

304.19-070 Provisions of policies and certificates of insurance -- Disclosure to debtors.

- (1) All credit life insurance and credit health insurance shall be evidenced by an individual policy, or in the case of group insurance by a certificate of insurance, which individual policy or group certificate shall be delivered to the debtor.
- (2) Each individual policy or group certificate of credit life insurance and credit health insurance shall, in addition to other requirements of law:
 - (a) Set forth the name and principal office address of the insurer, and the identity of the person or persons insured, by name in the case of individual policies;
 - (b) Set forth the rate or amount of payment, if any, by the debtor separately for credit life insurance and credit health insurance, a description of the amount, term and coverage including any exceptions, limitations and restrictions; and
 - (c) State that the benefits shall be paid to the creditor to reduce or extinguish the unpaid indebtedness and, wherever the amount of insurance may exceed the unpaid indebtedness, that any such excess shall be payable to a beneficiary, other than the creditor, named by the debtor or to his estate.
- (3) The individual policy or group certificate of insurance shall be delivered to the insured debtor at the time the indebtedness is incurred except as provided in this section.
- (4) If a debtor makes a separate payment for credit life or credit health insurance and an individual policy or group certificate of insurance is not delivered to the debtor at the time the indebtedness is incurred, a copy of the application for such policy or a notice of proposed insurance shall be delivered at such time to the debtor. The copy of the application or a notice of proposed insurance shall:
 - (a) Set forth the identity by name or otherwise of the person or persons insured;
 - (b) Set forth the rate or amount of payment by the debtor, if any, separately for credit life insurance and credit health insurance;
 - (c) Contain a statement that within thirty (30) days, if the insurance is accepted by the insurer, there will be delivered to the debtor an individual policy or group certificate of insurance containing the name and principal office address of the insurer, a description of the amount, term and coverage including any exceptions, limitations and restrictions; and
 - (d) Refer exclusively to insurance coverage, and be separate and apart from the loan, sale or other credit statement of account, instrument or agreement, unless the information required by this subsection is prominently set forth therein.
- (5) Upon acceptance of the insurance by the insurer and within thirty (30) days of the date upon which the indebtedness is incurred, the insurer shall cause the individual policy or group certificate of insurance to be delivered to the debtor. Such application or notice of proposed insurance shall state that upon acceptance by the insurer, the insurance shall become effective as provided in KRS 304.19-060.

- (6) If the named insurer does not accept the risk, then the debtor shall receive a refund of premium.

Effective: June 18, 1970

History: Created 1970 Ky. Acts ch. 301, subtit. 19, sec. 7, effective June 18, 1970.