

17-5421. Guarantee stock; issuance and sale, limitations. Guarantee stock, which shall be considered a secondary reserve out of which losses shall be paid after all other available reserves have been exhausted, may be issued, subject to the approval of the commissioner, upon compliance with conditions set forth in K.S.A. 17-5421 to 17-5427, and amendments thereto. Such guarantee stock shall be personal property in the hands of the owners thereof, and shall be of one class only, with a par value not in excess of \$100 per share. In the event of reduction of capital, fractional shares may be issued. All shareholders in such class shall be treated mutually alike in all respects. In the event of liquidation or dissolution of an association which has issued guarantee stock, such guarantee stock may not be withdrawn until after all liabilities of the association have been satisfied in full, including the withdrawal value of all other types or classes of shares. No guarantee stock shall be issued for a consideration other than cash or for a price less than the par value thereof, except that stock dividends may be declared out of otherwise unallocated surplus, unallocated reserves, or undivided profits and with the consent of the commissioner, and guarantee stock may be issued for a consideration other than cash in connection with mergers, consolidations or transfers.

History: L. 1955, ch. 141, § 3; L. 1988, ch. 98, § 1; March 3.