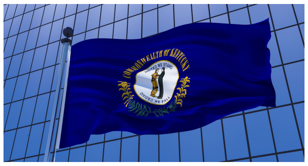

Kentucky Unclaimed Property Reporting Extension During COVID-19 Emergency

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Categories:

Coronavirus Response Team
Publications

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The deadline of May 1, 2020, for insurance companies[1] to report unclaimed property to the Kentucky State Treasurer (Treasurer) is fast approaching. Insurance companies are required to report three years after the obligation arose under a policy or contract the amount which is still owed under the terms of the policy or contract to the Treasurer.

The Treasurer's office is well aware that our current public health emergency may prove problematic in meeting its deadlines, including for those insurance companies due to report unclaimed property. Thus, the Treasurer has authorized a formal process for the insurance companies to request an extension of time. The Holder Reporting Extension Request for Insurance Companies is available on the Treasurer's website (Unclaimed Property tab) and also here.

The Kentucky Revised Statutes, updated in 2018 with the enactment of the Revised Uniform Unclaimed Property Act codified in KRS Chapter 393A, requires a notification to the owner of the property by the holder. The insurance company holder is to provide the notice to the owner of the unclaimed property by first class mail no less than 60 days before filing the report to the Kentucky State Treasurer. In Kentucky, the notice period to owners of unclaimed property is Jan. 1, 2020 through March 1, 2020. Unclaimed property arising from insurance obligations to be reported in 2020 is that property with a date of last activity between Jan. 1, 2016 through Dec. 31, 2016.

The notice period of Jan. 1, 2020, through March 1, 2020, should not have been impacted by the COVID-19 emergency. Effective March 26, 2020, by Kentucky Governor Andy Beshear's Executive Order 2020-257, required professional services, including insurance services, to implement telecommuting and remote work to the fullest extent possible. The Executive Order, unfortunately, came into effect at a time when many Insurance Companies were likely responding to holder notice questions and also finalizing the list of unclaimed property to the Treasurer. If this situation adversely affected an Insurance company, exercising the option of requesting additional time may be prudent.

FBT has been in touch with the Treasurer's office and they are prepared to assist insurance companies who are impacted by the COVID-19 emergency, and who may be at risk and unable to meet the May 1, 2020, deadline to report that property with a date of last activity before Jan. 1, 2017. As you consider whether your insurance company should request an extension of time, please note that the Extension Request Form includes a due date of April 15, 2020; however, from our conversation with staff at the Treasurer's office, we understand that extension requests are still being accepted at this time, but that the Treasurer is asking that extension requests be sent at the earliest possible time.

Please check with the Treasurer's office, or the office in your state for receiving submissions on unclaimed property and the process for requesting a holder reporting extension. As many states are now considering adopting the Uniform Law Commission's Uniform Unclaimed Property Act. Frost Brown Todd is happy to provide additional information regarding the complexities of the act and its potential impact to insurance carriers.

As states continue to provide evolving guidance associated with insurance and the COVID-19 pandemic, Frost Brown Todd will continue to monitor and update you on these developments and other insurance-related information, including ways to address these types of issues in the future. For more information or questions relating to insurance regulatory, or other insurance-related issues, please contact Frost Brown Todd's Insurance Regulation Practice Group.

For more information or questions relating to this specific article, or on other financial services-related issues, please contact Nancy Presnell, Bill Repasky, or Frost Brown Todd's Financial Services Industry Team.

To provide guidance and support to clients as this global public-health crisis unfolds, Frost Brown Todd has created a [Coronavirus Response Team](#). Our attorneys are on hand to answer your questions and provide guidance on how to proactively prepare for and manage any coronavirus-related threats to your business operations and workforce

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[1] An "Insurance Company" means an association, corporation, or fraternal or mutual-benefit organization, whether or not for profit, engaged in the business of providing life endowments, annuities or insurance, including accident, burial, casualty, credit-life, contract - performance, dental, disability, fidelity, fire, health, hospitalization, illness, life, malpractice, marine, mortgage, surety, wage-protection and worker-compensation insurance. KRS 393A.010(13).

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