

### **304.15-312 Policies without cash surrender value.**

- (1) Notwithstanding the provisions of KRS 304.15-310(1)(b) and (d), companies which comply with the provisions of KRS 304.15-342 may issue policies of life insurance which differ from their existing or currently filed policies only in that they do not provide for any cash surrender value prior to the death of the life insured. However, if a policy provides for any cash surrender value, endowment, or pure endowment prior to the death of the life insured, this exemption shall not apply. Provided, further, that any policy without cash surrender values, for which one (1) or more cash surrender values would otherwise have been required, shall contain on its first page, a concise, exact description, set out in contrasting type at least four (4) points larger than used in the body of that page a statement in a prominent place that such values are not provided and that no policy loans are available under the policy. Further, the insurer shall provide to each prospective purchaser of such a policy a policy summary, the form of which shall be filed for approval pursuant to KRS 304.14-120, which includes the same description as the policy, similarly displayed, and which shows the premium said insurer charges for the same policy when cash values are included. Such policy summary shall be delivered before any premium is accepted.
- (2) Such policies shall provide for a paid-up nonforfeiture benefit as required by KRS 304.15-310(1)(a) and (c). The amount or period of any paid-up nonforfeiture benefit shall be determined from a nonforfeiture amount determined as provided by KRS 304.15-330 for an otherwise similar policy with cash surrender values. The nonforfeiture amount, at any time, shall not be less than the amount of the minimum cash surrender value required by KRS 304.15-320 for an otherwise similar policy with cash surrender values.
- (3) Except for the requirement of payment upon surrender, the nonforfeiture amounts for such policies shall be subject to all provisions of this subtitle which apply to the cash surrender values of otherwise similar life insurance policies with cash surrender values.
- (4) KRS 304.15-110 shall not apply to policies which do not provide cash surrender values.

**Effective:** July 15, 1986

**History:** Created 1986 Ky. Acts ch. 256, sec. 1, effective July 15, 1986.