

1 AN ACT relating to insurance notifications.

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

3 ➔ SECTION 1. A NEW SECTION OF SUBTITLE 12 OF KRS CHAPTER 304  
4 IS CREATED TO READ AS FOLLOWS:

5 *(1) Any insured may designate one (1) or more persons to receive one (1) or both of*  
6 *the following notices from an insurer:*

7 *(a) In addition to and at the same time as the insured, any notice of*  
8 *cancellation, termination, discontinuance, or nonrenewal of the insured's*  
9 *insurance; and*

10 *(b) 1. A notification to the designated person or persons if any employee or*  
11 *representative of the insurer reasonably believes, based on facts and*  
12 *circumstances observed by the employee or representative during any*  
13 *period of coverage, that the insured may have a mental or physical*  
14 *impairment that renders the insured unable to protect his or her own*  
15 *interests.*

16 *2. A notification required under this paragraph shall be made within ten*  
17 *(10) days after the date the employee or representative communicates*  
18 *a reasonable belief to the insurer.*

19 *(2) Each insurer shall make a written inquiry to the insured of his or her*  
20 *designations under subsection (1) of this section:*

21 *(a) At or before the time an application for insurance is made; and*

22 *(b) If no designation has been made, at or before the insured's next renewal of*  
23 *insurance.*

24 *(3) Notwithstanding any provision of this chapter to the contrary:*

25 *(a) An insurer shall send all notices designated by the insured under this*  
26 *section to the designated person or persons beginning at the later of the*  
27 *following:*

- 1           1. The date the insurance is initially issued; or
- 2           2. The date the insurer receives the insured's designations;
- 3           (b) The insurer's obligation under paragraph (a) of this subsection shall
- 4           continue until the insurer is notified by the insured, or the insured's legal
- 5           representative, that the designations have been withdrawn; and
- 6           (c) 1. Any notice made to an insured without the notification required under
- 7           subsection (1)(a) of this section shall have no legal effect, and any
- 8           time period set forth in the notice shall be tolled, until the later of the
- 9           following:
- 10           a. The date the notification is made to the designated person or
- 11           persons; or
- 12           b. One (1) year after the date the notice to the insured is made.
- 13           2. If an insurer fails to make a notification required under subsection
- 14           (1)(b) of this section, any notice made to an insured after the
- 15           notification was due shall have no legal effect, and any time period set
- 16           forth in the notice shall be tolled, until the later of the following:
- 17           a. The date the notification is made to the designated person or
- 18           persons; or
- 19           b. One (1) year after the date the notice to the insured is made.
- 20           (4) An insurer that exercises good faith in making the notifications required by this
- 21           section shall be immune from any administrative or civil liability that might
- 22           otherwise arise from its conduct.
- 23           (5) Nothing in this section shall be construed to limit or diminish any additional
- 24           obligations an insurer may have under any common law or statute relating to
- 25           agents or representatives, including but not limited to KRS Chapters 386 to 397
- 26           and 457.