

40-447. Payment of life insurance proceeds; interest required to be paid, when. (a) Notwithstanding any other provision of law, each insurer admitted to transact life insurance in the state of Kansas which fails or refuses to pay the proceeds of, or payments under, any policy of life insurance issued by it within 10 days after the date of receipt of due proof of death in the manner and form requested by the policy, shall pay interest on any moneys payable and unpaid after the expiration of such 10-day period at an annual rate of not less than the current rate of interest on death proceeds left on deposit with the insurer plus 1% computed from the date of said receipt.

(b) Nothing in this section shall be construed to allow any insurer admitted to transact life insurance in this state to withhold payment of money payable under a life insurance policy to any beneficiary for a period longer than reasonably necessary to transmit such payment.

(c) In any case in which interest on the proceeds of, or payments under, any policy of life insurance becomes payable pursuant to subsection (a), the insurer shall notify the named beneficiary or beneficiaries at their last known address that interest will be paid on the proceeds of, or payments under, such policy from the date of receipt of due proof of death of the named insured. Such notice shall specify the rate of interest to be paid.

(d) This section shall not require the payment of interest in any case in which the beneficiary elects in writing delivered to the insurer to receive the proceeds of, or payments under, the policy by any means other than a lump sum payment thereof.

(e) The commissioner of insurance may adopt such rules and regulations necessary to provide for the enforcement and administration of this act.

History: L. 1977, ch. 155, § 1; L. 1987, ch. 164, § 1; July 1.