

304.20-210 Notification of insurer of existence of lien -- Payment by insurer to taxing authority.

- (1) Prior to the payment of any insurance proceeds for loss or damage to real estate caused by fire, but within twenty (20) days of the filing of any notice of claim for fire insurance proceeds by an insured, provided the amount of the proceeds for the loss payable under the policy is ten thousand dollars (\$10,000) or more, the insurer required to pay such proceeds shall notify the county clerk of the county in which such loss or damage has been sustained and demand in writing, by registered or certified mail, that a statement indicating the amount of all liens existing and referred to by KRS 304.20-200 to 304.20-250 be delivered to such insurer at a specified address, in person or by registered or certified mail, within fifteen (15) days from the date of receipt by the county clerk of such demand. Upon the failure of the county clerk to notify the insurer of the existence of any such liens in said manner, the right of the state or the county, city or other taxing district to claim against any such proceeds shall terminate and the lien as to said proceeds shall no longer be effective. The insurer may rely conclusively upon the amount of the taxes due as set forth in such notice of lien in making any payments of proceeds to any person. The county clerk performing such service shall receive a fee of five dollars (\$5) from the insurer.
- (2) Within twenty (20) days of receipt of a notice of lien received from the county clerk pursuant to this section and a final determination of the insurer's obligation to pay fire insurance proceeds, the insurer shall pay all or a portion of the proceeds otherwise payable to the insured directly to the state or the county, city or other taxing district in satisfaction of the total amount of delinquent real estate taxes as set forth on the statement of lien and shall deduct the amount thereof from the proceeds otherwise payable to the insured. A receipt by the county clerk or taxing authority shall be evidence of payment of such amount by the insurer on account of its liability under its policy to the insured.

Effective: July 15, 1980

History: Created 1980 Ky. Acts ch. 278, sec. 2, effective July 15, 1980.