

304.12-100 Exceptions to discrimination and rebate prohibition.

Nothing in KRS 304.12-080, 304.12-090, or 304.12-110 shall be construed as prohibiting:

- (1) Payment of lawfully earned commission or other lawful compensation to duly licensed insurance producers, as defined in KRS 304.9-020, or compensation disclosed in a written disclosure agreement, as described in KRS 304.11-042;
- (2) Distribution by a participating insurer to its participating policyholders of dividends, savings, or the unused or unabsorbed portion of premiums and premium deposits;
- (3) (a) Furnishing of information, advice, programs, products, or services that are intended to:
 1. Reduce the future cost of insurance to the policyholder or the probability or severity of loss;
 2. Assist in the efficient administration and management of the policyholder's insurance program; or
 3. Assist the client in complying with any state or federal law.
- (b) Such information, advice, programs, products, or services shall include but are not limited to providing software to administer an insured's employee benefits or risk management programs, employee wellness programs, risk management services, loss control services, and workers' compensation analysis forecasting;
- (4) Life insurers from paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, if such bonus or abatement is fair and equitable to all policyholders and for the best interests of the insurer and its policyholders;
- (5) In the case of insurance policies issued on the debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the savings in collection expense or making allowance to policyholders who make premium payments at less frequent intervals than required;
- (6) Readjustment of the rate of premium for a group insurance policy based on the loss or expense experience thereunder, at the end of any policy year of insurance thereunder, which may be made retroactive only for such policy year;
- (7) An insurer from waiving, in whole or in part, a policyholder's deductible for food spoilage for an insured risk located in a county declared to be a federal disaster area;
- (8) Payment of any compensation, fee, or other consideration to an individual not licensed to sell insurance if such individual sells, solicits, or negotiates rental vehicle insurance in accordance with KRS 304.9-507 or for the referral of a consumer to a licensed individual in accordance with KRS 304.9-425;
- (9) Any conduct permitted under KRS 304.12-092; or
- (10) Charitable contributions by an insurer or insurance producer, as defined in KRS 304.9-020, unless the contributions are made in connection with the purchase or renewal of insurance.

Effective: July 14, 2022

History: Amended 2022 Ky. Acts ch. 64, sec. 3, effective July 14, 2022. -- Amended 2013 Ky. Acts ch. 123, sec. 3, effective June 25, 2013. -- Amended 2010 Ky. Acts ch. 83, sec. 19, effective July 15, 2010. -- Amended 2009 Ky. Acts ch. 60, sec. 1, effective March 20, 2009. -- Amended 2008 Ky. Acts ch. 31, sec. 3, effective July 15, 2008. -- Amended 2005 Ky. Acts ch. 143, sec. 22, effective June 20, 2005. -- Amended 2002 Ky. Acts ch. 273, sec. 43, effective July 15, 2002. -- Created 1970 Ky. Acts ch. 301, subtit. 12, sec. 10, effective June 18, 1970.