

299.430 Action to collect unpaid assessments -- Exclusion of policyholder -- Refund.

- (1) An action may be brought by the company against any policyholder to recover all assessments, made upon him under the provisions of KRS 299.310 to 299.470 or under the bylaws of the company, that he neglects or refuses to pay. If the company is compelled to bring action in order to collect an assessment, it may recover the amount assessed with fifty percent (50%) added thereto, in addition to lawful interest, as a penalty for the neglect and refusal to pay within the time required.
- (2) The officers of a company may proceed to collect any assessment when due and unpaid for thirty (30) days, and the refusal or neglect on their part to endeavor to do so, or to perform any of the duties imposed by KRS 299.310 to 299.470, shall render them liable individually for the amount lost by any person because of such neglect or refusal, and an action may be maintained against them for such loss.
- (3) A policyholder who refuses to pay his assessment may, for that or any other reason satisfactory to the directors or executive committee, be excluded by a majority of the directors or executive committee, or as the bylaws may prescribe, from the company. He shall remain liable for payment of any assessment made prior to his exclusion, and for the penalty above provided in case action is brought against him within twelve (12) months after the time the assessment was due. If any policyholder is excluded as provided in this subsection, and the policy issued to him is canceled, the secretary shall at once enter that fact, with the date, upon the records of the company, and notify the policyholder, in person or by mail, of his exclusion. If by mail, the postage shall be prepaid and the notice shall be addressed to the address given in the application or policy, or the last address given the secretary by the policyholder. From and after the date of personal notice, or five (5) days after the mailing of notice, the policy shall be canceled and all liability for the policy shall cease, but the insured shall be entitled to receive from the company a repayment of an equitable portion of all unearned money in excess of his legal contribution to the reserve fund to which he has contributed. Not more than twenty percent (20%) of assessments may be computed as the policyholders' legal contribution to the reserve fund.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 712.