

### **304.20-340 Declination or termination prohibited, when.**

The declination or termination of a policy of insurance subject to KRS 304.20-300 to 304.20-350 by an insurer or agent is prohibited if the declination or termination is:

- (1) Based solely upon the race, religion, nationality, ethnic group, age, sex, or marital status of the applicant or named insured;
- (2) Based solely upon the lawful occupation or profession of the applicant or named insured, except that this provision shall not apply to an insurer which limits its market to one (1) lawful occupation or profession or to several related lawful occupations or professions or to an insurer that does not provide the kind of insurance sought by the applicant;
- (3) Based solely upon the age or location of the residence or property of the applicant or named insured, unless such decision is for a business purpose which is not a mere pretext for unfair discrimination;
- (4) Based solely upon the fact that another insurer previously declined to insure the applicant or terminated an existing policy in which the applicant was the named insured;
- (5) Based solely upon the fact that the applicant or named insured previously obtained insurance through a residual market mechanism;
- (6) Based solely upon the fact that the applicant or named insured has previously obtained property or casualty insurance from a carrier providing nonstandard coverage; or
- (7) Based solely upon the fact that the applicant or named insured has sustained one (1) or more losses that immediately result from a natural cause without the intervention of any person and that could not have been prevented by the exercise of prudence, diligence, and care.

**Effective:** July 14, 2000

**History:** Amended 2000 Ky. Acts ch. 540, sec. 3, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 212, sec. 2, effective July 15, 1998. -- Created 1986 Ky. Acts ch. 426, sec. 5, effective July 15, 1986.