Kentucky Automobile Insurance Plan
Est. 1947

Kentucky FAIR Plan
Est. 1968

Are you having trouble obtaining homeowners, property or automobile insurance? If so, the Kentucky Fair Access to Insurance Requirements (FAIR) Plan and the Kentucky Automobile Insurance Plan (KAIP) may be an option available to you. These plans were established to provide homeowners, property and automobile insurance to individuals who find it difficult to purchase coverage through the regular insurance market.

In the text that follows, we will provide you with answers to common questions about each of these plans to assist you in making an informed decision about your insurance coverage.

The Kentucky Automobile Insurance Plan (KAIP)

What is the Kentucky Automobile Insurance Plan?

Consumers are sometimes unable to obtain motor vehicle insurance coverage in the regular market due to accidents or other issues. The Kentucky Automobile Insurance Plan (KAIP) is an association that places such consumers needing coverage with auto insurance companies licensed in Kentucky.

Who operates KAIP?

A nine-member governing committee of insurance professionals acts as KAIP policy-making body. All property and casualty companies doing business in Kentucky participate by funding the plan and insuring eligible applicants sent to them by the plan administrator.

Who buys insurance through KAIP?

Any Kentucky resident who has been refused motor vehicle coverage in the competitive market can have his or her insurance agent or broker submit an application for insurance through KAIP. Insurance rates are usually lower in the competitive market and applicants are advised to shop around before applying for coverage through KAIP. Your insurance agent will help you submit an application to KAIP.

What coverage is available in the plan?

All coverage and amounts required by Kentucky law are available through the plan including: bodily injury; property damage; personal injury protection (PIP); and uninsured motorist coverage for personal and commercial motor vehicles. The same coverages are available for motorcycles, motor homes, antique automobiles and recreational trailers and camper bodies. KAIP does not provide physical damage coverage (comprehensive and collision).

What are KAIP's eligibility requirements?

To receive coverage through KAIP, the applicant must:

- Certify on the application that he or she has been refused motor vehicle insurance coverage within the last 60 days.
- Provide a premium deposit with the application.
- Be a licensed driver. If the operators license has been revoked or suspended, coverage may be available if another licensed operator is shown on the application or a notice of restoration of license from the state is provided.
- Maintain his or her principal residence in Kentucky.
- Be insuring a motor vehicle registered in Kentucky. Members of the U.S. military forces who have vehicles registered in other states are eligible if the military non-resident is stationed in Kentucky at the time of application.

How are claims handled?

KAIP **does not** handle claims. You must contact the insurance company to which you are assigned to learn where to file your claim.

What if someone insured through KAIP finds a better deal elsewhere?

You should first make sure the insurance company is licensed to do business in Kentucky by contacting the Department of Insurance. If the company is a licensed and reputable insurer in Kentucky and you are receiving comparable coverage at a lower premium, then you should consider switching plans.

KAIP operates as an insurer of last resort, which exists for those applicants who are unable to obtain insurance from another source. Lower-cost automobile insurance policies may well be available in the voluntary market. Insureds who find they do qualify for coverage from another source may cancel their policy and receive a refund of the unused portion of their premium.

Facts about the Automobile Insurance Plan

- All insurance companies licensed to write automobile insurance in Kentucky support and participate in the KAIP.
- In most cases, personal and commercial motor vehicle coverage purchased through the plan becomes effective at 12:01 a.m. on the date following receipt of the application and payment at the plan office.
- Commercial risks requiring a filing with state or federal regulatory agencies have a 15-day waiting period from the time the application and premium are received by the plan's office.
- The assignment letter issued by KAIP can serve as proof of insurance in force. Retain this document for use when licensing your vehicle.

The Kentucky FAIR Plan

What is the Kentucky FAIR Plan?

Created in 1968, the Fair Access to Insurance Requirements (FAIR) Plan is an association that operates as an insurance company by making homeowners and other property insurance available to people unable to buy insurance through the voluntary markets.

Who operates the FAIR Plan?

All property and casualty insurance companies doing business in Kentucky participate in funding the plan and share any losses and profits. The FAIR plan issues its own policies and pays its own claims. A seven-member governing committee acts as the FAIR Plan's policy-making body. The plan is managed by a staff of insurance professionals independent of a single insurance company.

Who buys insurance through the FAIR Plan?

Almost anyone, provided the property to be insured meets basic fire, loss prevention and safety standards. However, most people who want to insure their properties can get a broader coverage and often a better rate in the competitive market.

What coverage is available in the plan?

The Plan offers two basic dwelling policies to protect homes and personal belongings for hazards such as fire, lightning, wind, hail, explosion, smoke, vandalism, as well as others. Contact your agent to become familiar with the coverages provided by each form. Earthquake coverage is available and mine subsidence is available in qualified counties.

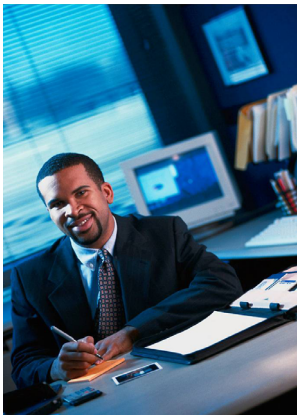
The Plan offers several basic homeowner policies to protect homes and personal belongings for owner-occupied property. Basic limits for liability and medical payments is included. The covered perils vary with the different forms. Contact your agent for information regarding the policy types and coverages that are available. Earthquake coverage is available and mine subsidence is available in qualified counties.

Up to $200,000 of protection is available on private dwellings, up to $1,000,000 on **commercial property** depending on location, and up to $250,000 on **farm property** under common ownership.

Does the FAIR Plan insure any property?

Yes, any property in Kentucky, but reasonable standards must be met to obtain coverage. However, these requirements are things that most people would normally do to protect their properties.

An inspection of the property is required and if the inspection reveals hazardous or substandard conditions, the Plan may assess a condition charge to the premium or require correction before the policy is issued. If the condition is corrected, the condition charge may be removed.



How are claims handled by the Kentucky FAIR Plan?

If you're insured in the plan and suffer a loss, contact your agent or the Kentucky FAIR Plan at 888-222-7702 and report it at once. Make a list of the damaged or destroyed items with estimated values and submit to the plan administrators.

What if someone insured through the FAIR Plan finds a better deal elsewhere?

The Kentucky FAIR Plan operates as an insurer of last resort, which exists for those applicants who are unable to obtain insurance from another source. Property owners should shop around before and after they come to the plan. If they find a better deal after they have purchased insurance through the plan, they can cancel their policy without fear of penalty and receive a refund of the unused portion of their premium.

Facts about the Kentucky FAIR Plan

- All insurance companies licensed to write property and casualty insurance in Kentucky support the Kentucky FAIR Plan if necessary.
- The FAIR Plan works with community and civic groups to help ensure the availability of basic property insurance in all areas of Kentucky.
- The FAIR Plan works closely with fire fighting and law enforcement officials, as well as the Kentucky Department of Insurance's Fraud Division, to guard against arson-for-profit in the state.
- All policies placed in the Plan are written on an Actual Cash Value basis. This means that the age and condition of the property is considered in the settlement for destroyed or damaged property.
- Applications must be submitted by licensed insurance agents. Agents are representatives of the insured and not of the Plan. They do not have authority to bind coverage without approval of the Plan.

For more information about the FAIR Plan or KAIP, contact any licensed property and casualty agent in your area or write to:

Kentucky Auto Insurance Plan, 10605 Shelbyville Road, Suite 100, Louisville, KY 40223 or call 502-327-8909 or on the Web at https://www.aipso.com/PlanSites/Kentucky.aspx.

Kentucky FAIR Plan, 10605 Shelbyville Road, Suite 102, Louisville, KY 40223 or call 888-222-7702 or 502-425-9998 or on the Web at http://www.kyfairplan.org.

Kentucky Department of Insurance, P.O. Box 517, Frankfort, KY 40602-0517 or call 800-595-6053 (in Kentucky) or 502-564-3630 (out of state); TDD: 800-648-6056 or on the Web at http://insurance.ky.gov/.

Kentucky Public Protection Cabinet
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