806 KAR 15:020. Wholesale life insurance; employer's contribution; dividends.

RELATES TO: KRS 304.15-020

STATUTORY AUTHORITY: KRS 304.2-110

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110 provides that the Commissioner of Insurance may make reasonable rules and administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code. This administrative regulation clarifies the meaning of the phrase "funds contributed by the employer" as used in KRS 304.15-020. It also requires the payment of dividends on such policies to the insured.

Section 1. As used in KRS 304.15-020, the phrase "funds contributed by the employer" shall be deemed to mean those funds contributed by the employer which make an effective contribution to the net cost of the insurance, on the life of the employee.

Section 2. Any dividend returned upon a whole life insurance policy shall be applied for the sole benefit of insured employees.

(I-15.02; 1 Ky.R. 869; eff. 5-14-75; TAm eff. 8-9-2007; Crt eff. 2-26-2020; TAm eff. 3-10-2020.)