

2023 Kansas Statutes

40-3656. Same; proceeding in this state involving reciprocal states; order of distribution; equal priority of payment of claims from general assets; special deposit claims; secured claims.

(a) In a liquidation proceeding in this state involving one or more reciprocal states, the order of distribution of the domiciliary state shall control as to all claims of residents of this state and reciprocal states. All claims of residents of reciprocal states shall be given equal priority of payment from general assets regardless of where such assets are located.

(b) The owners of special deposit claims against an insurer for which a liquidator is appointed in this state or any other state shall be given priority against the special deposits in accordance with K.S.A. 40-222b and amendments thereto. If there is a deficiency in any deposit, so that claims secured by it are not fully discharged from it, the claimants may share in the general assets, but the sharing shall be deferred until general creditors, and also claimants against other special deposits who have received smaller percentages from their respective special deposits, have been paid percentages of their claims equal to the percentage paid from the special deposit.

(c) The owner of a secured claim against an insurer for which a liquidator has been appointed in this state or any other state may surrender security and file a claim as a general creditor, or the claim may be discharged by resort to the security in accordance with K.S.A. 40-3640, in which case the deficiency, if any, shall be treated as a claim against the general assets of the insurer on the same basis as claims of unsecured creditors.

History: L. 1991, ch. 125, § 52; July 1.