

40-3807. Same; disposition of funds held by administrator; records; withdrawals of funds. All insurance charges or premiums collected by an administrator on behalf of or for an insurer or insurers, and return premiums received from such insurer or insurers, shall be held by the administrator in a fiduciary capacity. Such funds shall be immediately remitted to the person or persons entitled thereto, or shall be deposited promptly in a bank account established and maintained by the administrator. If charges or premiums so deposited have been collected on behalf of or for more than one (1) insurer, the administrator shall maintain records clearly recording the deposits in and withdrawals from such account on behalf of or for each insurer. The administrator shall keep copies of all such records and, upon request of an insurer, shall furnish such insurer with copies of such records pertaining to deposits and withdrawals on behalf of or for such insurer. The administrator shall not pay any claim by withdrawals from such account. Withdrawals from the funds deposited in such account shall be made, as provided in the written agreement between the administrator and the insurer, for (1) remittance to an insurer entitled thereto, (2) deposit in an account maintained in the name of such insurer, (3) transfer to and deposit in a claims paying account, with claims to be paid as provided in K.S.A. 40-3809, (4) payment to a group policyholder for remittance to the insurer entitled thereto, (5) payment to the administrator of its commission, fees or charges, or (6) remittance of return premiums to the person or persons entitled thereto.

History: L. 1978, ch. 174, § 7; July 1.