

304.17-130 Person to whom indemnity payable.

- (1) There shall be a provision as follows:

"Payment of Claims: Indemnity for loss of life will be payable in accordance with the beneficiary designation and the provisions respecting payment which may be prescribed herein and effective at the time of payment. If no designation or provision is then effective, any indemnity shall be payable to the estate of the insured. Any other accrued indemnities unpaid at the insured's death may, at the option of the insurer, be paid either to a beneficiary or to the estate. All other indemnities will be payable to the insured."

- (2) Except as provided in KRS 304.17A-265 and 304.17C-137, the following provisions, or either of them, may be included with the provision required under subsection (1) of this section at the option of the insurer:

(a) "If any indemnity of this policy shall be payable to the estate of the insured, or to an insured or beneficiary who is a minor or otherwise not competent to give a valid release, the insurer may pay such indemnity, up to an amount not exceeding \$.... (insert an amount which shall not exceed \$5,000), to any relative by blood or connection by marriage of the insured or beneficiary who is deemed by the insurer to be equitably entitled thereto. Any payment made by the insurer in good faith pursuant to this provision shall fully discharge the insurer to the extent of the payment."; and

(b) "Subject to any written direction of the insured in the application or otherwise, all or a portion of any indemnities provided by this policy on account of hospital, nursing, medical, or surgical services may, at the insurer's option and unless the insured requests otherwise in writing not later than the time of filing proofs of the loss, be paid directly to the hospital or person rendering services, but it is not required that the service be rendered by a particular hospital or person."

Effective: January 1, 2026

History: Amended 2025 Ky. Acts ch. 147, sec. 3, effective January 1, 2026. -- Amended 2023 Ky. Acts ch. 86, sec. 3, effective June 29, 2023. -- Amended 1998 Ky. Acts ch. 483, sec. 20, effective July 15, 1998. -- Created 1970 Ky. Acts ch. 301, subtit. 17, sec. 13, effective June 18, 1970.

Legislative Research Commission Note (1/1/2026). 2025 Ky. Acts ch. 147, sec. 5, provides that the amendments to this statute in that Act shall apply to policies, plans, and contracts issued or renewed on or after January 1, 2026.

Legislative Research Commission Note (6/29/2023). This statute was amended by 2023 Ky. Acts ch. 86, sec. 3. Section 8 of that Act provides that the Act applies to health insurance policies in effect on or after June 29, 2023, and to health insurance policies issued, delivered, or renewed on or after June 29, 2023.