

304.12-140 Coercion in requiring insurance.

- (1) No person engaged in the business of financing the purchase of real or personal property or of lending money on the security of real or personal property shall require, as a condition to financing or lending, or varying the terms and conditions of the financing or lending, or as a condition to the renewal or extension of any loan or credit or to the performance of any other act in connection with financing or lending, that the purchaser or borrower, or his successors, shall negotiate through a particular insurer, agent, or type of insurer, any policy of insurance or renewal insuring the property or the life or health of the borrower.
- (2) This section shall not prevent the reasonable exercise by any vendor or lender of its right to approve or disapprove the insurer selected to underwrite the insurance, and to determine the adequacy of the insurance offered.

Effective: July 15, 2002

History: Amended 2002 Ky. Acts ch. 273, sec. 45, effective July 15, 2002. -- Amended 1982 Ky. Acts ch. 320, sec. 18, effective July 15, 1982. -- Created 1970 Ky. Acts ch. 301, subtit. 12, sec. 14, effective June 18, 1970.