

CHAPTER 64

(HB 207)

AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔SECTION 1. A NEW SECTION OF SUBTITLE 20 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) *As used in this section:*

- (a) *"Commercial property and casualty" means any kind of property and casualty insurance relating to commercial risks that is not insurance for personal risks as defined in KRS 304.13-011;*
- (b) *"Loss run statement" means a report relating to commercial property and casualty risks maintained by an insurer containing the history of claims occurring within a policy term; and*
- (c) *"Provide" means to mail, personally deliver, or electronically send a document, or to allow access through an electronic portal to view or generate a document.*

(2) *An insurer shall provide a loss run statement to an insured or an insurer's agent within twenty (20) calendar days of receipt of a written request submitted by the insured or the insurer's agent.*

(3) *An insurer's agent that receives a loss run statement pursuant to subsection (2) of this section shall provide a copy of the loss run statement to the insured within five (5) calendar days of receipt by the agent.*

(4) *The loss run statement provided pursuant to subsection (2) of this section shall be a five (5)-year loss run history for the prior five (5) years or a complete loss run history with the insurer if the history is less than five (5) years.*

(5) *An insurer's agent that receives a loss run statement pursuant to subsection (2) of this section shall not divulge consumer information to any third party except in accordance with applicable laws governing the privacy of consumer financial information, health information, or other information that is otherwise required by law to be held as confidential.*

(6) *An insurer shall not charge any fees to prepare and provide one (1) loss run statement in accordance with subsection (2) of this section.*

➔SECTION 2. A NEW SECTION OF SUBTITLE 99 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

An insurer that fails to provide a loss run statement as required by subsection (2) of Section 1 of this Act, or an insurer's agent that fails to provide a loss run statement to an insured as required by subsection (3) of Section 1 of this Act, shall be subject to a fine of not less than one hundred dollars (\$100) nor more than two hundred fifty dollars (\$250) for each day that the insurer or the insurer's agent fails to provide a requested loss run statement.

➔Section 3. KRS 304.48-035 is amended to read as follows:

A liability self-insurance group regulated under this subtitle and administrative regulations promulgated pursuant thereto shall be subject to the provisions of this subtitle, Subtitle 12 of this chapter, *Sections 1 and 2 of this Act*, and KRS 304.2-310 to 304.2-370, to the extent applicable and not in conflict with the expressed provisions of this subtitle.

➔Section 4. KRS 304.50-155 is amended to read as follows:

A group self-insurance fund regulated under this subtitle and administrative regulations promulgated by the commissioner shall be subject to the provisions of this subtitle, Subtitle 12 of this chapter, *Sections 1 and 2 of this Act*, and KRS 304.2-310 to 304.2-370, to the extent applicable and not in conflict with the expressed provisions of this subtitle.

➔SECTION 5. A NEW SECTION OF SUBTITLE 12 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) *An insurer shall inform a claimant upon notification of a motor vehicle damage claim that he or she has the right to choose the repair facility of his or her choice to repair a damaged vehicle.*

- (2) *After the effective date of this Act, all appraisals shall include the following notice, printed in not less than ten (10) point, boldfaced type: "NOTICE: UNDER KENTUCKY LAW, THE CONSUMER AND/OR LESSEE HAS THE RIGHT TO CHOOSE THE REPAIR FACILITY TO MAKE REPAIRS TO HIS OR HER MOTOR VEHICLE."*
- (3) *The obligations set forth in this section shall not apply to the replacement or repair of automobile glass.*

➔SECTION 6. A NEW SECTION OF SUBTITLE 99 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Any person who violates Section 5 of this Act shall be subject, at the discretion of the commissioner, to a fine in an amount of not less than two hundred fifty dollars (\$250) nor more than five thousand dollars (\$5,000). Each violation shall constitute a separate offense.

Signed by Governor April 11, 2012.