**304.19-212 Claims to be promptly reported -- Methods of payment -- Persons authorized to settle or adjust claims -- Applicability of Subtitle 12 of KRS Chapter 304.**

(1) (a) Any claim under a credit personal property insurance policy, certificate, plan, or contract shall be promptly reported to the insurer or its designated claim representative.

(b) An insurer shall maintain adequate claims files for claims reported under paragraph (a) of this subsection.

(2) A claim under credit personal property insurance shall be paid by draft drawn upon the insurer, by electronic funds transfer, or by check of the insurer to the order of:

(a) Except as provided in paragraph (b) of this subsection, the claimant to whom payment of the claim is due pursuant to the policy provisions; or

(b) Upon direction of the claimant, to a person other than the claimant.

(3) (a) A firm, corporation, or other person, other than the insurer or its designated claim representative, shall not be authorized to settle or adjust claims under credit personal property insurance.

(b) 1. Except as provided in subparagraph 2. of this paragraph, a creditor shall not be designated as a claim representative for the insurer in adjusting claims.

2. When the amount of a claim is determined, a group policyholder may, by arrangement with the insurer and subject to audit and review by the insurer, draw drafts or checks or make electronic transfers, in payment of claims due to the group policyholder.

(4) All claims for credit personal property insurance shall be subject to Subtitle 12 of this chapter to the extent applicable and not in conflict with KRS 304.19-200 to 304.19-215.

**Effective:** July 15, 2026

**History:** Created 2026 Ky. Acts ch. 16, sec. 17, effective July 15, 2026.

**Legislative Research Commission Note** (7/15/2026). 2026 Ky. Acts ch. 16, sec. 25, provides that this statute shall apply to contracts issued or renewed on or after July 15, 2026.