304.39-210 Obligor's duty to respond to claims.

(1) (a) Basic and added reparation benefits are payable monthly as loss accrues.

(b) Loss accrues not when injury occurs, but as work loss, replacement services loss, or medical expense is incurred.

(c) Benefits are overdue if not paid within thirty (30) days after the reparation obligor receives reasonable proof of the fact and amount of loss realized, unless the reparation obligor elects to accumulate claims for periods not exceeding thirty-one (31) days after the reparation obligor receives reasonable proof of the fact and amount of loss realized, and pays them within fifteen (15) days after the period of accumulation.

(d) Notwithstanding any provision of this chapter to the contrary, benefits are not overdue if a reparation obligor has not made payment to a provider of services due to the request of a secured person when the secured person is directing the payment of benefits among the different elements of loss.

(e) If reasonable proof is supplied as to only part of a claim, and the part totals one hundred dollars ($100) or more, the part is overdue if not paid within the time provided by this section.

(f) Medical expense benefits may be paid by the reparation obligor directly to persons supplying products, services, or accommodations to the claimant, if the claimant so designates.

(g) A reparation obligor shall not, in any event, pay a charge for a medical expense that exceeds the maximum fee permitted under KRS 304.39-020(5)(a)2.

(h) 1. Except as provided in subparagraph 2. of this paragraph, a person providing a product, service, or accommodation shall submit a statement of the charge for the medical expense within one hundred eighty (180) days of the date the product, service, or accommodation is rendered.

2. Subparagraph 1. of this paragraph shall not apply to charges submitted pursuant to KRS 304.39-241.

(i) A person providing a product, service, or accommodation shall not:

1. Knowingly collect, attempt to collect, coerce, or attempt to coerce, directly or indirectly, the payment of any charge for a medical expense covered by a reparation obligor that exceeds the maximum fee permitted under KRS 304.39-020(5)(a)2.; or

2. Cause the credit of any basic or added reparation insured to be impaired by reason of the insured's failure or refusal to pay the balance of any charge for a medical expense covered by a reparation obligor that exceeds the maximum fee permitted under KRS 304.39-020(5)(a)2.

(2) Overdue payments bear interest at the rate of twelve percent (12%) per annum, except that if delay was without reasonable foundation, the rate of interest shall be eighteen percent (18%) per annum.

(3) (a) A claim for basic or added reparation benefits shall be paid without deduction for the benefits which are to be subtracted pursuant to the provisions on

calculation of net loss if these benefits have not been paid to the claimant before the reparation benefits are overdue or the claim is paid.

(b) The reparation obligor is entitled to reimbursement from the person obligated to make the payments or from the claimant who actually receives the payments.

(4) (a) A reparation obligor may bring an action to recover benefits which are not payable, but are in fact paid, because of an intentional misrepresentation of a material fact, upon which the reparation obligor relies, by the insured or by a person providing an item of medical expense.

(b) The action may be brought only against the person providing the item of medical expense, unless the insured has intentionally misrepresented the facts or knows of the misrepresentation.

(c) An insurer may offset amounts he is entitled to recover from the insured under this subsection against any basic or added reparation benefits otherwise due.

(5) (a) A reparation obligor who rejects a claim for basic reparation benefits shall give to the claimant prompt written notice of the rejection, specifying the reason.

(b) If a claim is rejected for a reason other than that the person is not entitled to the basic reparation benefits claimed, the written notice shall inform the claimant that he may file his claim with the assigned claims bureau and shall give the name and address of the bureau.

Effective: July 15, 2026

History: Amended 2026 Ky. Acts ch. 149, sec. 3, effective July 15, 2026. -- Amended 1998 Ky. Acts ch. 200, sec. 2, effective July 15, 1998. -- Created 1974 Ky. Acts ch. 385, sec. 21, effective July 1, 1975.

Legislative Research Commission Note (7/15/2026). 2026 Ky. Acts ch. 149, sec. 7, provides that the amendments to this statute in that Act apply to basic and added reparation benefits that are issued or renewed on or after July 15, 2026.