

2023 Kansas Statutes

40-429. Loan provisions in policies. (a) In the case of those policies issued prior to the operative date of K.S.A. 40-428 (the standard nonforfeiture law) the loan value referred to in subsection (5) of K.S.A. 40-420, shall be the reserve at the end of the current policy year on the policy and on the dividend additions thereto, if any, exclusive of the reserve on account of return premium insurance and of total and permanent disability and additional accidental death benefits, less a sum not more than two and one-half percentum of the amount insured by the policy and of any dividend additions thereto (the policy to specify the mortality table and rate of interest adopted for computing such reserve). Such policies may further provide that such loan may be deferred for not exceeding six months after the application therefor is made.

(b) In the case of policies issued on or after the operative date of K.S.A. 40-428 (the standard nonforfeiture law) the loan value referred to in subsection (5) of K.S.A. 40-420, shall be the cash surrender value at the end of the current policy year as required by K.S.A. 40-428. The company shall reserve the right to defer such loan, except when made to pay premiums, for six months after application therefor is made.

History: L. 1947, ch. 277, § 5; July 1.