

304.15-350 Calculation of cash surrender value and paid-up nonforfeiture benefit of certain policies on default.

- (1) Any cash surrender value and any paid-up nonforfeiture benefit, available under the policy in the event of default in a premium payment due at any time other than on the policy anniversary, shall be calculated with allowance for the lapse of time and the payment of fractional premiums beyond the last preceding policy anniversary. All values referred to in KRS 304.15-320 to 304.15-340 and in KRS 304.15-342, may be calculated upon the assumption that any death benefit is payable at the end of the policy year of death. The net value of any paid-up additions, other than paid-up term additions, shall be not less than the amounts used to provide such additions. Notwithstanding KRS 304.15-320, additional benefits payable:
 - (a) In the event of death or dismemberment by accident or accidental means;
 - (b) In the event of total and permanent disability;
 - (c) As reversionary annuity or deferred reversionary annuity benefits;
 - (d) As term insurance benefits provided by a rider or supplemental policy provisions to which, if issued as a separate policy, KRS 304.15-310 to 304.15-360, inclusive, would not apply;
 - (e) As term insurance on the life of a child or on the lives of children provided in a policy on the life of a parent of the child, if such term insurance expires before the child's age is twenty-six (26), and is uniform in amount after the child's age is one (1);
 - (f) As other policy benefits additional to life insurance and endowment benefits;and premiums for all such additional benefits, shall be disregarded in ascertaining cash surrender values and nonforfeiture benefits required by KRS 304.15-310 to 304.15-360, inclusive, and no such additional benefits shall be required to be included in any paid-up nonforfeiture benefits.
- (2) Contrary provisions. Any condition or stipulation in the policy of insurance or elsewhere contrary to the provisions of KRS 304.15-310 to 304.15-360, and any waiver of such provisions by the insured, shall be void.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 166, sec. 7, effective July 15, 2010. -- Amended 1982 Ky. Acts ch. 263, sec. 6, effective July 15, 1982. -- Created 1970 Ky. Acts ch. 301, subtit. 15, sec. 35, effective June 18, 1970.