. 161, § 3; May 31.