

EXPIRED 1/11/2022



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

**ADVISORY OPINION
2021-07**

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

TO: ALL INSURANCE PREMIUM FINANCE COMPANIES TRANSACTING INSURANCE PREMIUM FINANCE BUSINESS IN THE FOLLOWING COUNTIES WITHIN THE COMMONWEALTH OF KENTUCKY: BOYLE, BRECKINRIDGE, BULLITT, CALDWELL, CALLOWAY, CASEY, CHRISTIAN, EDMONSON, FULTON, GRAVES, GRAYSON, GREEN, HARDIN, HART, HICKMAN, HOPKINS, LIVINGSTON, LOGAN, LYON, MARION, MARSHALL, MEADE, MONROE, MUHLENBERG, OHIO, SHELBY, SPENCER, TAYLOR, TODD, AND WARREN

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

RE: INSURANCE PREMIUM FINANCE COMPANY ACTIVITIES DURING THE ACUTE EMERGENCIES FOLLOWING THE STORMS ON DECEMBER 10 AND 11, 2021

DATE: JANUARY 3, 2022

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This Advisory Opinion is intended to offer guidance with respect to several issues/questions that have come to the attention of the Department in connection with the activities of Insurance Premium Finance Companies, following the devastating storms that swept through Kentucky on December 10 and 11, 2021.

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Limited access to funds: The recent storms have impeded the ability of Kentuckians to access funds in certain areas of the state. The Department has received inquiries regarding the ability of insurance premium finance companies to extend time periods for customers to pay premiums or other charges which may be due under their contracts. In light of the State of Emergency declared by Governor Beshear in Executive Order 2021-923, insurance premium finance companies are permitted to extend time periods that, when extended, will be for the benefit of their customers. Such extensions should be for reasonable time periods that will not result in a financial hardship on consumers when the payments become due after the extensions have expired. Under the current State of Emergency declared pursuant to Executive Order 2021-923, such extensions may be provided until January 10, 2022. This deadline may be further extended by operation of law.

Any insurance premium finance company intending to offer extensions to consumers should advise the Department of such by sending an email to Rob Roberts at Rob.Roberts@ky.gov or by letter delivered to:

Attn: Rob Roberts
Commissioner's Office
Kentucky Department of Insurance
P.O. Box 517
Frankfort, Kentucky 40602

Disruption of Mail Delivery: The recent storms have also resulted in major disruptions to mail delivery. Insurance premium finance companies should refrain from taking action against consumers, such as sending intent to cancel and/or cancellation notices to carriers, until such time as proper and actual notice can be given.

Access to Contracts: In many instances, consumers may not have access to their insurance premium financing agreements and are unable to review the language of those agreements. Insurance premium finance companies should supply, upon request from a consumer, a copy of the applicable agreement without charge.

As further inquiries or additional information is received, the Department may publish additional advisories. If you have any questions about this Advisory Opinion, please contact Rob Roberts at (502) 564-6034.



Sharon P. Clark, Commissioner
Kentucky Department of Insurance
On this _____ day of January 2022