

**304.20-105 Definitions for section -- Assignment of duties, rights, or benefits --
Prohibition.**

- (1) As used in this section:
 - (a) "Insured" means a person that is entitled, or may be entitled, to receive first-party benefits or payments under an insurance policy;
 - (b) "Person" includes:
 1. A natural person;
 2. Any type or form of corporation, company, partnership, proprietorship, association, or other legal entity; and
 3. A government, governmental subdivision or agency, or other body politic; and
 - (c) "Rights or benefits under the policy" includes the insured's right to receive any and all post-loss benefits or payments available or payable under the policy, including but not limited to claim payments.
- (2) An insured under a property, casualty, or property and casualty insurance policy shall not, either prior to or after a claimed or covered loss, assign or otherwise transfer, in whole or in part, to any other person the insured's:
 - (a) Duties under the policy; or
 - (b) Rights or benefits under the policy.
- (3) Any contract entered in violation of this section shall be void and unenforceable.
- (4) Nothing in this section shall be construed to prohibit an insured from:
 - (a) Directing the payment of benefits under KRS 304.39-241;
 - (b) Authorizing or directing payment to, or paying, a person for services, materials, or any other thing which may be, or is, covered under an insurance policy; or
 - (c) Assigning rights to seek damages related to a personal injury or tort case, arising from a settlement, verdict, or resulting judgment against the insured that is in excess of the insured's liability insurance coverage, subject to defenses available under Kentucky law.

Effective: April 2, 2024

History: Created 2024 Ky. Acts ch. 27, sec. 1, effective April 2, 2024.

Legislative Research Commission Note (4/2/2024). 2024 Ky. Acts ch. 27, sec. 6, provides that this statute shall apply to insurance policies issued or renewed on or after April 2, 2024.