

40-1204. Certification of authority; conditions for issuance. The commissioner of insurance shall issue a certificate of authority to such company, when it has fully complied with the following conditions:

(a) It shall hold bona fide applications for insurance upon which it shall issue simultaneously, or it shall have in force, at least 200 policies to at least 200 members for the same kind of insurance upon not less than 200 separate risks of any single class each within the maximum single risk described herein.

(b) No such insurance company organized under the laws of this state and transacting business in this state shall expose itself to loss on any one risk or hazard to an amount exceeding 10% of its surplus unless the excess shall be reinsured in some other company duly authorized to transact similar business in this state or as otherwise provided in the insurance code and no such insurance company not organized under the laws of this state and transacting business in this state shall expose itself to loss on any one risk or hazard to an amount exceeding 10% of its surplus unless the excess shall be reinsured either in some company duly authorized to transact similar business in this state or as provided by the laws of such company's domiciliary state.

(c) It shall have collected the full consideration according to its filed rate on each contract applied for. The total of such considerations shall be held in cash or securities in which such insurance companies are authorized by law to invest, and it shall be in the possession of a residue of lawful assets over and above all liabilities in an amount not less than the capital and surplus required of a domestic stock insurance company transacting the same kinds of insurance. Pursuant to K.S.A. 40-229a, such company shall deposit with the commissioner of insurance lawful securities in an amount equal to not less than the minimum capital stock required of a domestic stock insurance company transacting the same kinds of insurance.

History: L. 1927, ch. 231, 40-1204; L. 1939, ch. 211, § 2; L. 1965, ch. 300, § 6; L. 1967, ch. 268, § 2; L. 1969, ch. 237, § 9; L. 1971, ch. 169, § 1; L. 1979, ch. 143, § 1; L. 1984, ch. 169, § 8; L. 1996, ch. 25, § 14; July 1.