

### **304.15-320 Cash surrender value.**

Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary, whether or not required by KRS 304.15-310, shall be an amount not less than the excess, if any, of the present value, on such anniversary, of the future guaranteed benefits which would have been provided for by the policy, including any existing paid-up additions, if there had been no default, over the sum of:

- (1) The then present value of the adjusted premiums as defined in KRS 304.15-340 and 304.15-342, corresponding to premiums which would have fallen due on and after such anniversary, and
- (2) The amount of any indebtedness to the insurer on the policy; provided, however, that for any policy issued on or after the effective date of KRS 304.15-342 as defined therein, which provides supplemental life insurance or annuity benefits at the option of the insured and for an identifiable additional premium by rider or supplemental policy provision, the cash surrender value shall be an amount not less than the sum of the cash surrender value for an otherwise similar policy issued at the same age without such rider or supplemental policy provision and the cash surrender value for a policy which provides only the benefits otherwise provided by such rider or supplemental policy provision.

Provided, further, that for any family policy issued on or after the effective date of KRS 304.15-342 as defined therein, which defines a primary insured and provides term insurance on the life of the spouse of the primary insured expiring before the spouse's age seventy-one (71), the cash surrender value shall be an amount not less than the sum of the cash surrender value for an otherwise similar policy issued at the same age without such term insurance on the life of the spouse and the cash surrender value for a policy which provides only the benefits otherwise provided by such term insurance on the life of the spouse.

Any cash surrender value available within thirty (30) days after any policy anniversary under any policy paid up by completion of all premium payments or any policy continued under any paid-up nonforfeiture benefit whether or not required by KRS 304.15-310 shall be an amount not less than the present value, on such anniversary, of the future guaranteed benefits provided for by the policy, including any existing paid-up additions, decreased by any indebtedness to the insurer on the policy.

**Effective:** July 15, 1982

**History:** Amended 1982 Ky. Acts ch. 263, sec. 2, effective July 15, 1982. --  
Created 1970 Ky. Acts ch. 301, subtit. 15, sec. 32, effective June 18, 1970.