

40-3649. Same; liquidation of assets; order of court; grounds; notice; liquidator appointed in another state; petition to federal district court; payment of claims to residents. (a) If no domiciliary receiver has been appointed, the commissioner may apply to the district court of Shawnee county by verified petition for an order directing such receiver to liquidate the assets found in this state of a foreign insurer or an alien insurer not domiciled in this state, on any of the following grounds:

- (1) Any of the grounds in K.S.A. 40-3616 or 40-3621; or
- (2) any of the grounds specified in K.S.A. 40-3648(a)(2) through (4), inclusive.

(b) When an order is sought under subsection (a), the court shall cause the insurer to be given such notice and time to respond thereto as is reasonable under the circumstances.

(c) If it appears to the court that the best interests of creditors, policyholders and the public require, the court may issue an order to liquidate in whatever terms it shall deem appropriate. The filing or recording of the order with the clerk of the court or the register of deeds of the county in which the principal business of the company is located or the county in which its principal office or place of business is located, shall impart the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with the register of deeds would have imparted.

(d) If a domiciliary liquidator is appointed in a reciprocal state while a liquidation is proceeding under this section, the liquidator under this section shall thereafter act as ancillary receiver under K.S.A. 40-3652. If a domiciliary liquidator is appointed in a nonreciprocal state while a liquidation is proceeding under this section, the liquidator under this section may petition the court for permission to act as ancillary receiver under K.S.A. 40-3651.

(e) On the same grounds as are specified in subsection (a), the commissioner may petition any appropriate federal district court to be appointed receiver to liquidate that portion of the insurer's assets and business over which the court will exercise jurisdiction, or any lesser part thereof the commissioner deems desirable for the protection of the policyholders and creditors in this state.

(f) The court may order the commissioner, when the assets of a foreign or alien insurer have been liquidated under this section, to pay claims of residents of this state against the insurer under such rules as to the liquidation of insurers under this act as are otherwise compatible with the provisions of this section.

History: L. 1991, ch. 125, § 45; July 1.