## 304.20-310 Definitions for KRS 304.20-320 to 304.20-350.

As used in KRS 304.20-320 to 304.20-350:

- (1) "Renewal" or "to renew" means the issuance and delivery by an insurer at the end of a policy period or term of a policy superseding a policy previously issued and delivered by the same insurer, or the issuance and delivery of a certificate or notice extending the term of an existing policy beyond its policy period or term. For the purpose of KRS 304.20-320 to 304.20-350, any policy period or term of less than six (6) months shall be considered to be a policy period or term of six (6) months, and any policy period or term of more than one (1) year or any policy with no fixed expiration date shall be considered a policy period or term of one (1) year;
- "Nonpayment of premium" means the failure of the named insured to discharge any obligation in connection with the payment of premiums on property or casualty insurance subject to KRS 304.20-320 to 304.20-350, whether such payments are directly payable to the insurer or its agent or indirectly payable under a premium finance plan or extension of credit. "Nonpayment of premium" shall include failure to pay dues or fees where payment of such dues or fees is a prerequisite to obtaining or continuing property or casualty insurance coverage;
- (3) "Termination" means either a cancellation or nonrenewal of property or casualty insurance coverage in whole or in part. A cancellation occurs during the policy period or term as set forth in subsection (1) of this section. A nonrenewal occurs at the end of the policy period or term as set forth in subsection (1) of this section. For the purpose of KRS 304.20-320 to 304.20-350, the transfer of a policyholder between companies within the same insurance group shall be considered a termination, but requiring a reasonable deductible, reasonable changes in the amount of insurance, or reasonable reductions in policy limits or coverage shall not be considered a termination if such requirements are directly related to an increased hazard involved and are made on the renewal date for the policy;
- (4) "Declination" means either the refusal of an insurer to issue a property or casualty insurance policy upon receipt of a written nonbinding application or written request for coverage from its agent or an applicant, or refusal of an agent to transmit to an insurer a written nonbinding application or written request for coverage received from an applicant. For the purposes of KRS 304.20-320 to 304.20-350, the offering of insurance coverage with a company within an insurance group which is different from the company requested on the nonbinding application or written request for coverage, or the offering of insurance upon different terms than requested in the nonbinding application or written request for coverage, shall be considered to be a declination; and
- (5) "Agent" includes, but is not limited to, surplus lines broker.

Effective: July 14, 2000

**History:** Amended 2000 Ky. Acts ch. 540, sec. 5, effective July 14, 2000. -- Amended 1988 Ky. Acts ch. 225, sec. 7, effective July 15, 1988. -- Created 1986 Ky. Acts ch. 426, sec. 2, effective July 15, 1986.