



**COMMONWEALTH OF KENTUCKY  
DEPARTMENT OF INSURANCE  
FRANKFORT, KENTUCKY**

**ADVISORY OPINION  
2014-02**

**The following Advisory Opinion is to advise the reader of the current position of the Kentucky Department of Insurance (the “Department”) on the specified issue. The Advisory Opinion is not legally binding on either the Department or the reader.**

**TO: ALL LIFE INSURANCE COMPANIES AUTHORIZED TO TRANSACT  
BUSINESS IN THE COMMONWEALTH OF KENTUCKY**

**FROM: SHARON P. CLARK, COMMISSIONER  
KENTUCKY DEPARTMENT OF INSURANCE**

**RE: INTERPRETATION OF KRS 304.12-030(2) REGARDING REPLACEMENT  
INSURANCE**

**DATE: JANUARY 29, 2014**

The purpose of this Advisory Opinion is to remind life insurance companies that KRS 304.12-030(2)(a), which is part of an NAIC model law adopted by the General Assembly in 2005, requires the company which is replacing life insurance for a consumer to advise the consumer in writing of what benefit amount is contestable and for how long that contestability lasts. As with compliance with any part of the Kentucky Insurance Code, the Department expects companies to regard compliance with the requirements of KRS 304.12-030(2)(a) as a serious matter. The Department shall treat the violation of those requirements as a serious matter, as well.

/s/ Sharon P. Clark  
Sharon P. Clark, Commissioner  
Kentucky Department of Insurance