

Frequently Asked Questions About Key Insurance Company in Liquidation (“Key”)

The District Court of Shawnee County, Kansas, entered a Final Order and Judgment of Liquidation with Finding of Insolvency of Key Insurance Company (the “Liquidation Order”), which declared Key Insurance Company (“Key”) insolvent and ordered the company into liquidation **effective April 1, 2025**. This document will help to answer frequently asked questions about making claims and the liquidation procedure.

Liquidation Questions

Q. What is a liquidation proceeding?

A. Liquidation is similar to bankruptcy. When an insurance company is impaired, insolvent, in unsound condition, or its further transaction of insurance would be hazardous to its policyholders, the Kansas Insurance Code authorizes the Commissioner of Insurance to ask the District Court of Shawnee County, Kansas (the “Court”) for an Order directing the Commissioner to liquidate the insurance company.

A Liquidation Order directs the Commissioner, in her capacity as Liquidator, to (i) take or maintain possession of the property of the insurer, (ii) conduct the insurer’s business, and (iii) take such steps to liquidate (wind-up the affairs of) the business of the insurer as the Court shall direct.

Q. Who is in charge of Key during Liquidation?

A. The Liquidator is in charge of Key during Liquidation. The Liquidator appointed Jodi Adolf and Bruce Baty as the Special Deputy Receivers (“SDRs”) to carry out the day-to-day responsibilities of the Liquidator with respect to the liquidation of Key. Norton Rose Fulbright US LLP will serve as Counsel to the Liquidator. The SDRs will appoint other persons to assist with the Liquidation. Only persons appointed by the Liquidator or SDRs to assist in liquidating Key will have authority to act on behalf of Key.

Q. Why was Key placed into Liquidation?

A. Based upon the financial records of Key, the Liquidator determined that Key was insolvent, that it did not have sufficient liquid assets to pay its liabilities as they became due, and that further efforts to rehabilitate Key would not be feasible. After a hearing before the Court, the Court found that Key was insolvent, and the Court issued the Liquidation Order with a Finding of Insolvency. The Liquidation Order set a **Bar Date** for the filing of all Proofs of Claim of **April 1, 2026**.

Policy Questions

Q. I have an active Key policy – what happens to it?

A. Pursuant to the Liquidation Order and Kansas Statute (KSA 40-3623), all policies in effect at the time of issuance of an order of liquidation **shall be cancelled the sooner of:** (1) 30 days from the date of entry of the liquidation order, (2) the expiration of the policy coverage, or (3) the date when you have replaced the insurance coverage with equivalent insurance in another insurer or otherwise terminated the policy.

All policies will cancel on or before April 30, 2025. Please reach out to your insurance agent about obtaining coverage from another insurance carrier.

Claim Questions

Q. What do I do if I have a new claim to report?

A. Report new claims on Key’s website under “File Claim” <https://keyinsco.com/fileclaim>.

Q. I’m a Key insured. What happens to my policy claim against Key?

A. As a result of the entry of the Liquidation Order, Key cannot pay its policy claims. If you submit a claim and have coverage under a Key policy, Key will transfer your claim to the affected state insurance guaranty association.

Q. I don’t have a Key policy but was in an accident with a Key insured. What happens to my claim?

A. If you have a claim because of an accident with a Key insured, you are encouraged to reach out to your insurance company to submit a claim. Key will transfer your claim against Key to the affected state insurance guaranty association and the state insurance guaranty association will pay the amount of your deductible.

If you do not have your own insurance, you must wait until Key transfers your claim to the state insurance guaranty association and they contact you.

Your insurance company may file a Proof of Claim with Key. A Proof of Claim can be found at <http://keyinsco.com>

Q. What is a State Insurance Guaranty Association and what does it do?

A. Certain Key policy claims may qualify for coverage from a state insurance guaranty association in the state of the policyholder's residence. State insurance guaranty associations were created by state law to provide protection to policyholders and claimants in the event of a member insurer's liquidation. The state law which created each state insurance guaranty association has limitations and other eligibility requirements, including certain limitations on the amount of coverage available or the types of policyholders or claims covered. The Liquidator cannot make a determination concerning the amount of state insurance guaranty association coverage available to a policyholder or claimant. That determination will be made by the state insurance guaranty association. A list of the state insurance guaranty associations can be found at: <https://www.ncigf.org/links-and-contacts> An overview of the insolvency process and state insurance guaranty associations can be found at <https://www.ncigf.org/insolvencies-an-overview>

Q. Will my claims be paid in full by the state insurance guaranty associations?

A. Some state insurance guaranty associations have maximum benefit limits. These limits are established by state law and can vary from state to state. You may access more information regarding specific state insurance guaranty associations at <https://www.ncigf.org/links-and-contacts>

Proof of Claim Questions

Q. Am I required to file a Proof of Claim with the Liquidator by the Bar Date of April 1, 2026?

A. If you believe you have a claim against Key and wish to pursue that claim, you **must** file a Proof of Claim by the Bar Date of April 1, 2026, for your claim to be considered in one of the priority classes set forth at KSA 40-3641.

Q. Am I required to file a Proof of Claim if I have a claim for unearned premium or a claim under an insurance policy?

A. The Liquidator will transfer all claims for unearned premium (the portion of the premium which you already paid for the period between the cancellation date of your policy and the stated expiration date on your policy) and claims arising under Key insurance policies, to the appropriate state insurance guaranty association. The state insurance guaranty association will contact you after it receives the claims, sets up its file and assigns the claim to an adjuster. This process will take some time.

You are not required to file a Proof of Claim **unless** the state insurance guaranty association or fund rejects your claim. The state insurance guaranty associations will pay for "Covered Claims" as defined in the state insurance guaranty association's enabling statute. If the state insurance guaranty association notifies you that your claim is not covered in full or in part, the Liquidator strongly suggests that you file a Proof of Claim. If you fail to file a properly completed, timely Proof of Claim, you might not qualify for certain coverages and you might be disqualified from participating in a higher priority class or from receiving distributions of assets that eventually become available for your class of claims.

Q. How do I file a claim against Key?

A. If you believe you have a claim against Key, you **must** submit a Proof of Claim on the form approved by the Court. Your Proof of Claim **must** be submitted by the Bar Date which is April 1, 2026. Claims submitted after that date are considered late filed and, if permitted, will be assigned to a lower Priority Class.

The Proof of Claim, along with a set of instructions, is posted on the website <http://keyinsco.com>

All Proofs of Claim must be signed and submitted to the SDR at the address on the Proof of Claim. Alternatively, Proofs of Claim may be submitted electronically to keyreceiver@keyinsco.com

Documents that support your claim **must** be attached to the Proof of Claim. Please answer all applicable questions on the Proof of Claim and **sign the Proof of Claim**. Missing information will slow the processing of your Proof of Claim, and could result in the denial of your Proof of Claim.

Provide as much detail as needed to support your claim on your Proof of Claim.

The Liquidator strongly encourages all potential claimants to submit their proofs of claim as soon as possible to avoid a claim being considered untimely filed after the April 1, 2026, Bar Date.

Q. May I file a contingent Proof of Claim?

A. Yes. Under Kansas law a person may file a claim even if it is a “contingent claim.” A “contingent claim” is one where the liability of the company is not yet determined or is dependent on the outcome of another event. If you file a contingent claim, complete the Proof of Claim, and indicate in the space for Amount of Claim “undetermined.” When further information becomes available, the claimant should immediately inform the Liquidator of the particulars and supplement the Proof of Claim by providing documentation of the claim. Again, you do not have to file a claim for premium refunds if there is state insurance guaranty association coverage. We advise you contact your state’s insurance guaranty association if you have questions about your premium refund.

Q. When will the Liquidator notify me of her determination of my Proof of Claim against Key?

A. This process takes time. Proofs of Claim must be submitted by the Bar Date. The Liquidator and SDRs will evaluate the Proofs of Claim against Key over the course of the next year and, sometime after the Bar Date, the Liquidator will make claim determination recommendations to the Court. After the Court accepts or rejects the Liquidator’s recommendations, Key will notify you of the determination for your Proof of Claim.

Once the process of liquidating Key’s assets and determining Key’s liabilities is complete, the Liquidator will make a recommendation to the Court to distribute available assets to classes of claimants in the priority order established in the Kansas Insurance Code (KSA 40-3641).

Q. What happens if I have, or want to bring, a lawsuit against Key?

A. No action at law or equity or in arbitration shall be brought against Key or the Liquidator, whether in Kansas or elsewhere, nor shall any such existing actions be maintained or further presented after issuance of the Liquidation Order. The Liquidator may intervene in any action against Key in order to protect Key’s assets. If your lawsuit is against a policyholder of Key, then – at the election of the appropriate state guaranty association – the association may seek a stay of that litigation until such time as claim files are received by the association and the claim is evaluated for coverage.

Q. What happens to my service contract with Key?

A. The Liquidation Order enjoins any vendor or other party under any contract from proceeding to act for or on behalf of Key or from binding Key without express written authorization from the Liquidator, a SDR or the Court. You might be authorized to continue providing services under your contract if the Liquidator or a SDR determines that it is in Key’s best interest. Without the express written authorization of the Liquidator or SDR, no vendor or other contracting party may take any action concerning Key’s assets, business, or affairs.

Q. Whom can I contact if I have a question regarding Key and/or the Liquidation Proceeding?

A. You can call 866-867-3636, or send an email to keyreceiver@keyinsco.com, or write to:

Key Insurance Company in Liquidation
c/o Special Deputy Receiver
Kansas Department of Insurance
1300 SW Arrowhead Road
Topeka, KS 66604

Additional information regarding the Key liquidation will be posted from time to time at:

<http://keyinsco.com>

Dated: April 1, 2025