CHECKING SLIP—IMPORTANT

KENTUCKY AUTOMOBILE INSURANCE PLAN MANUAL

KY 2026 Revision 002

NEW PAGES ENCLOSED	P-5–P-8, C-9–C-10, (a)–(b)
SUPERSEDED—REMOVE	All previous Checking Slips Pages P-5–P-8, C-9–C-10, (a)–(b)
NEW CHANGES	**Manual of Rules and Rates**
Filing Nos. KY 26-08 KY 26-10	Rules 28 and 59 are amended to increase the maximum limit of liability for total work loss, replacement service loss, survivor's economics loss, and survivor's replacement services loss from $200 to $500; **effective September 1, 2026**. • Rule 28 ..... Page P-8 • Rule 59 ..... Page C-9
ELECTRONIC MANUAL	The Kentucky Automobile Insurance Plan Manual is available in electronic format at *https://www.aipso.com/Manuals/KentuckyManuals*. Register at *https://www.aipso.com/EmailAlerts* to receive email alerts when the manual is updated.
ABOUT THIS MANUAL	Stars (★) indicate the beginning of an amendment and end symbols (❖) indicate the ending of an amendment. The latest effective dates of the Plan of Operation and Manual of Rules and Rates are listed on pages (a)–(c) located at the end of the Manual.

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KENTUCKY

AUTOMOBILE INSURANCE PLAN

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TABLE OF CONTENTS

Page

DEFINITIONS D–3

PERSONAL PROVISIONS

Sec. 1. PURPOSES OF PLAN PA–3
Sec. 2. ELIGIBILITY PA–3
Sec. 3. REELIGIBILITY PA–3
Sec. 4. RESERVED FOR FUTURE USE PA–3
Sec. 5. EXTENT OF COVERAGE PA–4
Sec. 6. PREMIUM DEPOSIT REQUIREMENTS AND PAYMENT OPTIONS PA–5
Sec. 7. APPLICATION FOR COVERAGE AND DETERMINATION OF EFFECTIVE DATE PA–6
Sec. 8. RESERVED FOR FUTURE USE PA–9
Sec. 9. ASSIGNMENT PERIOD PA–9
Sec. 10. RESERVED FOR FUTURE USE PA–9
Sec. 11. RESERVED FOR FUTURE USE PA–9
Sec. 12. CANCELLATIONS PA–9
Sec. 13. COMPENSATION TO PRODUCER OF RECORD PA–10
Sec. 14. PERFORMANCE STANDARDS FOR SERVICE PROVIDERS WRITING KENTUCKY AUTOMOBILE INSURANCE PLAN PRIVATE PASSENGER NONFLEET RISKS PA–10
Sec. 15. PERFORMANCE STANDARDS FOR PRODUCERS WRITING KENTUCKY AUTOMOBILE INSURANCE PLAN PRIVATE PASSENGER NONFLEET RISKS PA–12
Sec. 16. RESERVED FOR FUTURE USE PA–13

COMMERCIAL PROVISIONS

Sec. 17. PURPOSES OF PLAN CA–3
Sec. 18. ELIGIBILITY CA–3
Sec. 19. REELIGIBILITY CA–4
Sec. 20. RESERVED FOR FUTURE USE CA–4
Sec. 21. EXTENT OF COVERAGE CA–4
Sec. 22. PREMIUM DEPOSIT REQUIREMENTS AND PAYMENT OPTIONS CA–5
Sec. 23. APPLICATION FOR COVERAGE AND DETERMINATION OF EFFECTIVE DATE CA–6
Sec. 24. RESERVED FOR FUTURE USE CA–10
Sec. 25. ASSIGNMENT PERIOD CA–10
Sec. 26. CHANGE OF OWNERSHIP/TRANSFER OF LOSS EXPERIENCE CA–10
Sec. 27. RESERVED FOR FUTURE USE CA–11
Sec. 28. CANCELLATIONS CA–11
Sec. 29. MIDTERM PRODUCER CHANGE CA–12
Sec. 30. COMPENSATION TO PRODUCER OF RECORD CA–12
Sec. 31. PERFORMANCE STANDARDS FOR SERVICING CARRIERS WRITING KENTUCKY AUTOMOBILE INSURANCE PLAN COMMERCIAL RISKS CA–12
Sec. 32. RESERVED FOR FUTURE USE CA–15
Sec. 33. PERFORMANCE STANDARDS FOR PRODUCERS WRITING KENTUCKY AUTOMOBILE INSURANCE PLAN COMMERCIAL RISKS CA–15

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Page

COMMON PROVISIONS

Sec. 34. PLAN MEMBERSHIP CP–3
Sec. 35. ADMINISTRATION CP–3
Sec. 36. COST OF ADMINISTRATION CP–3
Sec. 37. DUTIES OF THE GOVERNING COMMITTEE AND MANAGER CP–4
Sec. 38. AMENDMENT OF PLAN CP–4
Sec. 39. PERSONAL AUTOMOBILE INSURANCE PROCEDURE (PAIP) CP–4
Sec. 40. PERSONAL AUTOMOBILE INSURANCE PROCEDURE PARTICIPATION PROVISIONS CP–5
Sec. 41. RESERVED FOR FUTURE USE CP–5
Sec. 42. COMMERCIAL AUTOMOBILE INSURANCE PROCEDURE ADMINISTRATION CP–5
Sec. 43. COMMERCIAL AUTOMOBILE INSURANCE PROCEDURE PARTICIPATION PROVISIONS CP–8
Sec. 44. RESERVED FOR FUTURE USE CP–9
Sec. 45. GENERAL PROVISIONS CP–9
Sec. 46. RATE DETERMINATION CP–10
Sec. 47. RESERVED FOR FUTURE USE CP–11
Sec. 48. RIGHT OF APPEAL CP–11
Sec. 49. INDEMNIFICATION CP–11
Sec. 50. PRODUCER REGISTRATION TO ACCESS ELECTRONIC APPLICATION SUBMISSION CP–11
Sec. 51. RESERVED FOR FUTURE USE CP–12
Sec. 52. RESERVED FOR FUTURE USE CP–12
EFFECTIVE DATES ..... (a)

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KENTUCKY AUTOMOBILE INSURANCE PLAN

DEFINITIONS

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★For purposes of this Plan of Operation, the following definitions shall apply, unless the context otherwise requires:

“Automobile Insurance Plan (AIP)” means the mechanism under which applicants who cannot obtain insurance in the voluntary market are shared equitably among all auto insurers in a state.

“Commercial Automobile Insurance Procedure (CAIP)” means a pooling arrangement for Plan commercial risks.

“Contract” means a legal agreement between two parties where one agrees to provide something in return for some kind of consideration. In the insurance industry, the parties are the insured and the company. The company agrees to provide protection for losses for which the insured will pay a premium. The contract is also the policy itself which is given to the insured by the company when the company agrees to provide insurance.

“Electronic application submission” means the online process used by producers to complete an application form and transmit it to the Plan.

“Electronically transmit” means (1) the online process used to submit an application to the Plan; and (2) for Electronic Application Submission Retraction Request Forms, the facsimile and e-mail methods by which the producer may submit the paper form to the Plan.

“Equity date” is the date at which all collected premium is earned as computed pro rata.

“Fleet” is defined as five or more motor vehicles of any type.

“Forward” means the methods by which a producer may send to the Plan (1) a completed, signed, paper application, deposit, and supporting documentation, (2) a completed paper Electronic Application Submission Retraction Request Form, or (3) other forms or documents as specified in the Plan provisions. Such methods may include USPS mail or overnight mail, courier, or other delivery service.

“Fronting company” means a licensed insurance company which contracts with AIPSO Insurance Operations (AIO), allowing AIO to issue and service Plan policies on behalf of the company.

“Insurer” means an insurance company or other organization (such as pool/association) that issues insurance policies and accepts the risk, provides coverage and services, collects the premiums, and pays the losses.

“Member company” is a company that is licensed to write automobile insurance in the voluntary market and participates in the underwriting and operating results of a pooling mechanism (such as PAIP, CAIP, SRDP, JUAs, etc.).

“Nonfleet” is defined as four or less motor vehicles of any type.

“Personal Automobile Insurance Procedure (PAIP)” means a pooling arrangement for Plan private passenger risks.

“Postmark” means the postmark applied by the United States Postal Service (USPS) and does not include a metered mail stamp (without USPS postmark), electronic stamp, or other postage service or stamp.

“Producer” means any person or persons, corporation, or other legal entity licensed by the state to transact automobile insurance business in this state. Also referred to as a registered producer.

“Resident” means a person who resides in the state and has made their primary residence within the state.

“Service provider” means the entity appointed by the Plan’s governing body to service assignments from the Plan using the Plan’s paper to issue policies on behalf of its members.

“Servicing carrier” means a licensed insurer appointed by a Plan’s governing body to service assignments from the Plan on behalf of its member companies.

“Signatures” means (1) the copies of applicant and producer signatures on the completed application electronically transmitted to the Plan and (2) signatures of the applicant and producer affixed to the original completed paper application that is forwarded to the Plan for all other methods of application submission.

“Subscriber company” means a company that is licensed to write voluntary automobile insurance in a given state where it must be a subscriber to the state’s AIP or alternative mechanism. A company that is licensed and writing is subject to an assessment based on its voluntary writings. A company who is writing in a given state also is billed for their share of the Plan assessment for that state (Cost of Administration). A company that is licensed and not writing is subject to a minimum assessment.

“Voluntary market” refers to insurers writing insurance in a competitive environment with the freedom to accept or reject applicants based on their underwriting criteria and objectives.

“Working day” means a day on which business is conducted Monday through Friday, except for legal holidays when the United States Post Office is closed.✣

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KENTUCKY AUTOMOBILE INSURANCE PLAN

PERSONAL PROVISIONS

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Sec. 1. PURPOSES OF PLAN

The purposes of the Plan are

A. ★to provide automobile insurance coverage to those eligible risks who are unable to obtain coverage in the voluntary market.

B. to establish a procedure for the sharing of expenses and operating results generated by the Personal Automobile Insurance Procedure among all subscriber companies licensed and/or writing Voluntary Private Passenger Nonfleet (PPNF) policies in the state of Kentucky.

C. to preserve to the public the benefits of price competition by encouraging maximum use of the voluntary private insurance system.

Sec. 2. ELIGIBILITY

A. **Applicant Eligible for Plan**

1. As a prerequisite to consideration for coverage through the Plan, the applicant must certify, in the approved private passenger application, that they have attempted to obtain automobile insurance within 60 calendar days prior to the date of application and have been unable to obtain insurance.

2. An applicant shall be considered for coverage upon making application in good faith to the Plan. To be considered in good faith the applicant must report all information of a material nature required to properly rate the risk and not willfully make incorrect or misleading statements in the private passenger application.

3. The Plan shall be available to residents and nonresidents of the state only with respect to automobiles that are registered or will be registered in the state within 15 calendar days, except that nonresidents who are members of the United States military forces shall be eligible with respect to automobiles registered in other states provided such military nonresidents are stationed in this state at the time application is made and are otherwise eligible for insurance under the Plan.

4. If the operator's license of the applicant, any operator resident in the same household, or an individual who customarily operates the motor vehicle(s) has been suspended or revoked, including operator licenses requiring SR-22 filings, the applicant is eligible for automobile insurance coverage through the Plan for the operation of properly registered vehicle(s) provided✣

   a. another duly licensed operator is shown on the application, or

   b. the application is returned with an additional duly licensed operator, or

   c. current valid operator's license information is submitted, or

   d. a notice of restoration of license is received from the state of Kentucky, or

   e. an SR-22 filing is requested at the time of application.

B. **Risks Eligible for Coverage**

The following types of risks shall be eligible for coverage:

1. Private passenger nonfleet

2. Miscellaneous nonfleet personal vehicles including the following types that are registered:

   a. Motor homes, auto homes (self-propelled)

   b. Campers and travel trailers

   c. Dune buggies

   d. All-terrain vehicles

   e. Antique autos

   f. Amphibious autos

   g. Golf carts

   h. Motorcycles, motorscooters, motorbikes, trail bikes, mopeds, and autocycles

3. Named nonowner applicants

★

C. **Applicant Not Eligible for Plan**

An applicant shall not be eligible for coverage nor shall the service provider be required to afford or continue insurance under the following circumstances:

1. if any person who usually drives the motor vehicle does not hold or is not eligible to obtain an operator's license, or

2. if any person who usually drives the automobile is a new resident to the state and fails to obtain a Kentucky operator's license as required by law, or

3. if the applicant failed to meet all obligations to pay insurance premiums due within the past 36 months.

Note: Medical payments coverage is only available through this Plan on the same policy affording liability coverage for a four-wheel vehicle classified and rated as a private passenger vehicle.

Sec. 3. REELIGIBILITY

Any applicant denied insurance under Section 2 or cancelled under Section 12.B of the Plan may reapply to the Plan as soon as the cause of ineligibility is removed. If reapplication is made, a new application shall be forwarded to the Plan along with the appropriate deposit and required documentation.

Applicants cancelled by the service provider may reapply at any time provided no earned premium is owed to the previous service provider.

Exception: An applicant cancelled by the service provider for not being in good faith is not eligible to reapply to the Plan for 12 months after the effective date of cancellation.

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Sec. 4. RESERVED FOR FUTURE USE

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Sec. 5. EXTENT OF COVERAGE

A. **Coverages and Limits**

1. ★Bodily Injury, Property Damage, Medical Payments, Personal Injury Protection, and Uninsured and Underinsured Motorists Coverages

   a. The service provider shall write a policy for basic limits of $25,000/50,000 bodily injury and $25,000 property damage.

   b. An insured eligible for Plan coverage may purchase additional coverage to be written in the same policy as the liability coverages for

      (1) liability limits adequate to comply with the provisions of the financial responsibility law of any state in which the motor vehicle will be operated, but applicable only while the motor vehicle is being operated in that state/province;

      (2) liability limits in excess of the basic limits only when the said basic limits are written through the Plan;

      (3) liability limits at the following optional limits:

      BI

      $50,000/100,000

      (4) uninsured and underinsured motorists coverage at the standard limits of liability specified in the applicable rules and rates; and

      (5) Medical payments coverage at a limit of $1,000 with respect to four wheel vehicles classified and rated as private passenger automobiles.

2. Personal Injury Protection

   a. Personal injury protection coverage shall be included in the same policy providing liability coverage subject to the provisions of Subtitle 39 of the Kentucky Revised Statutes, Chapter 304. Coverage shall be for an aggregate limit of $10,000 per insured injured person.

   b. Optional Personal Injury Protection Coverage

      (1) The service provider shall upon request of the applicant or insured provide aggregate deductibles per accident for the personal injury protection coverage of $250, $500, or $1,000 applicable to the named insured and family members.

      (2) With respect to private passenger nonfleet risks for which personal injury protection is afforded, the service provider upon request of the applicant or insured, shall afford added reparations benefits in units of $10,000 up to limits of $30,000 subject to a total maximum of $40,000 for basic and additional personal injury protection, if such risk has purchased bodily injury limits in accordance with Plan provisions.

      Note: Personal injury protection coverage is only available through this Plan when liability coverage is afforded under the same policy.✣

B. **Standard Policy Coverage**

1. Personal Auto Policy

   a. ★The following risks shall be provided coverage, equivalent to the coverage of the Edition of the Insurance Services Office, Inc. (ISO) Personal Auto Policy and the ISO and Automobile Insurance Plan endorsements which have been approved by the Kentucky Department of Insurance for use with Automobile Insurance Plan business.

      (1) Private passenger automobiles, as defined in the Automobile Insurance Plan Manual of Rules and Rates, which have four wheels and are owned or hired under a long-term contract by an individual or by spouses who are residents in the same household or jointly by relatives other than spouses or jointly by resident individuals

      (2) Motorcycles or similar type motor vehicles, or motor homes used for private passenger purposes which are owned or hired under a long-term contract by an individual or spouses who are residents in the same household, and written on a specified car basis✣

   b. For motorcycles or similar type motor vehicles or motor homes, referred to above, coverage shall be amended by an approved Automobile Insurance Plan Miscellaneous Type Vehicle Endorsement.

   c. For private passenger automobiles owned or hired under a long-term contract by individuals, other than spouses, residing in the same household or nonresident relatives, coverage shall be amended by an approved Automobile Insurance Plan Joint Ownership Coverage Endorsement.

   d. Personal injury protection coverage shall be afforded by approved Kentucky No-Fault endorsements.

2. Named Nonowner Policy

   a. ★Named nonowner risks shall be afforded coverage through the Automobile Insurance Plan Named Nonowner Policy and Automobile Insurance Plan endorsements which have been approved by the Kentucky Department of Insurance for use with Automobile Insurance Plan business.✣

   b. Personal injury protection coverage shall be afforded by approved Kentucky No-Fault endorsements.

3. Filing of Policy and Endorsement Forms

   Any required filing of policy or endorsement forms shall be made on behalf of the Plan by AIPSO.

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Sec. 6. PREMIUM DEPOSIT REQUIRMENTS AND PAYMENT OPTIONS

★The deposit payment requirements and payment options listed below are applicable to new business and renewals.

A. **Advance Premium Payment Option**

The premium payment requirements for this option are as follows:

1. The full estimated annual premium, or
2. 30% of the total estimated annual premium shall accompany the application. The balance of the annual premium must be paid within 30 calendar days of the date of the premium notice. (This payment option is not available for renewal policies.)✣

B. **Installment Premium Payment Option**

Note: The installment premium payment option is not available if any portion of the annual premium is financed by a premium finance company. If any portion of the annual premium is financed after the installment premium payment option is elected, the service provider may bill the insured immediately for the unpaid balance of the annual premium.

1. Deposit

★25% of the total estimated annual premium shall accompany the new application and as the initial payment on renewal policies. (There is no installment charge on the deposit premium.)

2. Installments

The first installment bill will show the current annual premium plus the total installment charge minus the deposit. Each installment bill should display the status of the account and is to be sent to the insured with a copy to the producer.

Each installment will consist of one-fifth of the remainder of the premium plus an installment charge of $4 on each installment, due as follows:✣

a. 1st installment—2 months after the effective date of the policy
b. 2nd installment—3 months after the effective date of the policy
c. 3rd installment—4 months after the effective date of the policy
d. 4th installment—5 months after the effective date of the policy
e. 5th installment—6 months after the effective date of the policy

★If the insured pays the outstanding balance, the installment charge for the current bill will apply.

3. Additional Premium—Changes

Additional premium resulting from changes to the policy may be spread over the remaining installments, or may be billed as a separate transaction.

4. Return Premium—Changes

Return premium resulting from changes to the policy may be used to reduce the outstanding balance. If the outstanding balance is eliminated, any amount remaining from the return premium will be returned. If an outstanding balance remains, the number and amounts of the remaining installments will be adjusted accordingly.✣

5. If the installment is past due and the next installment is due to be billed, a notice of cancellation may be issued to be effective no earlier than the due date of the current installment. The total of the past due installment and the current installment shall become the minimum amount required to avoid cancellation of the policy. If the minimum payment is received by the effective date of cancellation, the policy shall be continued and subsequent installments shall be processed on schedule.

C. **★Deposit, Installment, or Additional Premium Payments Applicable to Either A or B**

All deposit, installments, and additional premium payments shall be submitted gross.

The deposit shall be by producer's check, applicant's check, certified check, cashier's check, or money order payable to the Kentucky Automobile Insurance Plan.

Additional premium payments shall be by producer's check, applicant's check, certified check, cashier's check, or money order payable to the service provider.

A finance company check submitted as premium payment shall be made payable to the Kentucky Automobile Insurance Plan or the service provider.

If the deposit premium is 20% or more inadequate, the service provider may bill for the deficiency immediately. If there are additional premium charges during the policy period, the service provider may collect the additional premium as a separate amount or may add it to the remaining amount due and adjust the remaining installments accordingly. Credits may be applied to the remaining balance due or refunded if the outstanding balance is eliminated.

D. **Dishonored Producer Checks**

Dishonored producer checks shall be reported to the Plan.

E. **Premium Owed for Prior Insurance**

If an applicant is assigned or reassigned to a service provider and the applicant owes earned premium for prior Plan coverage, the service provider may deduct from the deposit any unpaid balance of earned premium owed to the service provider and apply the amount deducted to the unpaid balance. The service provider will bill the applicant for the balance of deposit or installment required if the balance is not paid within the time permitted by Plan rules, the service provider will issue a cancellation notice.

Note: A premium finance check cannot be deducted for prior balance.

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Sec. 7. APPLICATION FOR COVERAGE AND DETERMINATION OF EFFECTIVE DATE

The producer must electronically transmit private passenger applications to the Plan using the online process for electronic application submission authorized by the Plan. The electronic application submission process offers online rating for private passenger risks and electronically transmits the application to the Plan.

The producer may not transmit the application electronically until the application for coverage has been completed and the deposit has been received by the producer.

The producer shall maintain appropriate records of all risks submitted to the Plan, including any electronic communication between the producer and the applicant to acquire signatures and any authentication certificates and documents produced by the producer's electronic signature software product.

A. **Original Application**

1. Upon receipt of the completed private passenger application and the deposit, the Plan will process the application and will advise the applicant and producer of the service provider and the effective date of coverage.

   In no event shall coverage be effective

   a. prior to the time shown on the application;

   b. prior to the time shown on the Evidence of Insurance section of the application;

   c. unless the application includes the signatures of the applicant and the producer; and

   d. unless the required deposit premium is submitted with the application.

2. Electronic Application Submission

   The completed electronic application must be submitted in accordance with Plan procedures.

   The date of receipt of the electronic application by the Plan shall be established by the date and time the application is electronically transmitted by the producer.

   a. Immediate Coverage

      Coverage shall be effective at the time and date of transmission of the electronic application provided all of the following requirements are met for the deposit payment option chosen:

      (1) The producer and the applicant certify on the application the date (day, month, and year) and time (hour, A.M. or P.M.) that the application information was transmitted.

      (2) The electronic application, deposit, and supporting documentation must be received by the Plan no later than 15 calendar days following the date of transmittal of the application. An application received by the Plan on the 15th calendar day shall be considered a timely submission.

      (3) If the application, deposit, and supporting documentation are received by the Plan more than 15 calendar days following the date of transmittal of the application, coverage shall be effective in accordance with the following procedure and the Plan shall charge the producer with a complaint for violation of producer performance standards.

      Coverage will become effective on the day following the date of mailing the application, deposit, and supporting documentation to the Plan as shown by the postmark on the envelope accompanying the application.

      Coverage will become effective at 12:01 A.M. on the day following receipt by the Plan, if

      - the USPS postmark is illegible, or
      - the envelope does not contain a USPS postmark, or
      - the envelope is stamped by postage meter and does not contain a USPS postmark, or
      - the application is delivered by means of overnight mail, courier, or other delivery service.

   b. Future Effective Date of Coverage

      If a future effective date of coverage is requested by the producer, coverage shall become effective at 12:01 A.M. on the future date, provided all of the following requirements are met:

      (1) The requested effective date of coverage does not exceed 30 calendar days from the date of transmittal of the application.

      (2) The producer and the applicant shall certify on the application prescribed by the Plan the date (day, month, and year) and time (hour, A.M. or P.M.) of the future effective date of coverage.

      (3) The electronic application, deposit, and supporting documentation must be received by the Plan no later than 15 calendar days following the date of transmittal of the application. An application received by the Plan on the 15th calendar day shall be considered a timely submission.

      If the application, deposit and supporting documentation are not received by the Plan on the 15th calendar day from electronic transmission, the Plan shall charge the producer with a complaint for violation of producer performance standards.

      (4) If the application, deposit, and supporting documentation are received by the Plan more than 15 calendar days following the date of transmittal of the electronic application, coverage shall be effective in accordance with Plan provisions and the Plan shall charge the producer with a complaint for violation of producer performance standards.

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If the applicant does not desire coverage until a later date, not to exceed 30 calendar days from the date of application, the applicant shall indicate such date in the application. Coverage shall become effective at 12:01 A.M. on the desired date of coverage or at 12:01 A.M on the day following receipt of the application by the Plan, whichever is later.

If there is an in-force policy terminating on a date later than the date determined per this section, the applicant shall indicate such date in the application. Coverage becomes effective at 12:01 A.M. on the termination date of coverage of the in-force policy or at 12:01 A.M. on the day following receipt of the application by the Plan, whichever is later.

c. Private Passenger Application Retraction Procedure

(1) Application Retraction

The producer may retract an electronic application following the issuance of a reference number provided the application and supporting documentation have not been received by the Plan for the following reasons:

(a) The applicant has notified the producer that coverage through the Plan is no longer required.

(b) The producer has made an error in the information provided.

(c) The producer has, in error, requested more than one reference number for the same application.

(2) Electronic Retraction Process

The producer shall use the on-line electronic retraction process to retract an application. The retraction must be transmitted to the Plan no later than one working day after the date the application is submitted.

The producer is not required to submit a copy of the retracted paper application to the Plan. If the retraction is not electronically transmitted within 15 calendar days after the date of issuance of the reference number, the Plan shall charge the producer with a complaint for violation of performance standards.

When retraction is requested because the producer has made an error in the application information and a corrected application has been transmitted, the producer must forward the corrected application, deposit and any supporting documentation accompanied by a copy of the completed Electronic Application Submission Retraction Request Form to the Plan.

(3) Alternate Procedure for Submission of a Retraction Request Form

If the electronic application submission is not available, the producer shall complete an Electronic Application Submission Retraction Request Form available on the Plan website and forward it to the Plan within two working days following the issuance of a reference number.

If the Plan does not receive the paper Electronic Application Submission Retraction Request Form within 15 calendar days after the date of issuance of the reference number, the Plan shall charge the producer with a complaint for violation of producer performance standards.

(4) Plan Retraction of an Application

If the producer fails to retract the application, the Plan shall retract the application 20 calendar days following the date of transmittal of the application. The Plan shall notify the applicant and producer that the application has been retracted. The application shall be considered null and void and no coverage is in effect.

d. The Plan shall maintain a record of producer infractions pertaining to electronic application submission. Violation of procedures may result in referral to the Committee for limitation, suspension, or termination of access to electronic application submission.

3. Plan Submission to Service Provider

The Plan shall forward the application, the notice of effective date of coverage, and the deposit to the service provider. The service provider will credit the deposit against the policy premium.

4. Filings of Policies and Certificates

The service provider shall make such filings of policies and certificates for the applicant, or for the spouse if eligible under the Plan, as may be required by law. The certificate shall become effective as of the effective date of coverage.

5. Applicant Refusal to Accept Policy

If the applicant refuses to accept the policy for any reason, the service provider shall retain whichever of the following is greater, and return the balance to the applicant:✣

a. the earned premium for the period of coverage and .10 of the pro rata unearned policy premium, or

b. the minimum policy premium as contained in the Automobile Insurance Plan Manual of Rules and Rates.

B. **Additional Vehicles or Coverages**

1. ★If additional coverages are requested during the policy period or coverage for an additional or replacement vehicle is requested, a completed approved Policy Change Request form shall be submitted to the service provider no later than the first working day after completion.

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2. Premium requirements for additional vehicles or coverages include the following:

   a. The Policy Change Request form shall be accompanied by a deposit payable to the service provider for an amount equal to 30% of the annual premium or the pro rata premium for the remainder of the policy period, whichever is less.

      If the Policy Change Request form is submitted electronically, any additional premium must be forwarded to the service provider no later than the first working day after electronic transmittal of the Policy Change Request form. If additional payment is not received by the service provider within 10 working days, the producer will be charged with a complaint for violation of producer performance standards.

   b. The balance of the additional premium shall be payable in accordance with the provisions of the Plan.

   c. All premium payments for additional vehicles or coverages shall be submitted on a gross basis.✣

   d. The producer shall not deduct their commission from any premium payment for additional vehicles or coverages submitted to the service provider.

3. Except as otherwise provided in the policy contract, coverage will be effective at the date and hour specified in the Policy Change Request form provided:

   a. ★The producer and applicant certify the date and hour of completion of the Policy Change Request form.

   b. The producer forwards the completed Policy Change Request form to the service provider.

   c. The United States Postal Service postmark date on the transmittal envelope verifies the Policy Change Request form was forwarded to the service provider no later than the first working day after the form was completed.

4. If the policy change request is not forwarded to the service provider within the first working day after the form is completed, the effective date of coverage shall be determined as follows:

   a. If the transmittal envelope bears a legible postmark affixed by the United States Postal Service, coverage is effective at 12:01 A.M. on the day following the date the Policy Change Request form is mailed to the service provider.✣

   b. If the transmittal envelope does not bear a legible postmark affixed by the United States Postal Service, or if the envelope is stamped by a metered mail postmark, electronic stamp, or other postage service or stamp, coverage shall be made effective at 12:01 A.M. on the day the Policy Change Request form is received by the service provider.

   c. If the Policy Change Request form is delivered to the service provider by means other than the United States Postal Service (including delivery by means of overnight mail, courier, or other delivery service), coverage shall be made effective at 12:01 A.M. on the day following receipt by the service provider.

5. ★If the Policy Change Request form is transmitted to the service provider via facsimile or e-mail, coverage will be effective at the date and hour specified in the Policy Change Request form, provided all the following requirements are met:

   a. The producer and applicant certify the date and hour of completion of the Policy Change Request form.

   b. The producer electronically transmits the completed Policy Change Request form to the service provider no later than the first working day after the form is completed.

   c. The producer forwards additional premium payment, if required, to the service provider in accordance with Plan provisions.

   d. Coverage shall be made effective at 12:01 A.M. on the day following the receipt of electronic transmission of the policy change request by the service provider if

      (1) the producer and applicant do not certify the date and hour of completion of the policy change request, and/or

      (2) the producer does not electronically transmit the completed Policy Change Request form to the service provider within the first working day after completion.✣

6. Except when there is a reduction or elimination of coverage, the producer may provide the service provider with policy change requests by telephone if the option is available by the service provider. Coverage will be effective at the date and hour specified by telephone, provided all the following requirements are met:

   a. The producer must forward the completed approved Policy Change Request form to the service provider no later than the first working day after the policy change request information is transmitted by telephone.

   b. ★The producer and applicant certify the date and hour of completion of the Policy Change Request form.

   c. The producer forwards additional premium payment, if required, to the service provider in accordance with Plan provisions.

7. If the policy change request is not forwarded to the service provider within the first working day after the form is completed, coverage shall be determined as follows:

   a. If the transmittal envelope bears a legible postmark affixed by the United States Postal Service, coverage shall be effective at 12:01 A.M. on the day following the date the Policy Change Request form is mailed to the service provider.✣

   b. If the transmittal envelope does not bear a legible postmark affixed by the United States

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Postal Service, or if the envelope is stamped by a postage meter, electronic stamp, or other postage service or stamp, coverage shall be made effective at 12:01 A.M. on the day the Policy Change Request form is received by the service provider.

c. If the Policy Change Request form is delivered to the service provider by any means other than the United States Postal Service (including delivery by means of overnight mail, courier, or other delivery service), coverage shall be made effective at 12:01 A.M. on the day following receipt by the service provider.

d. If the Policy Change Request form is transmitted to the service provider via facsimile or e-mail, coverage shall be made effective at 12:01 A.M. on the day following the receipt of electronic transmission of the policy change request by the service provider.

8. In no event shall any change in coverage be effective prior to the date and hour of completion of the Policy Change Request form except as provided for by the provisions of the policy contract.

9. If the application has been submitted to the Plan and the producer has not yet been notified of the service provider, the Policy Change Request form and premium payment must be forwarded to the Plan no later than the first working day after completion.

10. ★The producer shall maintain appropriate records for all risks submitted to the Plan, including any electronic communication between the applicant and the producer to acquire signatures and any authentication certificates and documents produced by the producer's electronic signature software product. The producer agrees to permit inspection or photocopying of such office records by the Plan or by a service provider representative.

C. **Reduction or Elimination of Coverage**

If a reduction or elimination of coverage is desired during the policy period, a completed approved Policy Change Request form must be signed by the insured and submitted to the service provider.

D. **Incomplete Applications**

The application and required deposit shall be accepted by the Plan and processed by the service provider if the Plan requirements are reasonably complied with, except as follows:

1. If the completed application and required deposit are not received by the Plan within 20 calendar days from the date of electronic transmission of the application, the Plan shall notify the producer and applicant in writing that the completed application and deposit have not been received. The application shall be considered null and void and no coverage shall be in effect. The application shall be retracted by the Plan. The producer shall receive a complaint for violation of producer performance standards.

2. If an application is submitted without a deposit premium, the application shall be returned to the producer, and no coverage will be afforded.

It shall be the responsibility of the Plan and the service provider to communicate clearly to the insured and producer if an application is incomplete and requires correction.

E. **Application Submission if Electronic Submission is Unavailable**

If the electronic application submission is not available, producers licensed to transact automobile insurance in the state and who are authorized by the Plan may submit applications using the Alternate Application Submission Procedure.

Producers eligible to use the Alternate Application Submission Procedure shall contact the Kentucky Plan.

Coverage will be effective in accordance with Application for Coverage and Determination of Effective Date section.✣

Sec. 8. RESERVED FOR FUTURE USE

Sec. 9. ASSIGNMENT PERIOD

An applicant shall be assigned to a service provider for a period of three consecutive years. The service provider shall be required to renew the policy for two consecutive years following the initial policy term, provided the insured continues to be eligible for coverage through the Plan.

★If an insured is unable to obtain insurance at the end of the three-year period, reapplication for insurance may be made to the Plan.

✣

Secs. 10–11. RESERVED FOR FUTURE USE

Sec. 12. CANCELLATIONS

A. **Cancellation at Request of Insured**

If for any reason the insured requests a cancellation, other than placement of coverage through the voluntary market, the service provider shall retain the earned premium for the period of coverage and .10 of the pro rata unearned policy premium, or the minimum policy premium as contained in the Automobile Insurance Plan Manual of Rules and Rates, whichever is greater, and return the balance to the insured.

★If the insured requests cancellation of a policy because coverage has been replaced in the voluntary market with an admitted carrier, and the service provider receives proof documenting same, the cancellation shall be on a pro rata basis, or the minimum policy premium as contained in the Automobile Insurance Plan Manual of Rules and Rates, whichever is greater.

B. **Cancellation by the Service Provider**

1. A service provider which has issued a policy under this Plan shall have the right to cancel the insurance by giving notice as required in the policy if the insured

a. is not, or ceases to be, eligible or in good faith eligible for insurance; or✣

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b. has failed to comply with reasonable safety requirements; or

c. has violated any of the terms or conditions upon the basis of which the insurance was issued; or

d. has obtained the insurance through fraud or misrepresentations; or

e. has failed to pay any premiums due under the policy; or

f. ★has failed to remedy defects in the application; or✣

g. cannot be located by the service provider for purposes of its underwriting review, or fails to respond to at least two written requests for pertinent underwriting information which would have a direct bearing on the rating of a policy; or

h. ★becomes eligible for CAIP midterm because of limits in excess of maximum limits available under the Plan.

2. Cancellation shall be on a pro rata basis, subject to the minimum policy premium prescribed in the Automobile Insurance Plan Manual of Rules and Rates, whichever is greater, and a copy of the cancellation notice shall be furnished to the producer. A statement of facts in support of the cancellation shall be furnished to the producer and to the insured at least 10 calendar days prior to the effective date of cancellation.

Cancellation shall be effective on the date specified and coverage shall cease on such date.

The nonpayment cancellation date may be the equity date computed on the pro rata basis.

No coverage will be effective if the insured's premium remittance accompanying the application is justifiably dishonored by the financial institution.✣

If the service provider issues a cancellation notice for nonpayment of premium to a private passenger nonfleet insured and the insured's remittance received by the service provider subsequent to the issuance of such cancellation notice is justifiably dishonored by the financial institution, the Plan policy will terminate on the date and time shown on the cancellation notice issued for nonpayment of premium.

★Nothing herein shall be deemed to affect the service provider's right to rescind a policy or to invoke other remedies provided by law for fraud, or misrepresentation, or if the insured's premium remittance is justifiably dishonored by the financial institution.

C. **Cancellation at the Request of the Producer**

A service provider shall, at the request of a producer, cancel a policy in conformity with law where producer presents proof that a check, tendered by the insured to be used for the payment of premium and which has been deposited in the producer's premium account, has been refused payment by the bank upon which it has been drawn. The cancellation shall be on a pro rata basis, and the unearned portion of the paid premium, if any, shall be returned to the producer to the extent of the amount of the dishonored check.✣

D. **Minimum Refund**

Any unearned premium amounts under $5 will be refunded only upon the insured's request.

Sec. 13. COMPENSATION TO PRODUCER OF RECORD

★Unless other arrangements have been made with the Commissioner of the Department of Insurance, the compensation under the Plan shall be as follows:

A. The licensed producer designated by the insured shall receive 5% of the policy premium for compensation.

B. Compensation may be paid by the service provider either (1) on the full annual premium, or (2) on the basis of the premium received by the service provider.

C. Compensation will not be paid on installment charges.

D. The licensed producer may be paid only that portion of the producer's compensation which is permissible under the laws of the state in which the risk is rated and domiciled.

E. In the event of cancellation, policy change, or a termination resulting in a reduction of premium, compensation will be payable on the earned premium received by the service provider.

F. The service provider may defer the payment of compensation until the proper tax identification number is provided by the producer.✣

Sec. 14. PERFORMANCE STANDARDS FOR SERVICE PROVIDERS WRITING KENTUCKY AUTOMOBILE INSURANCE PLAN PRIVATE PASSENGER NONFLEET RISKS

The performance standards listed below set forth the specific time during which service providers must perform in accordance with the rules of this Plan.

A. **Issuance of Original Policy**

★Upon receipt of the assignment notice and the premium or deposit from the Plan, the service provider shall

1. within two working days make filings of policies and certificates, as may be required, provided all information necessary is contained in the application form and such application is accompanied by the deposit. Such filings will indicate the effective date specified by the Plan in the assignment notice.

2. within 30 calendar days issue a policy if all information necessary for the service provider to determine the proper rate is contained in the application. The policy shall become effective in accordance with the provisions of the Plan.

3. The day the assignment and premium or deposit are received by the service provider shall be considered the first working day regardless of the time of receipt.

The producer shall be notified as to the disposition of the assignment.

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4. Classification of Risks not Specifically included in the Manual

   If rules and rates for eligible autos are not specifically included in this Manual, the service provider shall refer the matter to AIPSO for rules and rates by completing an Individual Risk Submission Application, with a copy of such request to the Plan. Refer to the Manual of Rules and Rates.

B. **Renewal Policies or Certificates**

At least 30 calendar days prior to the inception date of renewals, the service provider shall notify the insured and producer that

1. a renewal will be issued provided the premium set by the service provider is received on or before the inception date, or
2. if the renewal is to be written on the installment premium payment option, such renewal will be written provided the deposit premium is received on or before the inception date, or
3. a renewal will not be issued for the reason that the applicant is not eligible for insurance under the Plan.

C. **End of Assignment Period**

At least 45 calendar days prior to the expiration date of the final renewal of the assignment period, the service provider shall notify the applicant that the period of assignment under the Plan will terminate on said expiration date. A copy of such notice shall be sent to the producer.

D. **Endorsements**

Endorsements shall be issued and mailed within 30 calendar days by the service provider.

E. **Return Premiums**

The service provider shall mail the return premium within 30 calendar days of the receipt of a request for either cancellation or an endorsement resulting in a return premium.

F. **Collection of Premium**

Service providers are to follow present Plan rules.

G. **Compensation**

Compensation shall be paid no less frequently than monthly and shall be paid within 15 calendar days after the close of the month in which the commission was credited to the producer's account. The service provider must issue a statement and, if applicable, the proper compensation check unless the producer fails to provide their tax identification number.✣

H. **Claim Handling**

1. Service providers shall provide policyholders and producers with information on how and where to report claims.
2. ★The service provider is responsible for handling all claims properly and promptly in accordance with the terms of the contracts of insurance subject to the limits of coverage provided. Where unfair claim practices, regulations, or legislation exist, service providers must comply with such regulations or legislation.✣
3. Service providers must have the ability to service insurance claims in every state, the District of Columbia, and Canada.
4. Contact (First- and Third-Party Claimants)

   ★Upon receipt of notification of a claim containing sufficient information to identify the insured, claimant, and policy number, the service provider must acknowledge receipt of such notice within the applicable state's regulations or unfair claims practices. If the state has not established time guidelines, the service provider must acknowledge receipt of such notice to first-party claimants within 2 working days and third-party claimants within 15 working days and have the date of the acknowledgement documented in the service provider's claim file.✣

   The service provider will provide first-party claimants with the necessary forms and instructions to permit compliance with all policy conditions.
5. Appraisal

   Within the applicable state regulations or unfair claims practices, an appraisal must be completed for the purpose of determining the cost of repair. If the state has not established time guidelines, an appraisal, or documented attempts, must be completed within 10 working days from the date of receipt of a specific claim, including damages and location of vehicle, by the service provider. If a second inspection is required, the service provider will document attempts for scheduling a second appraisal within two working days of notice for the need of the second appraisal.
6. Coverage

   The service provider must verify that the proper coverage was in effect at the time of loss which covers the damages claimed by the first- or third-party claimant.
7. Investigation

   The service provider must begin an investigation of any claim within 15 working days of receipt of notification of the claim.

   The service provider must substantially complete an investigation of each claim 30 working days after notification of the claim.

   ★If after 30 working days from notification of the claim the completed investigation is insufficient to properly adjust the claim or the parties cannot agree to settlement, the service provider must notify the policyholder, claimant, or authorized representative in accordance with the state's applicable regulations or unfair claims practices, until the claim is settled, or until both parties agree updates are no longer needed. If the state has not established any guidelines on this topic, the service provider will advise the claimant within 30 working days from receipt of proof of loss or settlement material, what outstanding information is required to adjust the claim. The service provider will continue to provide this update every 45 working days or until both parties agree updates are no longer needed.✣

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8. Reserving

   Reserving practices must comply with the requirements outlined in the Claims Guidelines Manual.

9. Documentation/File Reporting

   A file for each claim must be compiled by the service provider's claims staff, and should address coverage, liability, damage investigation, reserves, subrogation potential, and recommendations for future handling.

   As claims handling continues, the file should be updated to address reserve adequacy, strategies, plans for future handling, and resolution.

10. Payment

    ★Payment on all claims must be made within the applicable state regulations and/or unfair claims practices. All payments not defined within state regulations or unfair claims practices will be paid within 30 working days after receipt of proof of loss, agreed appraisal amount or written settlement agreement (unless the service provider has not completed the investigation necessary to make a decision or the parties cannot agree on settlement). Receipt of these documents does not waive the carrier's right to conduct an investigation prior to settlement and/or offer a reasonable settlement based upon the facts.

    Final notice of close-out-settlements will be furnished to producers within 30 working days of the closing date.✣

11. Expenses

    All reported allocated loss adjustment expenses must comply with the eligibility requirements outlined in the PAIP Accounting and Statistical Requirements Manual.

12. Fraud Prevention/Detection

    Claims personnel shall receive training in fraud prevention and detection which complies with claim handling compliance procedures.

    The service provider must ensure that its special investigative handling complies with applicable statutes, regulations, and directives.

13. ★Noncompliance with claim handling performance standards will be reported to the Committee for appropriate corrective action which cannot include monetary penalties. The matter may also be reported to the Commissioner of the Department of Insurance for such action as is deemed necessary.✣

I. **Surcharges**

At the time of the initial application of a surcharge based on a driving record obtained from a state motor vehicle record, the service provider will furnish to the insured a listing of the accidents/convictions which determined the surcharge.

Sec. 15. PERFORMANCE STANDARDS FOR PRODUCERS WRITING KENTUCKY AUTOMOBILE INSURANCE PLAN PRIVATE PASSENGER NONFLEET RISKS

A. **Original Applications**

1. Applications shall be fully completed and must include

   a. ★necessary information to rate and write the policy, prepare a bill, and make any required financial responsibility filings; and

   b. name, address, and tax identification number of the producer; and

   c. signatures of the applicant and the producer; and

   d. the producer and applicant shall certify on the application the date (day, month, and year) and time (hour, A.M. or P.M.) that the application was completed.

2. Deposit premiums shall be submitted gross with the application.

   The Plan shall charge the producer with a complaint for being in violation of these provisions.

3. The producer shall maintain appropriate records of all risks submitted to the Plan, including any electronic communication between the applicant and the producer to acquire signature and any authentication certificates and documents produced by the producer's electronic signature software product. The producer agrees to permit inspection or photocopying of their records by the Plan or service provider representative.

4. Producers shall comply with Plan rules pertaining to the retraction of electronically transmitted applications.

B. **Return Compensation**

Return compensation shall be paid within 45 calendar days from the date of notice to the producer.✣

C. **Cancellation of Plan Policy**

No producer shall cancel and rewrite a Plan policy for the purpose of avoiding a rate increase, a rate decrease, or additional charges.

D. **Policy Change Request**

Producers must use the Policy Change Request form authorized for Plan use or one provided by the service provider when making a policy change request.

E. **Claims**

When an insured reports an accident or claim to the producer, the producer shall report it to the service provider within one working day in accordance with the instructions of the service provider.

F. **Payments**

1. ★Additional premium payments shall be submitted gross.

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2. Producers shall immediately remit all payments received from insureds within one working day.

3. Producer checks dishonored by the bank shall be considered a violation of this performance standard. Any producer who submits to the Plan or service provider three checks within a 12-month period that are subsequently dishonored by the bank when presented for payment shall submit future payments by certified check, cashier's check, or money order.

   Producers who are subject to the above provisions may be removed from this requirement after one calendar year from its imposition provided the producer has met the following terms:

   a. the Plan has received no additional notices of checks which were dishonored by the producer's bank after the producer was placed on the certified check requirement, and

   b. the producer has resolved all dishonored checks

   Should the Plan receive any additional notice(s) of checks which were dishonored by the producer's bank, the producer shall be referred to the Committee for review.✣

G. **License**

Producers must be properly licensed and conform to the requirements of the Plan.

H. **Fraud or Misrepresentation**

No producer shall engage either in fraud or misrepresentation with regard to the contents of an application, the necessary information to rate and write a policy, a claim, or any other information material to underwriting a risk.

I. **★Procedures for Compliance with the Performance Standards for Producers**

1. The Plan shall report violations of producer performance standards to the Committee.

2. If the Plan determines that immediate action is required to protect the public interest prior to a hearing in accordance with usual Plan procedures, the Plan may immediately suspend a producer's privilege to electronically submit applications. Upon suspension, the producer cannot access the online process for application submission or submit new applications.

   The Plan shall notify the producer, in writing, of the suspension of access to the online process for application submission and the privilege to submit new applications to the Plan and provide a statement of the alleged violations of the producer which clearly evidences that delay until a full hearing will pose harm to the public interest.

   A full hearing on the merits shall take place before the Committee within 10 calendar days of the notice of suspension, in accordance with usual Plan procedures. Within 7 calendar days of the hearing, the Committee shall render a decision and make appropriate recommendations. The Plan shall notify the producer immediately in writing of the Committee's decision.

   The summary suspension procedure shall also apply to any producer whose license has been suspended or revoked through the administrative action of any other state or involuntary automobile insurance mechanism authority as a result of failure to remit premium or the producer's improper withholding of any funds.

3. A final decision by the Committee may be reported to the governing body in any other state automobile insurance plan in which the producer is certified or registered to submit business. The governing body in that other state may take any action it deems appropriate upon review of that decision.

   The actions of a producer under all sections of this Plan are deemed to be the actions of the applicant and are not the actions of the Plan. Insofar as the producer is acting as an agent of any party in connection with actions under all sections of the Plan, the producer shall be deemed to be the agent of the applicant and not the agent of the Plan and/or service provider.✣

Sec. 16. RESERVED FOR FUTURE USE

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KENTUCKY AUTOMOBILE INSURANCE PLAN

COMMERCIAL PROVISIONS

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NOTES

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★The Commercial Automobile Insurance Procedure (CAIP) servicing carrier shall include a service provider appointed with a fronting company, unless otherwise specified.

Sec. 17. PURPOSES OF PLAN

The purposes of the Plan are

A. to provide automobile insurance coverage to those eligible risks who are unable to obtain coverage in the voluntary market.

B. to establish a procedure for the sharing of premiums, losses, and expenses generated by the Commercial Automobile Insurance Procedure (CAIP) among all subscriber companies writing voluntary commercial policies in the state of Kentucky, and

C. to preserve to the public the benefits of price competition by encouraging maximum use of the normal private insurance system.

Sec. 18. ELIGIBILITY

A. **Applicant Eligible for Plan**

1. As a prerequisite to consideration for coverage through the Plan, an applicant must certify, in the approved commercial application that they have attempted to obtain automobile insurance in the state within 60 calendar days prior to the date of application, and that they have been unable to obtain such insurance.

2. An applicant shall be considered for coverage upon making application in good faith to the Plan. To be considered in good faith the applicant must report all information of a material nature required to properly rate the risk and not willfully make incorrect or misleading statements in the commercial application.

3. The Plan shall be available to applicants domiciled in the state. An eligible applicant must be the owner of a motor vehicle(s) that are registered or will be registered in the state within 15 calendar days.

B. **Risks Eligible for Coverage**

1. All risks shall be eligible for coverage and pooled in CAIP **EXCEPT** for the following types of risks:✣

   a. Private passenger nonfleet

   b. Miscellaneous nonfleet personal vehicles including the following types that are registered:

      (1) Motor homes, auto homes (self-propelled)

      (2) Campers and travel trailers

      (3) Dune buggies

      (4) All-terrain vehicles

      (5) Antique autos

      (6) Amphibious autos

      (7) Snowmobiles

      (8) Golf carts

      (9) Motorcycles, motorscooters, motorbikes, trail bikes, mopeds, and autocycles

   c. Named nonowner applicants

   ★

2. When one or more vehicles owned or hired by a single entity are to be provided coverage under the Commercial Provisions, and the vehicle(s) require a filing or a limit of liability as mandated by federal law, state law, or an ordinance or regulation of a political subdivision, all vehicles owned or hired by such entity shall be written under the Commercial Provisions. The risk is not eligible for coverage unless all vehicles owned or hired by the entity are written on the same Plan policy.

C. **Applicant Not Eligible for Plan**

An applicant shall not be eligible for coverage nor shall any servicing carrier be required to afford or continue insurance under the following circumstances:

1. if any person who usually drives the motor vehicle does not hold or is not eligible to obtain an operator's license or fails to obtain such license as required by law; or

2. if the applicant fails to meet all obligations to pay insurance premiums due within the past 36 months; or

3. if the applicant is one of two or more entities, in each of which the same person or group of persons or corporations owns a majority interest, none of such entities shall be eligible for insurance under the Plan if any of such entities has failed to meet its premium obligations as outlined above. If an entity owns the majority interest in another entity which in turn owns the majority interest in another entity, all related entities shall be considered as under the same majority ownership; or

4. if an applicant has vehicles insured in the voluntary market and is requesting supplementary excess or contingent coverage only through the Plan, e.g., hired or employers nonownership liability; or

5. if the applicant has owned or nonowned auto exposures, not insured in the Plan; or

6. if the insured has failed to obtain a producer; or

7. if the applicant has been cancelled for failure to respond to a request to schedule an audit or for failure to comply with a request to conduct an audit and has not submitted to and permitted the completion of an audit, unless the cause of ineligibility has been removed.

Note: Medical payments coverage is only available through this Plan on the same policy affording liability coverage for a four-wheel vehicle classified and rated as a private passenger automobile.

✣

D. **Applicant with Multistate Operations**

1. For multistate operations, the state Plan in which the operating headquarters of the risk is located shall provide the insurance. For prepared food delivery services, only risks with a store providing retail sales located in Kentucky paying Kentucky sales tax with delivery in Kentucky are eligible for coverage under this Section.

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★Operating headquarters is defined as the chief or usual place of business. It is the head office, the place where the principal officers generally transact business and the place to which reports are made and from which orders emanate. It is also the place where the corporate functions are performed, where executive offices are located and corporate decisions are made.

The burden of proof with regard to the location of the operating headquarters lies with the applicant and producer who seeks to be insured through a particular state Plan.✣

A vehicle principally garaged in another state shall be subject to the rates, additional charges, and rating rules applicable under the Plan of the state of principal garaging.

2. ★Liability Coverage

Upon the request of the applicant, the servicing carrier shall provide limits of bodily injury and property damage liability coverage equal to the maximum limits of liability coverage afforded in any state Plan in which the applicant's vehicles are garaged.

3. Physical Damage Coverage

Physical damage coverage is available for vehicles garaged outside of the headquarters state. Coverage shall be provided by the servicing carrier upon request of the applicant for such vehicles but only if physical damage coverage is afforded under the Plan of the state(s) in which the vehicles are principally garaged.

Sec. 19. REELIGIBILITY

Any applicant denied insurance under Section 18 or cancelled under Section 28.B of the Plan may reapply to the Plan as soon as the cause of ineligibility is removed. If reapplication is made, a new application shall be forwarded to the Plan along with the appropriate deposit and required documentation.

A. Applicants cancelled by the servicing carrier may reapply at any time provided no earned premium is owed to the previous servicing carrier.

Exception: An applicant cancelled by the servicing carrier for not being in good faith is not eligible to reapply to the Plan for 12 months after the effective date of cancellation.

B. Risks cancelled for failing to comply with a request to conduct an audit or failing to comply with completion of an audit must first comply with the completion of an audit of the cancelled policy. The servicing carrier that issued the policy that was cancelled will conduct the audit to remove the cause of ineligibility.

If such reapplication is made, a new application shall be forwarded directly to the Plan.

✣

Sec. 20. RESERVED FOR FUTURE USE

Sec. 21. EXTENT OF COVERAGE

A. **Coverages and Limits**

1. ★Bodily Injury, Property Damage, Medical Payments, Uninsured and Underinsured Motorists, and Personal Injury Protection Coverages

a. The servicing carrier shall write a policy for basic combined single limit of $60,000.

b. An insured eligible for Plan coverage may purchase additional coverage to be written in the same policy as the liability coverages for the following:

(1) limits in excess of the basic limits which are required of the applicant by a financial responsibility law enacted by the U.S. Congress or by the state legislature, or which are required by the express provisions of any regulation of a federal or state agency authorized by such a law to prescribe specific limits of financial responsibility;

(2) limits in excess of the basic limits only when the said basic limits are written through the Plan;

(3) liability limits at the following optional limits:

$125,000	$325,000
$150,000	$350,000

(4) uninsured and underinsured motorists coverage at the standard limits of liability specified in the applicable rules and rates; and

(5) medical payment coverage in the amount of $1,000 with respect to four-wheel vehicles classified and rated as private passenger vehicles.

In no event shall the Plan be required to write limits in excess of the basic limits that exceed $5 million.

2. Personal Injury Protection

a. Personal injury protection coverage shall be afforded on policies providing bodily injury and property damage liability coverages for owned motor vehicles registered in the Commonwealth of Kentucky and subject to the provisions of Subtitle 39 of the Kentucky Revised Statutes, Chapter 304. Such coverage shall be for an aggregate limit of $10,000 per insured injured person.

b. Optional Personal Injury Protection Coverage

(1) The servicing carrier shall upon request of the applicant or insured provide aggregate deductibles per accident for the personal injury protection coverage of $250, $500, or $1,000 applicable to the named insured and family members (except corporate or voluntary association insured).

(2) With respect to private passenger nonfleet risks for which personal injury protection is afforded, the servicing carrier, upon request of the applicant or insured, shall afford added reparations benefits in units of $10,000 up to limits of $30,000 subject to a

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total maximum of $40,000 for basic and additional personal injury protection.

Note: PIP coverage is only available through this Plan when liability coverage is afforded under the same policy.✣

3. Hired Auto and Nonowned Auto Liability Coverages

When a Federal Motor Carrier Safety Administration (FMCSA), Public Utilities Commission (PUC), or Public Service Commission (PSC) filing, or any other similar state or federal regulated filing, or an MCS 90 or MCS 90B endorsement is requested, the servicing carrier shall be required to include hired auto and nonowned auto liability coverages.

4. Excess Coverage for Nonowned Automobiles on Commercial Policies

★Excess liability coverage for nonowned automobiles is a supplementary coverage on commercial policies. This coverage should be written on the same policy that provides coverage for the applicant's/insured's owned or long-term leased automobiles.

When such automobiles are insured in the voluntary market (i.e., other than through the Plan) excess coverage for nonowned automobiles is **NOT** available through the Plan.

When there are no owned or long-term leased automobiles, excess coverage for nonowned automobiles is available through the Plan.

B. **Standard Policy Coverage**

1. Commercial Auto Policy

Commercial risks shall be provided coverage, equivalent to the coverage of the Edition of the ISO Commercial Auto Coverage Part Program and the ISO and Automobile Insurance Plan endorsements which have been approved by the Kentucky Department of Insurance for use with Automobile Insurance Plan business. Personal injury protection coverage shall be afforded by approved Kentucky No-Fault Endorsements.

Policies issued under the provisions of the Commercial Automobile shall indicate that the policy has been issued on behalf of the Kentucky Automobile Insurance Plan.

2. Filing of Policy and Endorsement Forms

Any required filing of policy or endorsement forms shall be made on behalf of the Plan by AIPSO.✣

Sec. 22. PREMIUM DEPOSIT REQUIREMENTS AND PAYMENT OPTIONS

★The deposit requirements and payment options listed below are applicable to new business and renewals.✣

A. **Advance Premium Payment Option**

The premium payment requirements for this option are as follows:

1. The full estimated annual premium, or

2. A deposit of 40% of the estimated annual premium, or a minimum of $250 as a deposit, whichever is greater

The balance of the annual premium due as stipulated by the servicing carrier must be paid within 30 calendar days of the date of the premium notice. This payment option is available for new and renewal policies.

B. **★Installment Premium Payment Option**

Note: The installment premium payment option is not available if any portion of the annual premium is financed by a premium finance company.

If any portion of the annual premium is financed after the installment premium payment option is elected, the servicing carrier may bill the insured for the unpaid balance of the annual premium.

1. Deposit

A deposit of 40% of the total estimated annual premium, or a minimum of $250 as a deposit, whichever is greater, must accompany a new application or be submitted to the servicing carrier as the initial payment on renewal policies. There is no installment charge on the deposit premium for either new applications or renewal policies.

2. Installments

The first installment bill will show the current annual premium plus the installment charge minus the deposit. Each installment bill should display the status of the account and is to be sent to the insured with a copy to the producer.

Each installment will consist of one-fifth of the remainder of the premium, plus an installment charge of $4 on each installment, due as follows:✣

a. 1st installment—2 months after the effective date of the policy

b. 2nd installment—3 months after the effective date of the policy

c. 3rd installment—4 months after the effective date of the policy

d. 4th installment—5 months after the effective date of the policy

e. 5th installment—6 months after the effective date of the policy

★If the insured elects to pay the outstanding balance, the installment charge for the current bill will apply.

3. Additional Premium—Changes

Additional premium resulting from changes to the policy may be spread over the remaining installments or may be billed as a separate transaction.

When any additional premium is developed, the total additional premium will be billed within 30 calendar days from determination of the additional premium due, or the next premium installment billing date, whichever occurs first. The premium payment due date must not exceed 30 calendar days from the premium billing date.

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4. Return Premium—Changes

   Return premium resulting from changes to the policy may be used to reduce the outstanding balance. If the outstanding balance is eliminated, any amount remaining will be returned. If an outstanding balance remains, the number and amounts of the remaining installments will be adjusted accordingly.

C. **Deposit, Installment, or Additional Premium Payments Applicable to Either A or B Above**

All deposit, installment, and additional premium payments shall be submitted gross.

The deposit shall be in the form of a certified check, cashier's check, or money order payable to the Kentucky Automobile Insurance Plan.

Additional premium payments shall be in the form of a certified check, cashier's check, or money order payable to the servicing carrier.

A finance company check submitted as premium payment shall be made payable to either the Kentucky Automobile Insurance Plan or the service provider.

If the deposit is inadequate or the policy develops an additional premium, the servicing carrier shall bill for the deficiency within 30 calendar days from determination of the additional premium due, or the next premium installment billing date, whichever occurs first. The premium payment due date must not exceed 30 calendar days from the premium billing date. Credits may be applied to the remaining balance due or refunded if the outstanding balance is eliminated.

D. **Dishonored Producer Checks**

Dishonored producer checks shall be reported to the Plan.✣

E. **Premium Owed for Prior Insurance**

If an applicant is assigned or reassigned to a servicing carrier and the applicant owes a servicing carrier earned premium for prior Plan coverage, the servicing carrier shall have the right to proceed as follows:

1. ★If the reassigned applicant's deposit premium is sufficient to resolve the outstanding earned premium due for prior coverage, the servicing carrier shall apply the deposit to the outstanding earned premium due and bill the applicant as if the remaining deposit premium was insufficient. The servicing carrier shall allow the applicant at least 15 calendar days to pay the remainder of the deposit premium due.

2. If the reassigned applicant's deposit premium is insufficient to resolve the outstanding earned premium due for prior coverage, and the applicant was properly notified of such outstanding premium, the servicing carrier shall apply the entire deposit premium to the outstanding balance for prior coverage. The servicing carrier shall return the new application to the Plan as ineligible. The Plan shall return the application to the producer as ineligible.

   NOTES: 1. A premium finance check cannot be deducted for an outstanding prior balance.

2. If the applicant can furnish documentation that the outstanding earned premium in question (a) is the result of a premium audit, and the applicant is disputing the findings of that premium audit or (b) the subject of a formal complaint to the Commissioner of Insurance or an open appeal pursuant to Section 49, the servicing carrier shall not apply the applicant's deposit premium to resolve the outstanding premium balance from prior coverage. Documentation must be provided at the time of application. The applicant shall be provided coverage in accordance with Section 23. The premium dispute shall be resolved in accordance with the Plan Appeal provisions.

Sec. 23. APPLICATION FOR COVERAGE AND DETERMINATION OF EFFECTIVE DATE

The producer must electronically transmit commercial applications to the Plan using the online process for electronic application submission authorized by the Plan. The electronic application submission process offers online completion of the application form and electronically transmits the application to the Plan.

The producer may not transmit the application electronically until the application for coverage has been completed and the deposit has been received.

The producer shall maintain appropriate records of all risks submitted to the Plan, including any electronic communication between the applicant and the producer to acquire signatures and any authentication certificates and documents produced by the producer's electronic signature software product.

A. **Original Application**

1. Upon receipt of the completed commercial application and the appropriate deposit, the Plan shall process the application and notify the applicant and the producer of the servicing carrier and effective date of coverage.✣

   a. Producer's name, complete address, telephone number

   b. Producer's IRS or social security number and license number

   c. Applicant's name, complete address, home and business telephone numbers

   d. Applicant's social security and tax identification numbers

   e. Headquarters of applicant's operation

   f. Legal status

   g. Description of applicant's business operation

   h. Motor carrier number or other filing number

   i. Complete operator information

   j. Complete vehicle description and VIN, including use

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k. Coverage section properly completed in accordance with limits, coverage, and deductibles provided by the Plan

l. Latest carrier, policy number, termination date and reason, and if the coverage was through the Plan

m. Effective date and time of coverage

n. Applicant's and producer's signatures

o. Answer to the following question as it appears on the application: "Are any other vehicles owned by the applicant?"

★Any application information not listed as a minimum requirement, but subsequently requested by the CAIP servicing carrier, is specifically defined as pertinent underwriting information.✣

2. In no event shall coverage be effective

a. prior to the time shown on the Evidence of Insurance section of the application;

b. ★unless the application includes the minimum application requirements contained in section A.1;

c. unless the deposit is submitted with the application.

3. Electronic Application Submission

a. Applications Not Requiring Filings or Limits in Excess of $350,000 Combined Single Limit Coverage.

The completed electronic application must be printed, signed, and submitted to the Plan in accordance with the following procedures:

(1) Immediate Coverage

The coverages and limits applied for shall be effective at the date and time of transmition of the electronic application provided all of the following requirements are met:

(a) The producer and the applicant shall certify on the application the date (day, month, and year) and time (hour, A.M. or P.M.) that the application information was transmitted.

The producer shall supply the applicant with a copy of the application.

(b) The producer forwards a copy of the electronic application, deposit, and supporting documentation to the Plan and must be received no later than 15 calendar days following the date of transmittal of the application. The date of receipt of the electronic application by the Plan shall be established by the date and time the application is eletronically transmitted by the producer.

(c) If the application, deposit, and supporting documentation are received by the Plan more than 15 calendar days following the date of transmittal of the application, coverage shall be effective in accordance with the following and the Plan shall charge the producer with a complaint for violation of producer performance standards.

Coverage will become effective on 12:01 A.M. on the day following the date of mailing the application, deposit, and supporting documentation to the Plan as shown by the postmark on the envelope accompanying the application.

(d) Coverage will become effective at 12:01 A.M. on the day following receipt by the Plan, if

- the USPS postmark is illegible, or
- the envelope does not contain a USPS postmark, or
- the envelope is stamped by postage meter and does not contain a USPS postmark, or
- the application is delivered by means of overnight mail, courier, or other delivery service.

(2) Future Effective Date of Coverage

If a future effective date of coverage is requested by the producer, coverage shall become effective at 12:01 A.M. on the future date, provided all of the following requirements are met:

(a) The requested effective date of coverage does not exceed 30 calendar days from the date of completion of the application.

(b) The producer and applicant certify in the application the date (day, month, and year) and time (hour, A.M. or P.M.) of the future effective date of coverage.

(c) The producer and applicant certify the date and time the application was transmitted on the application generated by electronic application submission.

(d) The application generated by electronic application submission, deposit, and supporting documentation must be received by the Plan no later than 15 calendar days following the date of transmittal of the application. The date of receipt of the electronic application by the Plan shall be established by the date and time the application is transmitted by the producer.

(e) If the application, deposit, and supporting documentation are received by the Plan more than 15 calendar days following the date of transmittal of the application, coverage shall be effective in accordance with Plan provisions and the Plan shall charge the

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producer with a complaint for violation of producer performance standards.

If the applicant does not desire coverage until a later date, not to exceed 30 calendar days from the date of application, the applicant shall indicate such date in the application. Coverage becomes effective at 12:01 A.M. on the desired date of coverage or at 12:01 A.M. on the day following receipt of the application by the Plan, whichever is later.

If there is an in-force policy terminating at a date later than the date which determined per this Section, the applicant shall indicate such date in the application. Coverage becomes effective at 12:01 A.M. on the termination date of coverage of such policy or at 12:01 A.M. on the day following receipt of the application by the Plan, whichever is later.

b. Applications Requiring Filings or Limits in Excess of $350,000 Combined Single Limit Coverage

For those applicants requiring filings or a limit in excess of $350,000 combined single limit, coverage is effective on a date specified by the applicant which may not be earlier than 15 calendar days following the Plan assignment date.

The completed electronic application must be printed, signed, and submitted to the Plan in accordance with the following procedures:

(1) The producer and applicant shall certify the date and time on the electronic application.

(2) The producer forwards the application bearing the signatures of the applicant and producer, the deposit and supporting documentation to the Plan in accordance with Plan rules after transmission of the electronic application.

If the applicant provides both a Declarations page from the insurer showing coverage through the date of the application, and either nonrenewal or termination notice for a reason other than nonpayment of premium, fraud, or material misrepresentation, in which case the effective date of coverage shall be in accordance with Section 23.B.3.

(3) If an applicant is found to be ineligible for coverage through the Plan within 15 calendar days following the Plan assignment date, the servicing carrier will return the ineligible application to the Plan. The Plan will forward a notice of ineligibility to the applicant with a copy to the producer prior to the date which coverage would have been effective.

(4) If an applicant is found to be ineligible for coverage through the Plan after 15 calendar days have elapsed following the Plan assignment, a cancellation shall be issued.

(5) If, following assignment a CAIP risk requires either limits in excess of $350,000 combined single limit or filings (FMCSA, PUC, PSC, etc.), the requested endorsement may take effect no earlier than 15 calendar days following the receipt of the policy change request for higher limits and/or filings.

c. Commercial Application Retraction Procedure

(1) Application Retraction

The producer may retract an electronic application following the issuance of a reference number and prior to the forwarding of the electronic application to the Plan for the following reasons:

(a) The applicant has notified the producer that coverage through the Plan is no longer required.

(b) The producer has made an error in the information provided.

(c) The producer has, in error, requested more than one reference number for the same application.

(2) Electronic Retraction Process

The producer shall use the online electronic retraction process to retract an application. The retraction must be transmitted to the Plan no later than one working day after the application is transmitted.

The producer is not required to submit a copy of the retracted paper application to the Plan. If the retraction is not electronically transmitted within 15 calendar days after the date of issuance of the reference number, the Plan shall charge the producer with a complaint for violation of producer performance standards.

When retraction is requested because the producer has made an error in the application information and a corrected application has been transmitted, the producer must forward the corrected application, deposit and any supporting documentation accompanied by a copy of the completed Electronic Application Submission Retraction Request Form to the Plan.

(3) Alternate Procedure for Submission of a Retraction Request Form

If, for any reason, electronic application submission is not available, the producer shall complete an Electronic Application Submission Retraction Request Form available on the Plan website and forward it to the Plan within two working days following the issuance of a reference number.

If the Plan does not receive the Electronic Application Submission Retraction Request Form within 15 calendar days after the date of issuance of the reference number, the Plan shall charge the producer

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with a complaint for violation of producer performance standards.

(4) Plan Retraction of an Application

If the producer fails to retract the application in accordance with Plan provisions, the Plan shall retract the application 20 calendar days following the date of transmittal of the application. The Plan shall notify the applicant and producer that the application has been retracted. The application shall be considered null and void and no coverage is in effect.

d. The Plan shall maintain a record of producer violations pertaining to electronic submission. Violation of procedures may result in referral to the Committee for limitation, suspension, or termination of access to electronic application submission.

4. Plan Submission to Servicing Carrier

The Plan shall forward a copy of the application form, the notice of the effective date of coverage, and deposit to the servicing carrier. The servicing carrier will credit the deposit against the policy premium.✣

5. Filings of Policies and Certificates

The servicing carrier shall make such filings of policies and certificates for the applicant, or for the spouse if eligible under the Plan, as may be required by law.

6. Applicant Refusal to Accept Policy

★If the applicant refuses to accept the policy, the servicing carrier shall retain whichever of the following is greater, and return the balance to the applicant:✣

a. the earned premium for the period of coverage and .10 of the pro rata unearned policy premium, or

b. the minimum policy premium as contained in the Automobile Insurance Plan Manual of Rules and Rates.

★If the risk is premium financed, the balance is returned to the premium finance company.

B. **Additional Vehicles or Coverages**

1. If additional coverages are requested during the policy period or coverage for an additional or replacement vehicle is requested, a completed approved Policy Change Request form shall be submitted directly to the servicing carrier no later than the first working day after completion.

2. Premium requirements for additional vehicles or coverages include the following:

a. The Policy Change Request form shall be accompanied by additional payment, if required, in the form of a certified check, cashier's check, or money order payable to the servicing carrier for an amount equal to 30% of the annual premium or pro rata premium for the remainder of the policy period, whichever is less.

If the Policy Change Request form is submitted electronically, any additional premium must be forwarded to the servicing carrier no later than the first working day after electronic transmittal of the Policy Change Request form. If additional payment is not received by the servicing carrier within 10 working days, the producer will be charged with a complaint for violation of producer performance standards.

b. The balance of the additional premium shall be payable in accordance with the provisions of the Plan.✣

c. The producer shall not deduct their commission from any premium payment for additional vehicles or coverages sent to the service provider.

3. ★For policy changes not requiring filings or limits in excess of $350,000 combined single limit, coverage will be effective at the date and hour specified in the Policy Change Request form provided:

a. The producer and applicant certify the date and hour of completion of the Policy Change Request form.

b. The producer forwards the completed Policy Change Request form to the servicing carrier not later than the first working day after the form is completed.

c. The United States Postal Service postmark date on the transmittal verifies that the policy change form was forwarded to the servicing carrier no later than the first working day after the form was completed.

4. If the policy change request is not forwarded to the servicing carrier within the first working day after the form is completed, the effective date of coverage shall be determined as follows:

a. If the transmittal envelope bears a legible postmark affixed by the United States Postal Service, coverage shall be effective at 12:01 A.M. on the day following the date the Policy Change Request form is mailed to the servicing carrier.✣

b. If the transmittal envelope does not bear a legible postmark affixed by the United States Postal Service, or if the envelope is stamped by a metered mail postmark, electronic stamp, or other postage service or stamp, coverage shall be made effective at 12:01 A.M. on the day the Policy Change Request form is received by the servicing carrier.

c. If the Policy Change Request form is delivered to the servicing carrier by means other than the United States Postal Service (including delivery by means of overnight mail, courier, or other delivery service), coverage shall be made effective at 12:01 A.M. on the day following receipt by the servicing carrier.

5. For CAIP risks requesting either limits in excess of $350,000 or filings (FMCSA, PUC, PSC, etc.), the requested endorsement may take effect no earlier than 15 calendar days following the receipt of the request.

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6. ★If a Policy Change Request form is submitted for a CAIP risk requiring federal filings or endorsements, a CAIP Inspected Units following Plan assignment form, must be completed and submitted with the policy change request to the servicing carrier.

7. If a Policy Change Request form is transmitted to the servicing carrier via facsimile or e-mail, coverage will be effective at the date and hour specified in the Policy Change Request form, provided all the following requirements are met:

   a. The producer and applicant certify the date and hour of completion of the Policy Change Request form.

   b. The producer electronically transmits the completed Policy Change Request form to the servicing carrier no later than the first working day after the Policy Change Request form is completed.

   c. The producer forwards additional premium payment, if required, to the servicing carrier in accordance with Plan provisions.

   d. Coverage shall be made effective at 12:01 A.M. on the day following receipt of electronic transmission of the policy change request by the servicing carrier if

      (1) the producer and applicant do not certify the date and hour of completion of the policy change request, and/or

      (2) the producer does not electronically transmit the completed policy change request form to the servicing carrier within the first working day after completion.✣

8. In no event shall any change in coverage be effective prior to the date and hour of completion of the Policy Change Request form except as provided for by the provisions of the policy contract.

9. If the application has been submitted to the Plan and the producer has not yet been notified of the servicing carrier, the Policy Change Request form and premium payment must be forwarded to the Plan no later than the first working day after completion.

10. ★The producer shall maintain appropriate records of all risks submitted to the Plan, including any electronic communication between the applicant and the producer and any authentication certificates and documents produced by the producer's electronic signature software product. The producer agrees to permit inspection or photocopying of such records by the Plan or by a servicing carrier representative.

C. **Reduction or Elimination of Coverage**

If a reduction or elimination of coverage is desired during the policy period, a completed approved Policy Change Request form must be signed by the insured and submitted to the servicing carrier.

D. **Incomplete Applications**

The application and required deposit shall be accepted by the Plan and shall be processed by the servicing carrier if the Plan requirements are reasonably complied with, except as follows.

1. If the completed application and required deposit are not received by the Plan within 20 calendar days from the date of electronic transmission of the application, the Plan shall notify the producer and applicant in writing that the completed application and deposit have not been received. The application shall be considered null and void and no coverage shall be in effect. The application shall be retracted by the Plan. The producer shall receive a complaint for violation of producer performance standards.

2. If an application is submitted without a deposit premium, the application shall be returned to the producer and no coverage will be afforded.

It shall be the responsibility of the Plan and the servicing carrier to communicate clearly to the insured and producer if an application is incomplete and requires correction.

E. **Application Submission if Electronic Submission is Unavailable**

If the electronic application submission is not available, producers licensed to transact automobile insurance in the state and who are authorized by the Plan may submit applications using the Alternate Application Submission Procedure.

Producers eligible to use the Alternate Application Submission Procedure shall contact the Kentucky Plan.

Coverage will be effective in accordance with Application for Coverage and Determination of Effective Date section.✣

Sec. 24. RESERVED FOR FUTURE USE

Sec. 25. ASSIGNMENT PERIOD

★An applicant shall be assigned to a servicing carrier for a period of three consecutive years provided the applicant is eligible for Plan assignment through CAIP.

If an insured is unable to obtain insurance at the end of the three-year period, reapplication for insurance may be made to the Plan as a new application.

✣

Sec. 26. CHANGE OF OWNERSHIP/ TRANSFER OF LOSS EXPERIENCE

All exposures of commonly owned entities (as determined in paragraph B of this Section) and insured in the Plan should be written on the same policy and combined for rating purposes. All entities of a risk will be combined when determining eligibility for experience rating. All previous experience of a risk will continue in the experience rating subject to the provisions of paragraphs A, B, and C below:

A. **Ownership**

★The experience for any entity undergoing a change in ownership shall be excluded from future experience ratings only if **each** of the following conditions are met:✣

1. The change must be a material change such that the entire ownership interest after the change had no

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ownership interest before the change. A transfer of ownership to a family member (whether natural or by law), a household resident, or a previous owner is not considered a change in ownership.

2. The change in ownership is accompanied by a change in company management. A change in company management is defined as including all of the following, but not limited to, the chairman of the board, president, partners, and other executive officers.

B. **Combination of Entities**

Entities with a majority (more than 50%) common ownership interest will be combined for rating.

1. Determination of majority ownership is based on the following:

   a. Majority of issued voting stock;

   b. Majority of the members if no voting stock is issued;

   c. Majority of the board of directors or comparable governing body if a or b above is not applicable;

   d. Participation of each general partner in the profits of a partnership. Limited partners are not considered in determining majority interest.

   ★Limited partners are not considered in determining majority interest.✣

2. If the rules above provide for more than one possible combination of entities, the combination involving the most entities shall be made. However, the experience of any entity may be used in only one combination.

C. **★Reapplication to the Plan✣**

Any change in ownership, including legal status and reincorporation, necessitates that a new application, with the appropriate deposit, be submitted to the Plan.

★The insured must report any change to the servicing carrier, in writing, within 30 calendar days of such change. The type, nature, and details of the change must be provided to the servicing carrier who shall determine eligibility for this change as stated in paragraphs A, B, and C of this Section. The Name and/or Ownership Change form, approved for use in the Plan, must be fully completed and signed by the insured and include the appropriate information. The Name and/or Ownership Change form is available from the Plan or servicing carrier upon request. The Name and/or Ownership Change form must be fully completed and signed by the insured within 10 calendar days of the date of request.

Failure of the insured or producer to provide complete information on the approved form may delay a return premium due the insured. Failure of the insured or producer to return the fully completed and signed form, following two written requests by the servicing carrier, could result in loss of coverage as stated in the cancellation section of this Plan.✣

Sec. 27. RESERVED FOR FUTURE USE

Sec. 28. CANCELLATIONS

A. **Cancellation at Request of Insured**

If for any reason the insured requests cancellation, other than placement of coverage through the voluntary market, the servicing carrier shall retain the earned premium for the period of coverage and .10 of the pro rata unearned policy premium, or the minimum policy premium prescribed in the Automobile Insurance Plan Manual of Rules and Rates, whichever is greater, and return the balance to the insured.

In the event the insured requests cancellation of a policy because coverage has been replaced in the voluntary market with an admitted carrier, and the servicing carrier receives proof documenting same, the cancellation shall be on a pro rata basis, or the minimum policy premium prescribed in the Automobile Insurance Plan Manual of Rules and Rates, whichever is greater.

B. **Cancellation by Servicing Carrier**

1. ★A servicing carrier which has issued a policy under this Plan shall have the right to cancel the insurance by giving notice as required in the policy if the insured

   a. is not, or ceases to be, eligible or in good faith eligible for insurance, or✣

   b. has failed to comply with reasonable safety requirements, or

   c. has violated any of the terms or conditions upon the basis of which the insurance was issued, or

   d. has obtained the insurance through fraud or misrepresentations, or

   e. has failed to pay any premiums due under the policy, or

   f. ★has failed to remedy defects in the application, or✣

   g. cannot be located by the servicing carrier for purposes of its underwriting review, or fails to respond to at least two written requests for pertinent underwriting information which would have a direct bearing on the rating of a policy, or

   h. failed to respond to at least two written requests for pertinent safety inspection information which would have a direct bearing on the rating of a policy, or

   i. ★fails to respond to two written requests to schedule or complete an audit, or does not permit the auditor to complete an audit.

2. Each cancellation shall be on a pro rata basis, subject to the minimum policy premium prescribed in the Automobile Insurance Plan Manual of Rules and Rates, whichever is greater, with the balance returned to the insured. A copy of the cancellation notice shall be furnished to the producer. A statement of facts in support of each such cancellation shall be furnished to the producer and to the insured 10 calendar days prior to the effective date of cancellation.✣

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Cancellation shall be effective on the date specified and coverage shall cease on such date.

★At the option of the servicing carrier, the nonpayment cancellation date may be the equity date computed on the pro rata basis.

No coverage will be effective if the insured's premium remittance accompanying the application is justifiably dishonored by the financial institution.

Nothing herein shall be deemed to affect the servicing carrier's right to rescind a policy for fraud, misrepresentation, or if the insured's premium remittance is justifiably dishonored by the financial institution, or to invoke other remedies provided by law.✣

C. **Cancellation at the Request of the Producer**

A servicing carrier shall, at the request of a producer, cancel a policy in conformity with Law where producer presents proof that a check, tendered by the insured to be used for the payment of premium and which has been deposited in the producer's premium account, has been refused payment by the bank upon which it has been drawn. Such cancellation shall be on a pro rata basis, and the unearned portion of the paid premium, if any, shall be returned to the producer to the extent of the amount of the dishonored check.

Sec. 29. MIDTERM PRODUCER CHANGE

★For CAIP applicants and insureds, a substitute producer may be designated by the applicant or insured at any time and, upon designation, shall be the producer subject to the following provisions:✣

A. All commissions will go to the original producer for the remainder of the policy period.

B. All requests for a substitute producer must be accompanied by a broker of record letter on the named insured's letterhead including the following signed statements:

1. By the New Producer of Record

"I hereby certify that I am a licensed agent/broker of the state of Kentucky and have read the Automobile Insurance Plan and have explained the provisions to the applicant/insured. I acknowledge that I am acting on behalf of the applicant/insured and have no authority to establish or reverse the terms or conditions of coverage. I agree to return any unearned premium to the insured (net of any minimum premium due the carrier)."

★In addition to the above signed statement, the producer's license, IRS Tax ID, and or social security numbers must be submitted.✣

2. By the Applicant or Insured

"I understand that any designated producer cannot act as an agent of the Automobile Insurance Plan and any carrier for the purpose of this insurance and that the producer has no authority to establish, alter, or amend terms or conditions of coverage."

Sec. 30. COMPENSATION TO PRODUCER OF RECORD

A. ★Unless other arrangements have been made with the Commissioner of the Department of Insurance, the compensation under the Plan shall be as follows:

5% of the policy premium for compensation to a licensed producer designated by the insured

B. Compensation will be paid by the servicing carrier on the basis of the premium received.

C. Compensation will not be paid on installment charges.

D. The licensed producer may be paid only that portion of the producer's compensation which is permissible under the laws of the state in which the risk is rated and domiciled.

E. In the event of cancellation, policy change, a final audit, or a termination resulting in a reduction of premium, compensation will be payable on the earned premium received by the servicing carrier.

F. The servicing carrier may defer the payment of compensation until the proper tax identification number is provided by the producer.✣

Sec. 31. PERFORMANCE STANDARDS FOR SERVICING CARRIERS WRITING KENTUCKY AUTOMOBILE INSURANCE PLAN COMMERCIAL RISKS

The performance standards listed below set forth the specific time during which a servicing carrier must perform in accordance with the rules of this Plan.

★Any exception to the performance standards must be documented in the servicing carrier's files and be available for review and audit.

A. **Issuance of Original Policy**

Upon receipt of the assignment notice or as of the effective date for those CAIP applicants requiring filings or a limit in excess of $350,000 combined single limit and the premium or deposit from the Plan, the servicing carrier shall

1. within two working days following the effective date of coverage or receipt of the assignment notice, whichever occurs last, make filings of the policy and certificates, including motor carrier and Financial Responsibility Certificates, including SR-22 Certificates, provided all information necessary is contained in the application and the application is accompanied by the appropriate deposit,

2. within 30 calendar days issue a policy if all information necessary for the servicing carrier to determine the proper rate is contained in the application form, such policy to become effective in accordance with the provisions of the Plan, or

3. if the Plan Manual does not contain rates applicable to the applicant. In the event the Plan Manual does not contain applicable rates, the servicing carrier must request that AIPSO make the necessary rate filing with the Commissioner of the Department of Insurance. Upon receipt of information necessary

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for the servicing carrier to determine the proper rate or notification of approval of the rate filing, the servicing carrier shall issue a policy to become effective in accordance with the provisions of the Plan.

The servicing carrier will notify the insured and the producer of the collection procedure to be followed in accordance with the advance or installment deposit payment options available in the Plan.

The day the assignment and premium or deposit are received by the servicing carrier shall be considered the first working day, regardless of the time of such receipt.

The producer shall be notified as to the disposition of the assignment.✣

B. **Renewal Policies or Certificates**

At least 30 calendar days prior to the inception date of renewals, the servicing carrier shall notify the applicant that

1. ★a renewal will be issued if the premium is received on or before the inception date of such renewal, or
2. if the renewal is to be written with the advance premium payment option, the full annual premium or the deposit must be received by the servicing carrier on or before the inception date of such renewal, or
3. if the renewal is to be written with the installment premium payment option, the renewal will be written provided the deposit premium (40% of the total annual premium subject to a minimum of $250) must be received by the servicing carrier on or before the inception date of such renewal, or
4. a renewal will not be issued if the insured is not eligible for insurance under the Plan.

C. **Endorsements**

Endorsements shall be issued within 30 calendar days by the servicing carrier.

D. **Return Premiums**

The servicing carrier shall mail the return premium within 30 calendar days of the receipt of a request for either cancellation or an endorsement resulting in a return premium.

If the servicing carrier receives a request to cancel or the policy is terminated on a risk subject to audit, the servicing carrier must return the premium within 30 calendar days following the date the final audit report is issued.

E. **Premium Billing**

All billing and payment guidelines are to be consistent with the provisions outlined in the Plan.

For policies that develop an additional premium, the total additional premium must be billed within 30 calendar days from determination of additional premium due, or the next premium installment billing date, whichever occurs first. The premium payment due date must not exceed 30 calendar days from the premium billing date.

Policies subject to a final premium audit that result in additional earned premium must be billed within 30 calendar days of completion of the final premium audit and premium payment due date must not exceed 30 calendar days from the premium billing date.

If the final premium audit develops a return premium, the servicing carrier will remit gross return premium to be insured within 30 calendar days from the completion date of the audit. The producer will be billed for the return commission.

NOTE 1: Completion date of the audit is defined as the date the final audit report is produced.

NOTE 2: The determination date is the processing date of the policy or endorsement.

F. **Premium Collection**

Servicing carriers are to follow present Plan rules.

The servicing carrier will perform all the necessary collection functions to protect the assets of CAIP.

Within seven calendar days following the premium payment due date, the servicing carrier shall issue a Notice of Cancellation and cancel all financial responsibility filings if premium payment has not been received. Established collection practices of a servicing carrier must include the following minimum standards:

1. At least two letters requesting immediate payment of the outstanding earned premium balance issued a minimum of 15 calendar days apart with both letters being issued within 45 calendar days following the cancellation effective date.
2. For policies subject to a final premium audit after policy expiration or cancellation, at least one letter requesting payment issued within 15 calendar days following the premium due date of the final premium audit bill.

All net collection expenses incurred by the servicing carrier will be borne by CAIP.

Each servicing carrier shall develop specific written procedures to satisfy itself that all requirements of the CAIP Accounting and Statistical Requirements Manual are met and complied with. These procedures will be reviewed during the servicing compliance audit.

G. **Compensation**

Compensation shall be paid no less frequently than monthly and shall be paid within 15 calendar days after the close of the month in which the commission was credited to the producer's account. The servicing carrier must issue a statement and, if applicable, the proper compensation check unless the producer fails to provide their tax identification number.

The servicing carrier should take steps to collect unearned producer compensation from the producer.✣

H. **Claim Handling**

1. A servicing carrier shall provide policyholders and producers with information on how and where to report claims.
2. The servicing carrier is responsible for handling all claims properly and promptly in accordance with the terms of the contracts of insurance subject to the limits of coverage provided. Where unfair claim practices laws and regulations exist, the servicing carrier must comply with such laws and regulations.
3. A servicing carrier must have the ability to service insurance claims in every state, the District of Columbia, and Canada.

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4. Contact (First- and Third-Party Claimants)

   ★Upon receipt of notification of a claim containing sufficient information to identify the insured, claimant, and policy number, the servicing carrier must acknowledge receipt of the notice within the applicable state's regulations, including unfair claims practices laws and regulations. If the state has not established time guidelines, the servicing carrier must acknowledge receipt of such notice to first-party claimants within two working days and third-party claimants within 15 working days and the date of the acknowledgment documented in the carrier's claim file.

   The servicing carrier will provide first-party claimants with the necessary forms and instructions to permit compliance with all policy conditions.✣

5. Appraisal

   Within the applicable state regulations, including unfair claims practices laws and regulations, an appraisal must be completed for the purpose of determining the cost of repair. If the state has not established time guidelines, an appraisal, or documented attempts, must be completed within 10 working days from the date of receipt of a specific claim, including damages and location of vehicle, by the servicing carrier. If a second inspection is required, the servicing carrier will document attempts for scheduling a second appraisal within two working days of notice for the need of the second appraisal.

6. Coverage

   The servicing carrier must verify that the proper coverage was in effect at the time of loss which cover the damages claimed by the first- or third-party claimant.

7. Investigation

   The servicing carrier must begin an investigation of any claim within 15 working days of receipt of notification of the claim.

   The servicing carrier must substantially complete an investigation of each claim 30 working days after notification of the claim.

   If after 30 working days from notification of the claim the completed investigation is insufficient to properly adjust the claim or the parties cannot agree to settlement, the servicing carrier must notify the policyholder, claimant, or authorized representative in accordance with the state's applicable regulations, including unfair claims practices laws and regulations, until the claim is settled, or until both parties agree updates are no longer needed. If a state has not established any guidelines on this topic, the servicing carrier will advise the claimant within 30 working days from receipt of proof of loss or settlement material what outstanding information is required to adjust the claim. The serving carrier will continue to provide this update every 45 working days, or until both parties agree updates are no longer needed.

8. Reserving

   Reserving practices must be consistent and must comply with the requirements outlined in the CAIP Accounting and Statistical Manual.

9. Documentation/File Reporting

   A file for each claim must be compiled by the servicing carrier's claims staff, and should address coverage, liability, damage investigation, reserves, subrogation potential, and recommendations for future handling.

   As claims handling continues, the file should be updated to address reserve adequacy, strategies, plans for future handling, and resolution.

10. Payment

    ★Payment on all claims must be made within the applicable state regulations, including unfair claims practices laws and regulations. All payments not defined within state regulations or unfair claims practices laws and regulations will be paid within 30 working days after receipt of proof of loss, agreed appraisal amount or written settlement agreement (unless the servicing carrier has not completed the investigation necessary to make a decision or the parties cannot agree on settlement). Receipt of these documents does not waive the servicing carrier's right to conduct an investigation prior to settlement and/or offer a reasonable settlement based upon the facts.✣

11. Expenses

    All reported allocated loss adjustment expenses must comply with the eligibility requirements outlined in the CAIP Accounting and Statistical Requirements Manual.

12. Fraud Prevention/Detection

    All claims personnel shall receive training in and be aware of potential fraud indicators. The claims professional shall refer a claim for specialized fraud investigation within two working days of a determination of potential fraud. An outline of disputed issues and activities of the investigation will be prepared.

    The servicing carrier must ensure that its special investigative handling complies with applicable statutes, regulations, and directives.

★ ✣

I. **Underwriting/Rating**

The servicing carrier must

1. properly price all policies in accordance with the approved rating plans contained in the Manual of Rules and Rates and establish procedures for appropriate and timely verification of policyholders' and operators' driving records and/or obtain other information as necessary to assist in the proper classification and rating of an applicant;

2. attempt to secure and verify account loss history from the previous company or companies to insure proper application of any applicable premium surcharge or rating plans;

3. perform a preliminary premium audit on every applicant assigned in the following classes:

   - All policies with Any Auto coverage symbol
   - All FMCSA, PUC, and PSC regulated carriers

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- All policies with MCS 90 or MCS 90B endorsement
- ★All policies with a Form E filing
- Any other class or classes of commercial business designated by the Committee✣

At the discretion of the servicing carrier, if a policy has been cancelled or has expired, a preliminary audit is not required if a successful audit of the same risk has occurred within the past 12 months.

★Within 60 calendar days from the effective date of coverage, two documented good faith attempts to make contact with the applicant for purposes of scheduling or conducting a preliminary premium audit must be made.

It is expected the audit will be completed and distributed no later than 120 calendar days following the effective date of coverage. Audits completed or distributed after 120 calendar days due to circumstances beyond the control of the servicing carrier must be documented.✣

4. The servicing carrier shall advise the Plan that an audit of the terminated policy is required prior to writing and issuing another policy. An applicant is considered ineligible for reapplication to the Plan if a policy was cancelled by the servicing carrier for failure to respond to a request to schedule an audit or failure to comply with a request to conduct an audit.
5. conduct final premium audits following account expiration or cancellation when appropriate;

   ★Within 60 calendar days from the expiration or cancellation date of coverage, two documented good faith attempts to make contact with the applicant for purposes of scheduling or conducting a final premium audit must be made.

   It is expected that the audit will be completed and distributed no later than 120 calendar days following the expiration or cancellation date of coverage. Audits completed or distributed after 120 calendar days due to circumstances beyond the control of the servicing carrier must be documented.✣
6. make, maintain, and cancel all certificates and filings in accordance with any municipal, state, or federal requirements.

★ ✣

J. **Accounting/Statistical and Results Reporting**

Servicing carriers must

1. have the ability to carry out all necessary accounting procedures and prepare reports as outlined in the CAIP Accounting and Statistical Requirements Manual;
2. have the ability to collect the necessary data to disburse compensation payments to producers and have the ability to store this data and report same to the Internal Revenue Service, annually as required;
3. select a qualified statistical agent with the ability to report data in accordance with the AIPSO statistical program.

K. ★**Compliance Audits**

It is the responsibility of the servicing carrier to furnish the appropriate files and records to auditors performing a servicing carrier compliance audit. Failure to comply with this requirement will be reported to the Plan Manager with a request that the matter be brought to the attention of the Committee.

If it is necessary for the auditors to subsequently review files and records not available at the time of the scheduled audit, the additional cost of the audit will be borne by the servicing carrier.

If the files and records that support a claim are not located by the servicing carrier, the auditors will advise the Committee of their unavailability. The Committee may request that the servicing carrier reverse the claim including any loss and expense payments and removal of current and future loss and expense reserves.✣

Sec. 32. RESERVED FOR FUTURE USE

Sec. 33. PERFORMANCE STANDARDS FOR PRODUCERS WRITING KENTUCKY AUTOMOBILE INSURANCE PLAN COMMERCIAL RISKS

A. **Original Applications**

1. ★Applications must be fully completed and comply with the minimum commercial application requirements of this Plan.✣
   a. necessary information to rate and write the policy, prepare a bill, and make any required financial responsibility or motor carrier filings,
   b. name, address, and tax identification number of the producer, and
   c. signatures of the applicant and the producer.
   d. ★The producer and applicant shall certify on the application the date (day, month, and year) and time (hour, A.M. or P.M.) that the application was completed.
   e. A completed, signed CAIP Inspected Units Form must accompany all commercial applications submitted for applicants who require Federal Highway Administration (FHWA) or Federal Motor Carrier Safety Administration (Motor Carrier Act of 1980 or Bus Regulatory Act of 1982—Motor Carrier Endorsement—MCS 90 or 90B) filings or endorsements. If the completed form does not accompany the application, the Plan shall charge the producer with a complaint for violation of performance standards.
2. Deposit premiums shall be submitted gross with the application.
3. The producer shall maintain appropriate records of all risks submitted to the Plan, including any electronic communication between the applicant and the producer to acquire signatures and any authentication certificates and documents produced by the producer's electronic signature software product.

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The producer agrees to permit inspection or photocopying of their records by the Plan or company representative.

4. Producer shall comply with Plan rules pertaining to the retraction of electronically submitted applications.

B. **Cancellation of Plan Policy**

No Plan policy shall be canceled and rewritten to take advantage of a rate decrease, or to avoid a rate increase, experience modification, or additional charges.

C. **Return Compensation**

Return compensation shall be paid within 30 calendar days from the date of notice to the producer.

D. **Policy Change Request**

Producers must use the Policy Change Request form authorized by the Plan or one provided by the servicing carrier when making a policy change request.

For CAIP risks that require a Federal Highway Administration (FHWA) or Federal Motor Carrier Safety Administration (Motor Carrier Act of 1980 or Bus Regulatory Act of 1982—Motor Carrier Endorsement—MCS 90 or 90B) filing or endorsement, the producer must complete and submit a CAIP Inspected Units Form with the policy change request. If a completed form does not accompany a policy change request, the servicing carrier shall submit a complaint to the Plan. The Plan shall charge the producer with a complaint for violation of producer performance standards.✣

E. **Claims**

When an insured reports an accident or claim to the producer, the producer shall report it to the servicing carrier within one working day in accordance with the instructions of the servicing carrier.

F. **Payments**

1. ★Additional premium payments shall be submitted gross.

2. Producers shall remit all gross payments received from insureds within one working day.

3. Producer checks dishonored by the bank shall be considered a violation of this performance standard. Any producer who submits to the Plan or service provider three checks within a 12-month period that are subsequently dishonored by the bank when presented for payment shall submit future payments by certified check, cashiers check, or money order.

   Producers who are subject to the above provisions may be removed from this requirement after one calendar year from its imposition provided the producer has met the following terms:

   a. the Plan has received no additional notices of checks which were dishonored by the producer's bank after the producer was placed on the certified check requirement; and

   b. the producer has resolved all dishonored checks.

   Should the Plan receive any additional notice(s) of checks which were dishonored by the producer's bank, the producer shall be referred to the Committee for review.✣

G. **License**

Producers must be properly licensed and conform to the requirements of the Plan.

H. **Fraud or Misrepresentation**

No producer shall engage either in fraud or misrepresentation with regard to the contents of an application, the necessary information to rate and write a policy, a claim, or any other information material to underwriting a risk.

I. **★Procedures for Compliance with Performance Standard for Producer.**

1. The Plan shall report violations of producer performance standards to the Committee.

2. If the Plan determines that immediate action is required to protect the public interest prior to a hearing in accordance with usual Plan procedures, the Plan may immediately suspend a producer's privilege to electronically submit applications. Upon suspension, the producer cannot access the online process for application submission or submit new applications.

   The Plan shall notify the producer, in writing, of the suspension of access to the online process for application submission and the privilege to submit new applications to the Plan and provide a statement of the alleged violations of the producer which clearly evidences that delay until a full hearing will pose harm to the public interest.

   A full hearing on the merits shall take place before the Committee within 10 calendar days of the notice of suspension, in accordance with usual Plan procedures. Within 7 calendar days of the hearing, the Committee shall render a decision and make appropriate recommendations. The Plan shall notify the producer immediately in writing of the Committee's decision.

   The summary suspension procedure shall also apply to any producer whose license has been suspended or revoked through the administrative action of any other state or involuntary automobile insurance mechanism authority as a result of failure to remit premium or the producer's improper withholding of any funds.

3. A final decision by the Committee may be reported to the governing body in any other state automobile insurance plan in which the producer is certified or registered to submit business. The governing body in that other state may take any action it deems appropriate upon review of that decision.

   The actions of a producer under all sections of this Plan are deemed to be the actions of the applicant and are not the actions of the Plan. Insofar as the producer is acting as an agent of any party in connection with actions under all sections of the Plan, the producer shall be deemed to be the agent of the applicant and not the agent of the Plan and/or service provider.✣

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KENTUCKY AUTOMOBILE INSURANCE PLAN

COMMON PROVISIONS

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NOTES

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Sec. 34. PLAN MEMBERSHIP

The Plan became effective on August 20, 1948 when all companies licensed to write direct automobile liability insurance in the state subscribed thereto. No company which is licensed to write only reinsurance shall be a subscriber to this Plan.

A. Every insurer licensed to write automobile liability insurance in this state shall be a member of the Plan and shall subscribe to and be bound by the rules and regulations adopted thereto.

B. ★A company may terminate membership in the Plan as of the close of a calendar year upon ceasing to be licensed to write automobile insurance within the state. Termination of membership shall not discharge or otherwise affect liabilities incurred prior to termination of a member's responsibility to properly share in the operating results of the PAIP and CAIP.✣

Sec. 35. ADMINISTRATION

A. **Governing Committee Composition**

The Plan shall be administered by a Committee and a Manager. The Committee (hereinafter referred to as "the Committee") shall consist of five Plan subscribers, chosen from the following classes of business:

- Two subscriber companies chartered under the laws of the Commonwealth of Kentucky
- Three subscriber companies chartered outside of Kentucky

In addition, one independent insurance agent licensed in the Commonwealth of Kentucky shall be appointed to the Committee, and one member meeting any of the following:

- One additional subscriber representing either a company chartered within or outside of Kentucky; or
- A public member, meaning an individual who currently works, has worked, or has retired from work within the property and casualty insurance industry. The public member shall be a resident of the Commonwealth of Kentucky; or
- A representative of a self-insured fund operating within the Commonwealth of Kentucky

Each subscriber company serving on the Committee shall designate a representative to act on its behalf. This representative shall be either (1) a salaried employee or officer of the named subscriber company or (2) a salaried employee or officer of another subscriber company from a group of companies under the same management as the named subscriber company. A salaried employee or officer of the holding company of the named subscriber company may also be designated as the representative. The subscriber companies and their designated representatives must be and remain in good standing with the Kentucky Department of Insurance.

Not more than one company in a group of companies under the same management or ownership shall serve on the Committee at the same time.

There shall be a chairperson and vice chairperson elected from and by the Committee. The Committee shall elect a secretary/treasurer. Committee members, companies not serving on the Committee and Plan staff may serve as secretary/treasurer.

B. **Appointment of Governing Committee Representatives**

The Committee representatives shall be appointed by the manager, and approved by the Commissioner of Insurance, to a term of three years. At least annually, the Plan shall provide notice to the Commissioner of Insurance in Kentucky of the composition of the Committee. At any point, should the Committee fail to fill the Committee seats, the manager shall notify the Commissioner who may then seat a representative filling the committee subject to the core outlines of the committee representatives as defined in Section 35.A.

C. **Annual Plan Meeting**

Annually, on a date fixed by the Committee, there shall be held a meeting of representatives of all subscribers for the purpose of receiving reports by the Committee and the Manager regarding the operations of the Plan and for discussion of matters pertaining to the Plan. Thirty days' notice of such meeting shall be given in writing to all subscribers, the Commissioner of Insurance, and members of the Committee. The notice of each annual meeting shall be accompanied by an agenda for such meeting. A majority of such subscriber companies shall constitute a quorum and voting by proxy shall be permitted. A company may not appoint more than one company in its class of companies to exercise its proxy. At the annual meeting a company must cast one vote for purposes of quorum determination.

Sec. 36. COST OF ADMINISTRATION

A. **Subscriber Fee**

Each company subscribing to the Plan shall pay a separate minimum annual subscriber fee of $10.

B. **Plan Assessment**

1. Private Passenger Plan Assessment

Each subscriber's ratio of Automobile Liability Written premiums (as defined in Section 41.A) to the statewide industry total Automobile Liability Written premiums shall be used as the basis of apportionment of all expenses incurred in excess of minimum fees.

If, at the time of the initial assessment for any given calendar year, data for the first prior year is not available, the assessment shall be based upon the latest available year's data. In such event, the assessment shall be adjusted subsequently using the data for the first prior year.

2. Commercial Plan Assessment

Each subscriber's ratio of voluntary commercial automobile liability written premiums from the first-prior year to the corresponding statewide industry total shall be used as the basis of apportionment of all Plan expenses in excess of the minimum fee.

"Voluntary Commercial Automobile Liability Written Premiums" means the automobile premiums shown on the Exhibit of Premiums and Losses (statutory Page 14 Data) of each insurers Annual Statement,

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Lines 19.3 Commercial Auto No-Fault (PIP) and 19.4 Other Commercial Auto Liability.

The first-year prior data used to determine assessment shares shall be acquired from the NAIC as of June of the given assessment year. For example, 2021 assessment ratios will be based on 2020 Annual Statement premium acquired from the NAIC as of June 2021.

If, at the time of the initial assessment for any given calendar year, data for the first prior year is not available, the assessment shall be based upon the latest available year's data. In such event, the assessment shall be adjusted subsequently using the data for the first prior year.

Sec. 37. DUTIES OF THE GOVERNING COMMITTEE AND MANAGER

The Committee shall meet as often as may be required to perform the general duties of administration of the Plan. A quorum shall consist of a majority of the members currently serving on the Committee.

The Committee shall be empowered to appoint a Manager, budget expenses, levy assessments, disburse funds, and perform all duties essential to the proper administration of the Plan.

★Annually, the Manager shall prepare an operating budget in the prescribed manner for submission to the Committee. The budget shall be approved by the Committee and furnished to the companies which are Plan subscribers on request. Any expenditure in excess of, or not included in, the annual budget shall be approved by the Committee.

An annual written report of operations shall be made available to all subscribers on the Plan website.

Sec. 38. AMENDMENT OF PLAN

Changes in the Plan require the prior approval of the Committee and the Department of Insurance of the Commonwealth of Kentucky.

Sec. 39. PERSONAL AUTOMOBILE INSURANCE PROCEDURE (PAIP)

A. **Administration**

The Committee shall utilize appropriate resources to audit the records of any service provider relating to the subject matter of the Plan of Operation. The Committee may specify what policies, records, books of account, documents, and related material it deems necessary to carry out its audit functions. Requested material shall be provided by the service provider in the format required by the Committee.✣

B. **Service Providers**

The Kentucky Automobile Insurance Plan is authorized to write and service Kentucky Plan personal automobile insurance policies.

Acting on behalf of the Kentucky Plan, service providers will issue personal automobile insurance policies in the name of the Kentucky Automobile Insurance Plan and provide policyholder and claim handling services.

The Committee may appoint one or more service providers based on Plan need. Service provider appointment will be for a specified term not to exceed five years. When there is more than one service provider, private passenger applications shall be allocated to service providers based on percentages mutually agreed upon by the Committee and the service providers.

★AIPSO will also contract with a national claims service company to process claims. As the service provider, AIPSO will handle all policy processing services, such as underwriting, accounting, billing, etc. through their AIPSO Insurance Operation (AIO) division.

As the approved PAIP service provider, all duties and obligations of the Plan of Operation shall apply, absent exceptions approved by the Committee and made a part of the Service Provider Agreement.✣

C. **Eligibility Requirements**

Service providers are appointed by the Committee and must meet and continuously maintain all of the following eligibility requirements. If at any time, the servicing provider does not meet one or more eligibility requirements, the service provider must immediately notify the Plan.

The service provider must

1. have a service facility affording policy issuance and all other policyholder services,
2. have the ability to service insurance claims in every state, the District of Columbia, and Canada,
3. be able to comply with statistical reporting requirements to the Central Processor, and
4. execute the Servicing Provider Agreement and comply with the provisions of that agreement.

D. **Service Requirement**

The service provider must provide full service for all policies written, including claims and statistical reporting.

E. **Administrative Requirements**

The Plan and service provider will mutually agree on the reports to be provided and the level of detail required. Specific requirements shall be included in the Servicing Provider Agreement.

★ ✣

F. **Service Standards**

The following service standards will be provided in the Servicing Provider Agreement by mutual consent between the Plan and the service provider.

1. Reporting and Processing of Applications
2. Underwriting Plan
3. Claims Handling
4. Financial and Statistical Reporting
5. Notification and Communication Standards.
6. Access to Data

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G. **Conflict of Provisions**

★If a conflict exists between the Plan of Operation and the Servicing Provider Agreement, the provisions of this Plan shall prevail.✣

Sec. 40. PERSONAL AUTOMOBILE INSURANCE PROCEDURE PARTICIPATION PROVISIONS

A. **Participation Ratios**

The operating results of the PAIP will be apportioned to member companies based on participation ratios. Each member company shall be liable for their share of the fiscal assessment based on their proportion of Automobile Liability Written premiums for the first prior calendar year to the statewide total of Private Passenger Automobile Liability Written premiums of all companies in the state.

"Private Passenger Automobile Liability Written premiums" means the automobile premiums shown on the Exhibit of Premiums and Losses (Statutory Page 14 Data) of each insurer's Annual Statement for Private Passenger No-Fault and Other Private Passenger Auto Liability, Lines 19.1 and 19.2, excluding business written on a nonadmitted surplus lines basis.

The first prior-year data used to determine assessment shares shall be acquired from the NAIC as of June of the given assessment year. For example, 2020 PAIP participation ratios will be based on 2019 Annual Statement premium acquired from the NAIC as of June 2020.

★If data for the first prior year is not available, the initial assessment shall be based upon the latest available year's data. The assessment shall be adjusted subsequent using the data for the first prior year.✣

B. **Distribution**

The Plan shall distribute applications to service providers.

C. **PAIP Assessments**

★

1. Annual Assessment/Distribution

   The Plan may periodically, but not less than annually, assess or disburse to member companies, if necessary, to settle the operating results and fund the program. Each member company's share will be based on their participation ratio.

2. Contingency Reserve

   Excess funds shall be held in a contingency reserve established to fund PAIP. The contingency fund shall be reviewed annually.

3. Data Availability

   If, at the time of the preliminary assessment for any given calendar year, data for the first prior year is not available, the assessment shall be based upon the latest available year's data. In this event, the assessment shall be adjusted subsequently using the data for the first prior year.✣

D. **Responsibilities of Participating Member Companies**

1. Recording of Results

   All participating member companies must record their share of the Kentucky PAIP operating results on their book of business as Boards and Bureaus Expense. Participating member companies should not book their share of Kentucky PAIP operating results as direct business.

2. Overdue Payment of Assessment

   ★All payments with postmark or wire transfer dates within 30 calendar days of the assessment invoice date will be considered to be on time.

   Participating member companies submitting payments with a postmark date or wire transfer date later than the 30th calendar day following the assessment invoice date will be subject to a late payment fee. The late payment fee will be computed at the rate of 1.5% per month (0.5% per day) on the unpaid balance from the due date to the postmark or wire transfer date of the payment under a specific assessment, subject to a $50 minimum.

   Late payment fees are payable within 30 calendar days of the late fee invoice date. If payment has not been received by the 55th calendar day from the assessment invoice date, a report may be submitted to the Kentucky Department of Insurance for appropriate action.✣

E. **Responsibilities of Central Processor**

★AIPSO, as Central Processor, will balance, review, and distribute to the member companies, at least annually, an assessment invoice of the Kentucky PAIP operating results that displays each member company's share. The assessment invoice will be issued to member companies with fiscal year results ending December 31.

An annual basic PAIP fee shall be billed to all companies licensed to write personal automobile insurance in the state. Any assessment due and payable to the Kentucky PAIP will be due within 30 calendar days of the assessment invoice date. Distribution checks shall be forwarded within 30 calendar days after the date of the assessment.

✣

Sec. 41. RESERVED FOR FUTURE USE

Sec. 42. COMMERCIAL AUTOMOBILE INSURANCE PROCEDURE ADMINISTRATION

A. **Administration**

★The Committee shall utilize appropriate resources to audit the records of any servicing carrier relating to the subject matter of the Plan of Operation and may specify what policies, records, books of account, documents, and related material it deems necessary to carry out its audit functions. Requested material shall be provided by the servicing carriers in the format required by the Committee.✣

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B. **CAIP Service Provider**

1. Service Provider Selection

★The Committee will appoint a CAIP service provider.✣

AIPSO may be approved to serve as a CAIP service provider with a licensed insurance company (fronting company) or AIPSO may be appointed as a service provider to the Plan under the authority granted by the state to issue policies with the Plan as the named insurer.

2. Appointment of AIPSO as CAIP Service Provider

AIPSO, with an agreement with a licensed national insurance company (fronting company), is appointed service provider. AIPSO will issue commercial automobile insurance policies in the name of the fronting company on behalf of the CAIP. AIPSO will also contract with a national claims service company to process claims. As the service provider, AIPSO will handle all policy processing services, such as underwriting, accounting, billing, etc. through their AIPSO Insurance Operations (AIO) unit.

★All duties and obligations of the Plan of Operation and CAIP Accounting and Statistical Requirements Manual shall apply, absent exceptions approved by the Committee and made a part of the Service Provider Agreement.✣

The service provider appointment will be for a specified term not to exceed five years.

3. Eligibility Requirements

The service provider, with an agreement with a licensed national insurance company (fronting company), must meet and continually maintain the following eligibility requirements:

a. be a multiline automobile insurer that is a subscriber to the Plan, and

b. have a statutory capital and surplus of not less than $25,000,000, and

c. ★be licensed to write automobile liability and physical damage insurance for all classes of commercial business without restriction. Additionally, the company must have been writing commercial automobile business in the United States of America for a minimum period of five years in the voluntary market and for a minimum period of three years in the voluntary market of this state, and✣

d. have maintained an A.M. Best's financial rating not less than A- for a continuous three-year period from the most current publication date of an applicant's rating. An applicant not rated by A.M. Best within the period necessary to comply with this eligibility requirement may demonstrate financial strength through alternative financial rating services at the discretion and satisfaction of the Committee, and

e. ★be willing and able to execute a Service Provider Agreement with each state Plan and comply with its provisions.✣

4. Service Provider Fee

★The service provider is subject to the service carrier allowances.✣

5. Service Requirement

The service provider must provide full service for all policies written, including claims and statistical reporting in accordance with the CAIP Accounting and Statistical Requirements Manual.

6. Performance Standards

★The service provider must comply with the performance standards in Section 31 and the CAIP Accounting and Statistical Requirements Manual, unless otherwise specified in the Servicing Provider Agreement.✣

C. **Servicing Carrier Allowances**

1. In addition to the direct reimbursement of all actual paid losses, a servicing carrier will be allowed

a. a percent of liability written premium for administrative expense, other than claim expenses, producer compensation and premium taxes;

b. a percent of earned premium for unallocated liability loss adjustment expenses for liability, personal injury protection, uninsured motorists, underinsured motorists, and medical payments coverage claims;

c. ★allocated liability claim expenses as defined in the CAIP Accounting and Statistical Requirements Manual (direct reimbursement of actual expenses);

d. producer compensation (direct reimbursement of actual expenses);

e. premium taxes incurred (direct reimbursement of actual expenses).✣

The Committee may approve servicing carrier reimbursement in whole or in part for specific extraordinary expenses (not reimbursed under a through e above) incurred in qualifying for, continuing as, or ceasing to be a servicing carrier.

2. The formula for the establishment of the servicing carrier expense allowance is as follows:

$$\text{Liability Servicing Carrier Allowance} = \text{Administrative Expense} + \left[\text{Unallocated Liability Loss Adjustment Expense}\left(\frac{\text{Actual Loss Ratio}}{\text{Best's Loss Ratio}}\right)\right] + \text{Allocated Liability Claims Expense} + \text{Taxes} + \text{Compensation}$$

3. The administrative expense ratios to be included in the general formula will be determined as follows:

The administrative expense ratio shall equal the latest 3-year average Best's Aggregates and Averages ratio of other acquisition and general expenses to written premium increased by a general service fee of five percentage points. The administrative expense ratio shall be calculated separately for liability

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and physical damage and shall be subject to annual review by the Committee.

4. The loss adjustment expense ratios to be included in the general formula shall be determined as follows:

   a. The unallocated liability loss adjustment expense allowance shall be based on the latest three-year average Best's Commercial Automobile Aggregates and Averages liability loss adjustment expense (adjusted to eliminate the allocated loss expenses) applicable to the liability, personal injury protection, uninsured motorists, underinsured motorists, and medical payments coverage earned premium.

   b. The actual CAIP incurred loss ratio for the latest three years of CAIP operation, if credible, will be used for the actual loss ratio element. In the absence of credibility, accepted industry actuarial practices will be applied in determining the actual loss ratio.

   c. The loss adjustment expense is adjusted by the ratio of the actual loss ratio to the Best's loss ratio subject to a maximum actual loss ratio of 150% and a minimum actual loss ratio of 50%.

5. The servicing carrier allowances shall be subject to an annual review by the Committee.

D. **Account Information**

All subscribers to the Plan shall make account information for eligible applicants (including experience) available to servicing carriers.

E. **Servicing Carrier Withdrawal or Termination**

1. ★If a servicing carrier exercises its option to withdraw or is terminated as a servicing carrier, in accordance with the provisions of the Service Provider Agreement, the servicing carrier shall be permitted to nonrenew its CAIP policies at expiration by giving at least 60 calendar days' notice of nonrenewal to the insured and producer prior to the next annual policy expiration date, and

2. The withdrawing servicing carrier shall submit a claims handling plan, to include current claims handling methods and procedures, with its letter of resignation. A terminated servicing carrier shall submit a claims handling plan 60 calendar days prior to the date of termination or as directed by the Committee.✣

   The claims handling plan must include detailed explanations of each of the following:

   a. Any management or organizational changes planned or anticipated that will impact the handling of CAIP claims

   b. Plans for relocating claims servicing offices

   c. Planned or anticipated changes to methods and standards for handling claims

   d. Goals/objectives/timetables for reducing number of open claims

   e. Planned or anticipated change to the method of handling litigation, e.g., utilizing outside counsel versus house counsel or utilizing outside claims personnel in place of inside referral

   The Committee must approve the claims handling plan and any subsequent changes thereto.

3. The servicing carrier must immediately advise the Committee in writing and in advance of any change to its claims handling plan specifically relating to items 2.a, b, c, d, and e above and all other substantive changes to their operation and claims handling plan as submitted to the Committee.

4. The servicing carrier shall provide the Plan with loss statements, by policy year, at the time of its resignation, termination, or insolvency and on a quarterly basis thereafter or until such time as the Committee deems the statements are no longer necessary. Loss statements must be received at the same time as CAIP Quarterly Summary Control reports and include the following minimal loss detail:

   a. Claim number

   b. Policy number

   c. Policy year

   d. Accident year

   e. Adjusting office

   f. Insured name

   g. Date of loss

   h. Amount of loss—incurred/paid/reserved

   i. Historical company loss trend and development factors for a minimum of the most recent five years

5. The submitted data will be evaluated for trends that may require further review. A final report containing the findings of the evaluation will be presented to the Committee on a frequency agreed to by both parties. If questionable or adverse trends are found in the outstanding loss detail provided, the Committee may consider the following options:

   a. Request a full claims audit.

   b. Request reimbursement of improper claims payments, if the servicing carrier has written policies with effective dates of August 31, 2022 and prior.

   c. Require servicing carrier to pay for subsequent special audits.

   d. Reassign open claims at the servicing carrier's expense, but not to exceed the loss adjustment expense (LAE) allowance paid for all open policy years combined.

6. Claim Reassignment Procedure

   The servicing carrier has received a claim service fee which contemplated its bringing the claims to proper conclusion, therefore

   a. if the servicing carrier is meeting and is expected to continue to meet reasonable claim handling standards, it should continue the handling of its files to a conclusion;

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b. if the servicing carrier has not met reasonable claim standards, or refuses or is unable to further handle the claims, the Committee should consider the following:

(1) Allow the servicing carrier to handle to a conclusion all outstanding claims reported to the servicing carrier prior to its withdrawal or termination. All subsequently reported claims will be reassigned by the Committee.

(2) Allow the servicing carrier to retain only suit files where competent counsel is handling and the servicing carrier is meeting reasonable standards. All other claims will be reassigned by the Committee.

(3) Place settlement authority limitations on all claims until reassignment by the Committee. Final settlement authority, until reassignment, is to be vested with the Committee.

(4) Unless contrary to or prohibited by law, return all the claim files and notices to the Committee for reassignment as the Committee directs.

Unless otherwise directed, the servicing carrier shall service to a conclusion all claims (including pending, late reported, and reopened) that occurred prior to the renewal, transfer, or termination of the particular policy involved, subsequent to the effective date of the withdrawal or termination.

The servicing carrier will be subject to all Plan provisions, contractual obligations, and Plan directives until

- all claims are closed by payment, closed without payment, or otherwise; or
- a date to discontinue service is determined.

Reassignment of claims should be made to one entity, if practical, or to as limited a number of entities as possible.

If more than one entity is required, the distribution will be under the direction of the Committee or its designate.

7. Statistical and Accounting Consideration

The records of all reassigned claims indemnity payments and expenses incurred must, among other required information, be kept statistically separated. The statistical and any other agency must be notified of the withdrawals and reassignments.

F. **Servicing Carrier Insolvency**

1. Upon receipt of notice of insolvency, or if the Committee finds it necessary to terminate a servicing carrier for financial reasons, the Committee may request a claim review of open claims files.

The claim review will enable the Committee to

a. select the appropriate option for further handling of claims,

b. determine the level of work completed on the files,

c. estimate future adjustment expense needed for completion of claim file work.

2. The files will be subject to periodic review by the Committee or its designate. If a review indicates the servicing carrier fails to meet reasonable claim handling standards, the Committee may then consider other options included but not limited to those in Section 43.E. Servicing Carrier Withdrawal or Termination.

Sec. 43. COMMERCIAL AUTOMOBILE INSURANCE PROCEDURE PARTICIPATION PROVISIONS

A. **★Commercial Liability Writers**

For the purpose of participation in the premiums, losses, and expenses of the Commercial Automobile Insurance Procedure as outlined in Section 43.B, Voluntary Commercial Automobile Liability Net Direct Written premiums, shall be defined as follows:

"Voluntary Commercial Automobile Liability Net Direct Written premiums" written by the company in the state shall be the automobile liability and personal injury protection premiums included on the Exhibit of Premiums and Losses of the company's Annual Statement for the calendar year ending December 31 of the second prior year minus premium for the following classes:✣

1. Total private passenger nonfleet automobile bodily injury and property damage liability, medical payments, uninsured motorists, and personal injury protection voluntary premium

2. Miscellaneous nonfleet personal vehicle and named nonowner applicant liability premiums

3. Total Automobile Insurance Plan premiums (including CAIP direct written premiums of a servicing carrier or a fronting company who is acting on behalf of a service provider) written

4. Premiums for death and disability coverage

★Such premium shall be gross direct premiums, including policy and membership fees less return premium and premiums on policies not taken, without including reinsurance assumed and without deducting reinsurance ceded, but including premiums for commercial excess of loss policies except in the case of a company which writes no basic limits automobile liability insurance.

B. **Member Company Participation**

1. For the purpose of participation in the premiums, losses, and expenses there shall be one class of business:

Commercial automobile liability

At the end of each fiscal period, profit or loss for such class of business shall be determined separately for each policy year. A policy year shall include all policies written to be effective during a calendar year. Profit shall be credited or distributed to each subscriber and loss shall be charged against each subscriber in the proportion of the subscriber's Voluntary Commercial Automobile Liability Net Direct Written premiums to the comparable direct writ-

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ten statewide totals for all subscribers for the calendar year ending December 31 of the second prior year.

Any commercial physical damage experience will be combined with commercial automobile liability experience for the purpose of participation.

In the event automobile personal injury protection coverage is not offered by the Plan in a state where CAIP is in effect, any commercial automobile personal injury protection experience for out-of-state garaged risks will be combined with Commercial automobile bodily injury experience for the purpose of participation.

2. Each subscriber shall be liable for all other costs or expenses not chargeable to the allocated experience of any class of business in the same proportion as described above.

3. Voluntary commercial data necessary to comply with the foregoing participation procedures shall be reported to AIPSO in the same manner as described under Section 46.A.

4. If implemented by the Committee, each member company will be liable for its share of a contingency reserve in accordance with the member's participation. The details of this procedure are in the CAIP Accounting and Statistical Requirements Manual.✣

C. **Responsibilities of the Central Processor**

AIPSO, as Central Processor will receive all accounting data from the servicing carrier, balance, review, and distribute this data to all member companies in accordance with their participation.

The details of this system are in the CAIP Accounting and Statistical Requirements Manual.

Sec. 44. RESERVED FOR FUTURE USE

Sec. 45. GENERAL PROVISIONS

A. **Reporting of Statistical Data**

1. Distribution Data

★All of the data necessary to comply with the foregoing distribution procedures shall be reported to AIPSO by each company subscribing to this Plan or by the statistical agencies designated by such companies and each company agrees to:

- permit its statistical agent to release such data to AIPSO, and
- permit its statistical agent shall be permitted to furnish AIPSO with statements of its Automobile Insurance Plan experience and voluntary private passenger nonfleet and commercial net direct automobile data in accordance with the annual AIPSO statistical program, and
- allow AIPSO to use its NAIC Annual Statement Automobile Written premium to estimate unreported or inaccurate voluntary data in accordance with Section 45.A.1.c.

It is the responsibility of each member company to ensure that the above statistical reporting requirements are met if they furnish the data directly to AIPSO or if they utilize a designated statistical agency and to provide AIPSO and/or their statistical agent with corrected or appropriate data within the timeframes specified in Section 45.A.2 below.✣

If a member company fails to report its data in accordance with the annual AIPSO statistical program requirements, or if in the reasonable judgment of the statistical agent and AIPSO, the data the member company reports is inaccurate, the following procedures shall apply:

a. ★If the member company is affiliated with a statistical agent, the statistical agent shall estimate the data. In such instances, the statistical agent is authorized to estimate the data and release it to AIPSO. It is the responsibility of the member company to provide the statistical agent with corrected or appropriate data. Upon receipt of the corrected or appropriate data from the subscriber company, the statistical agent will resubmit the data to AIPSO in accordance with Plan rules. If the statistical agent is unable to estimate the data for any reason, then AIPSO may estimate the voluntary data in accordance with Section 45.A.1.c.

b. If a member company with unreported or inaccurate data has no affiliation with a statistical agent, it is their responsibility to provide the appropriate data and data corrections. Failure to do so will result in AIPSO estimating the member company's voluntary data in accordance with Section 45.A.1.c.✣

c. AIPSO shall use the company's NAIC Annual Statement Automobile Written premium to estimate the company's statistical data.

2. Data Corrections

★For PAIP participation, prior year Annual Statement premium acquired from the NAIC as of June of the given assessment year is not subject to further adjustment or correction, except as specified in Section 40.A or as otherwise authorized by the Plan.

For CAIP, corrections and adjustments to a given calendar year's Voluntary Commercial premium data reported by statistical agents will be accepted for a period of 2½ years from the close of the calendar year.

3. NAIC Data Reporting

Each company agrees to allow the use of its Annual Statement automobile written premium data, acquired by the Plan from the NAIC, to develop participation ratios for Plan use.

4. Voluntary Commercial Distribution Data

Voluntary Commercial Automobile Net Direct Written Liability premium, as reported to AIPSO by each member company or by their statistical agent, shall be used to calculate CAIP participation and assessments. However, this data shall be adjusted to exclude Automobile Insurance Plan liability and physical damage written premiums of a CAIP servicing

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carrier or a fronting company, acting on behalf of a service provider.

B. **Mergers or Consolidation of Companies**

If a company is merged with another company or there is a consolidation of companies, the continuing company shall receive the assessments and participation of the company merged or consolidated until the obligation of such merged or consolidated company, as established by its writings prior to such merger or consolidation, has been filled. However, the continuing company may be relieved from such obligations if another company has agreed, in a manner satisfactory to the Committee, to assume such obligations.✣

C. **Company Groups**

Company groups under the same ownership may elect to be treated as one company to receive assessments and PAIP and CAIP participation.

D. **Companies Discontinuing Writing or No Longer Licensed**

1. Personal Automobile Insurance Writers

A company that is discontinuing writing or is no longer licensed to write automobile liability insurance in the state shall participate in assessments and the operating results of PAIP for those calendar years for which the company reported data.

If the automobile liability business of such company has been purchased by, transferred to, or reinsured by another company, the latter shall receive the assessments and participation of the former until the obligation(s) of the former as established by its writings prior to such transfer has been filled, unless another company has agreed, in a manner satisfactory to the Committee, to assume such obligations.

2. Commercial Automobile Insurance Writers

A company that is discontinuing writing or that is no longer licensed to write automobile insurance in this state will participate in assessments and the operating results of CAIP for those policy years for which the company reported two years prior voluntary base data. Such companies will participate for each policy year of CAIP experience to a maximum of 11 years.

★When all companies in a group are under the same ownership and management or a group elects to be treated as a single company, and a company in the group discontinues writing or is no longer licensed, the remaining licensed companies shall not adjust voluntary base data to exclude Voluntary Commercial premium of the company no longer licensed. Any CAIP participation statements for the company that has discontinued writing or is no longer licensed shall be the responsibility of the remaining companies in the group. When a company is no longer licensed during a calendar year, it shall be considered a member of the group for the year.

E. **Insolvent Companies**

If proceedings have been initiated in a court of competent jurisdiction to have a company declared insolvent, and a receiver or liquidator has been approved by such court, that company's share of the Plan assessment shall become the shared obligation of all companies licensed to write automobile insurance in the state. Each member company will be assessed proportionately for the insolvent company's share of the Plan assessment. If the company is subsequently found by the court not to be insolvent, the proceedings are dismissed and the liquidator or receiver has been discharged, the company shall be assessed for the total amount expended to reimburse all companies licensed to write automobile insurance in the state.✣

F. **Negotiation of Settlement of Balances with Companies in Rehabilitation**

On behalf of the Plan, AIPSO shall negotiate the best offer or settlement of balances due for AIPSO and Plan assessments and PAIP and CAIP participation and shall protect the financial interest of the Plan. Any offer or settlement for the Plan or CAIP in excess of $10,000 shall be ratified by the Committee.

Sec. 46. RATE DETERMINATION

A. **General Provisions**

1. All risks placed through the Plan shall be subject to the rules, rates, surcharges, minimum premiums, and classifications filed by the Plan on behalf of all subscribing companies.

2. ★For the purposes of such filings, each company subscribing to the Plan authorizes the Commissioner of the Department of Insurance to accept such filings on its behalf.✣

3. All of the statistical data required to develop the appropriate rates shall be furnished to AIPSO by each company subscribing to this Plan or by a statistical agency designated by such company.

B. **Resident and Nonresident Rate Determination**

For the purposes of this Section, the word "Plan" shall mean any automobile residual mechanism having a separate residual market rate.

This does not include

Massachusetts Commonwealth Automobile Reinsurers
Maryland Automobile Insurance Fund
North Carolina Reinsurance Facility

1. State of Principal Garaging—Plan State

Bodily injury, property damage, medical payments, and personal injury protection coverages shall be afforded as follows:

A vehicle principally garaged in another state shall be subject to the rates, additional charges, rating rules, and policy forms applicable under the Plan of the state of principal garaging, and such applicants shall be provided coverage by companies or servicing carriers licensed to write and writing automobile liability insurance in that state.

2. State of Principal of Garaging—Non-Plan State

Bodily injury, property damage, medical payments, and personal injury protection coverages shall be afforded as follows:

When a vehicle is principally garaged in another state which does not provide rules, rates, and cov-

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erage forms to afford insurance under an Automobile Insurance Plan, such risks shall be subject to whichever of the following will produce the higher dollar amount:

a. the rates applicable to the territory in the state as shown on the address indicated on the registration, and otherwise subject to all of the provisions of this Plan, or

b. the rules, rates, minimum premiums, classifications in force, and rating plans applicable to the company or servicing carrier for voluntary business in the state and territory where the vehicle is principally garaged, and otherwise subject to all of the provisions of this Plan. This rule is not applicable to a CAIP or PAIP service provider that does not write automobile insurance in the voluntary market.

C. **Surcharge for Extra Hazardous Risks**

If the hazard of an applicant or insured is determined to be greater than that contemplated by the rate normally applicable, the service provider or servicing carrier shall supply the Kentucky Automobile Insurance Plan with a recommendation for the additional charge along with the necessary information for the determination of the increase in such rate.

★The Plan shall submit this recommendation to AIPSO for determination of the additional charge due to the exposure of the risk. AIPSO will advise the Plan which will in turn notify the service provider or servicing carrier. If an objection is not received from the service provider or servicing carrier within 15 calendar days, the Plan will be in a position to submit a filing to the Kentucky Department of Insurance for approval. On receipt of written approval from the Department of Insurance, the service provider or servicing carrier will be so informed that the additional charge is in order. An approved increase in such rate shall be deemed to include any applicable additional charges.✣

Sec. 47. RESERVED FOR FUTURE USE

Sec. 48. RIGHT OF APPEAL

★The Committee may hear any appeal from an applicant, insured, producer, insurer, service provider, or servicing carrier on a matter pertaining to the proper administration of the Plan. Each Notice of Cancellation or denial of insurance under the provisions of the Plan shall contain or be accompanied by a statement that the insured or applicant has a right of appeal to the Committee. The action of the Committee may be appealed to the Commissioner of the Department of Insurance of the state.

The Plan shall promptly notify the insured or applicant, the producer, and the insurer, service provider, or servicing carrier of the disposition of the appeal, which notification in the case of refusal to sustain a cancellation shall include notice that, upon payment of the deposit premium to the company, a policy will be issued.

An appeal shall not operate as a stay of cancellation, provided, however, if either the Committee or the Commissioner of the Department of Insurance refuses to sustain the cancellation, the company which issued the policy shall, within two working days after receipt of the deposit premium, provided such deposit premium is received within 30 calendar days after determination of the appeal, issue a new policy effective for a period of one year from the date of issuance of such new policy. The balance of the premium shall be payable as provided in accordance with Plan provisions.✣

Sec. 49. INDEMNIFICATION

The Plan shall indemnify each individual or insurer against any and all losses, damages, judgements, interest, settlements, fines, court costs, and other reasonable costs and expenses, including attorney's fees, and any other liabilities (hereafter, "liability") incurred by, imposed upon, or suffered by such individual or insurer in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened (hereafter, "claim") arising out of and in connection with the performance of duties on any committee or on the Committee of the Plan or predecessor organization or arising out of and in connection with the performance of duties as an officer or employee of the Plan or predecessor organization, provided such individual or insurer

A. ★acted in good faith; and

B. reasonably believed the performance of duties was in accordance with the objectives of the Plan; and

C. had no reasonable cause to believe the performance of duties was improper or illegal; and✣

D. shall have promptly notified the Plan of any claim in writing at its main office.

Indemnification as described in this Section shall be provided whether or not the individual or the insurer is still serving on the Committee or on any committee of the Plan or is still an officer or employee of the Plan at the time of the commencement of any claim, and whether or not any possible liability is incurred through the performance of duties prior to the adoption of this Section.

Whenever an individual or insurer seeks indemnification under this Section, entitlement to indemnification shall be determined by the Committee which shall also determine the time and manner of indemnification including reimbursement with interest.

The Plan may elect to defend, pay, or otherwise dispose of any claims, at its own cost, and will promptly advise the individual or insurer seeking indemnification whether it so elects.

★The cost of fulfilling the Plan's obligations under this Section shall be a cost of administration.

Sec. 50. PRODUCER REGISTRATION TO ACCESS ELECTRONIC APPLICATION SUBMISSION

Producers licensed to transact automobile insurance in Kentucky must be registered to access electronic application submission. A producer cannot submit private passenger and commercial/truckers applications electronically unless registered with the Plan.✣

A registration identification code must be obtained by completing an application for authorization to submit applications electronically. The online registration application must be completed by accessing www.aipso.com/PlanSites/Ken-

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tucky. A copy of a valid producer's license must also be submitted to the Plan at the time application is made. License copies should be electronically transmitted to the Plan in accordance with the directions provided on the Plan website.

Only producers registered with the Plan may submit applications electronically. It is the responsibility of each producer to review and comply with the rules and procedures for electronic application submission in the Plan of Operation.

Within five working days following Plan receipt of the application, the Manager will approve any application that meets all requirements. However, a producer whose privilege to electronically submit applications has been revoked or suspended shall be subject to the following exceptions:

A. A producer whose access to electronic application submission has been revoked shall not be eligible to reapply for registration until one year following the effective date of revocation. All outstanding violations must be resolved prior to reapplication for registration.

B. If a producer's access to electronic application submission has been suspended, the producer's access privilege to submit applications electronically shall automatically be reinstated effective the day following the termination date of the suspension provided all outstanding violations have been resolved.

★To maintain access to electronic applicaton submission, a copy of all producer licenses shall be submitted to the Manager within 60 calendar days of the renewal date.

C. If violations pertaining to electronic submission of applications have occurred, the Committee may recommend the limitation, suspension, or termination of producer access to the online application submission process.

D. If the Plan determines that immediate action is required to protect the public interest prior to a hearing in accordance with usual Plan procedures, the Plan may immediately suspend a producer's privilege to electronically submit applications.

   A hearing on the merits before the Committee will take place within 10 calendar days of the notice of suspension. Within 7 calendar days of the hearing, the Committee shall render a decision.

   Any final decision of the Plan or the Committee under this section shall be subject to the right of appeal to the Commissioner of Insurance.

Secs. 51–52. RESERVED FOR FUTURE USE✣

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KENTUCKY
AUTOMOBILE INSURANCE PLAN
MANUAL

The rules, classifications, territories, rates, and additional charges applicable to automobile risks insured in accordance with the provisions of the Kentucky Automobile Insurance Plan are contained herein.

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Table of Contents

Page

GENERAL RULES CHAPTER

Rule 1. PREMIUM DEVELOPMENT G–3
Rule 2. CLASSIFICATION OF RISKS NOT SPECIFICALLY INCLUDED IN THIS MANUAL G–3
Rule 3. ADDITIONAL CHARGES G–3
Rule 4. CERTIFIED RISKS—FINANCIAL RESPONSIBILITY LAWS G–5
Rule 5. WHOLE DOLLAR PREMIUM G–5
Rule 6. MINIMUM POLICY PREMIUM G–5
Rule 7. POLICY PERIOD G–5
Rule 8. CHANGES G–5
Rule 9. CANCELLATIONS G–6
Rule 19. TERRITORIES G–8

PRIVATE PASSENGER CHAPTER

Rule 20. DEFINITIONS P–3
Rule 21. PREMIUM DEVELOPMENT P–3
Rule 22. PRIVATE PASSENGER AUTO CLASSIFICATIONS P–4
Rule 23. INCREASED LIMITS P–5
Rule 24. ACCIDENT PREVENTION COURSE DISCOUNT P–6
Rule 25. EXTENDED NONOWNED AUTO COVERAGE P–7
Rule 26. NAMED NONOWNER COVERAGE P–7
Rule 27. UNINSURED AND UNDERINSURED MOTORISTS COVERAGE P–8
Rule 28. KENTUCKY MOTOR VEHICLE NO-FAULT ACT P–8
Rule 29. TRAILERS AND CAMPER BODIES P–9
Rule 30. MOTOR HOMES P–10
Rule 31. MOTORCYCLES P–10
Rule 32. ANTIQUE AUTOS P–10
Rule 33. TRUSTS P–11

PRIVATE PASSENGER AUTO RATE CHAPTER

PRIVATE PASSENGER AUTO RATING WORKSHEET R–3

PAIP RISKS (APPLICATION EFFECTIVE 1/1/2019 OR LATER)
LIABILITY, PERSONAL INJURY PROTECTION, AND MEDICAL PAYMENTS BASE RATES, PERSONAL INJURY PROTECTION COVERAGE—MOTORCYCLES USED FOR PRIVATE PASSENGER PURPOSES, AND UNINSURED AND UNDERINSURED MOTORISTS COVERAGE R–4

DIRECT ASSIGNED RISKS (APPLICATION EFFECTIVE PRIOR TO 1/1/2019)
LIABILITY, PERSONAL INJURY PROTECTION, AND MEDICAL PAYMENTS BASE RATES, PERSONAL INJURY PROTECTION COVERAGE—MOTORCYCLES USED FOR PRIVATE PASSENGER PURPOSES, AND UNINSURED AND UNDERINSURED MOTORISTS COVERAGE R–5

CLASS FACTORS R–6

COMMERCIAL AUTO CHAPTERS

COMMERCIAL GENERAL RULES CHAPTER

Rule 51. PREMIUM DEVELOPMENT C–3
Rule 52. INCREASED LIMITS C–3

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Page

Rule 53. POLLUTION LIABILITY C–4
Rule 54. EXPERIENCE RATING PLAN C–5
Rule 56. MOTOR CARRIER FILINGS C–9
Rule 57. OUT-OF-STATE COVERAGE EXTENSIONS C–9
Rule 58. UNINSURED AND UNDERINSURED MOTORISTS INSURANCE C–9
Rule 59. KENTUCKY MOTOR VEHICLE NO-FAULT ACT C–9
Rule 60. AUDIT C–10
Rule 61. ACCIDENT PREVENTION DISCOUNT C–10
Rule 62. WAIVER OF SUBROGATION/PRIMARY AND NONCONTRIBUTORY—OTHER INSURANCE CONDITION C–10
EXPERIENCE RATING EXAMPLE C–11
EXPERIENCE RATING WORKSHEET C–12

TRUCKS, TRACTORS, AND TRAILERS CHAPTER

Rule 71. ELIGIBILITY C–13
Rule 72. PREMIUM DEVELOPMENT—OTHER THAN ZONE RATED AUTOS C–13
Rule 73. PREMIUM DEVELOPMENT—ZONE RATED AUTOS C–13
Rule 74. TRUCKS, TRACTORS, AND TRAILERS CLASSIFICATIONS C–20
Rule 75. TRUCKERS C–24
TRUCKS, TRACTORS, AND TRAILERS OTHER THAN ZONE RATED WORKSHEET C–26
ZONE RATED TRUCKS, TRACTORS, AND TRAILERS WORKSHEET C–27

PUBLIC TRANSPORTATION CHAPTER

Rule 91. ELIGIBILITY C–29
Rule 92. PREMIUM DEVELOPMENT—OTHER THAN ZONE RATED AUTOS C–29
Rule 93. PREMIUM DEVELOPMENT—ZONE RATED AUTOS C–29
Rule 94. PUBLIC AUTO CLASSIFICATIONS C–30
Rule 95. TRANSPORTATION OF SEASONAL OR MIGRANT FARM WORKERS C–34
PUBLIC TRANSPORTATION AUTOS OTHER THAN ZONE RATED WORKSHEET C–35
ZONE RATED PUBLIC TRANSPORTATION AUTOS WORKSHEET C–36

AUTO DEALERS CHAPTER

Rule 101. ELIGIBILITY C–37
Rule 102. PREMIUM DEVELOPMENT C–37
Rule 103. ADDITIONAL PROVISIONS FOR AUTO DEALERS AND TRAILER DEALERS C–39
AUTO DEALER RATING WORKSHEET C–40

NONOWNED AUTO CHAPTER

Rule 121. PREMIUM DEVELOPMENT C–43
Rule 122. DRIVE OTHER CAR COVERAGE C–43
Rule 123. HIRED AUTOS C–43
Rule 124. NONOWNED AUTO LIABILITY COVERAGE C–44
Rule 125. PARTNERSHIP AS THE NAMED INSURED NONOWNERSHIP LIABILITY C–45

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SPECIAL TYPES AND OPERATIONS CHAPTER **Page**

Rule 131. ELIGIBILITY C–47
Rule 132. PREMIUM DEVELOPMENT C–47
Rule 133. AMBULANCE SERVICES C–47
Rule 134. DRIVER TRAINING PROGRAMS—EDUCATIONAL INSTITUTIONS AND COMMERCIAL DRIVING SCHOOLS C–47
Rule 135. FIRE DEPARTMENTS C–48
Rule 136. FUNERAL DIRECTORS C–48
Rule 137. LAW ENFORCEMENT AGENCIES C–48
Rule 138. LEASING OR RENTAL CONCERNS C–49
Rule 139. REGISTRATION PLATES NOT ISSUED FOR A SPECIFIC AUTO C–49
Rule 140. MOBILE OR FARM EQUIPMENT C–50
Rule 141. MOTORCYCLES C–50

COMMERCIAL AUTO LIABILITY AND PERSONAL INJURY PROTECTION RATES CR–3

EFFECTIVE DATES ..... (a)

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KENTUCKY AUTOMOBILE INSURANCE PLAN MANUAL

GENERAL RULES CHAPTER

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NOTES

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Rule 1. PREMIUM DEVELOPMENT

A. Determine the applicable premium from the Premium Development Rule in the appropriate chapter of this Manual.

B. Determine the appropriate chapter of the Manual in accordance with the following:

1. All personal auto exposures are rated under the Private Passenger Chapter of the Manual.

2. All other exposures are rated under the Commercial Auto Chapters of the Manual.

EXCEPTIONS:

1. Business use private passenger autos are rated under the Private Passenger Chapter.

2. All named nonowner policies are rated under the Private Passenger Chapter.

3. All motor homes are rated under the Private Passenger Chapter.

C. If the rating procedure for an exposure is not provided in the Manual, refer to Rule 2.

Rule 2. CLASSIFICATION OF RISKS NOT SPECIFICALLY INCLUDED IN THIS MANUAL

The Plan Introduction states that the Kentucky Automobile Insurance Plan is to provide automobile insurance coverage to eligible risks who are unable to obtain such coverage through the voluntary market. If rules and rates for eligible autos are not specifically included in this Manual, upon assignment, the assigned company/servicing carrier will forward a request for an individual risk submission filing to the Plan for rules and rates by completing an Individual Risk Submission Application. The Plan will make an individual risk submission with the Kentucky Department of Insurance.

Note: If the hazard of an applicant or insured is determined to be greater than that contemplated by the rate normally applicable, refer to the Rate Determination Section of the Plan.

Rule 3. ADDITIONAL CHARGES

A. Additional charges are applicable to all risks.

B. Apply additional charges on the basis of penalty points accumulated during the experience period to the premiums for

1. bodily injury and property damage liability coverage;

2. medical payments coverage;

3. personal injury protection.

C. **Experience Period**

The experience period is the 36 months immediately preceding the date of application for assignment and, in the case of renewal, during the 36 months immediately preceding the effective date of the renewal policy.

D. Assign penalty points for

1. each accident involving the applicant, named insured or any other person who usually operates the auto(s);

2. each conviction involving the applicant, named insured or any other person who usually operates the auto(s);

3. inexperienced operators (see paragraph G.3).

E. For the purpose of this Rule, the term “usually operates” and “usually drives” includes a driver who is contemplated, planned, or expected.

F. **Rules of Application**

1. Assign all penalty points for all operators on a cumulative basis.

2. For an incident involving more than one conviction, assign only the penalty point value for the conviction with the highest penalty point value.

3. For private passenger risks, adjust penalty points midterm to reflect the addition or deletion of operators.

4. For other than private passenger risks, do not adjust penalty points midterm to reflect the addition or deletion of operators.

5. Auto Dealers

a. Auto Dealer Liability

For each Class I or Class II operator with chargeable accidents or convictions, increase the corresponding rating unit(s) by the penalty points applicable to that operator. For example, an active partner with two chargeable accidents would generate 1.50 rating units.

b. Auto Furnished to Other than Class I or Class II Operators

Penalty points shall be assigned on a per auto, per driver basis. Penalty points shall be applied first to the highest rated auto and successively to the next highest rated autos equal to the number of operators subject to penalty points.

6. Service Operations

a. Nonowned Auto Liability

Penalty points are NOT applicable to the nonowned liability premium.

b. Owned or Hired Autos and Registration Plates Not Issued for a Specific Auto

Penalty points shall be assigned on a per auto/plate, per driver basis. Penalty points shall be assigned first to the highest rated auto/plate and successively to the next highest rated auto/plate equal to the number of operators subject to penalty points.

7. Prepared Food Delivery Risks

For prepared food delivery risks with chargeable accidents or convictions, increase the corresponding hours worked by the penalty point factor applicable to that operator before determination of the average

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number of employees per day. For example, an employee working four hours a day with a conviction of driving 10 miles over the speed limit would generate 5.30 hours per day.

8. Single Auto Risks

   For all other single auto risks, apply all penalty points to the auto, subject to a maximum additional charge factor of 5.00.

9. Multiauto Risks

   a. Risks comprised of a single tractor/trailer combined unit are not to be considered multiauto risks for the purpose of this Rule.

   b. The term "auto" includes trailers for the purposes of this Rule.

   c. Penalty points shall be applied first to the auto generating the most premium subject to a maximum additional charge factor of 2.50. Any remaining penalty points shall then be applied to the next highest rated auto(s) in succession subject to a maximum additional charge factor of 2.50 per auto until all remaining penalty points are used.

10. For all other exposures, the additional charges under this Rule shall be determined by applying the proper factor to the total policy premium, exclusive of uninsured motorists premiums.

11. Additional charges generated under this Rule are not applicable to minimum policy premiums.

G. **Penalty Points Assignable for Accidents and Convictions**

1. Accidents

   Two penalty points shall be assigned for each auto accident resulting in bodily injury or death, or in damage to property in excess of $500, including his or her own.

   EXCEPTIONS: Penalty points shall not be assigned against the applicant for involvement in an accident

   a. that occurred while the auto owned or operated by the applicant or other person who usually drives the applicant's auto was lawfully parked;

   b. in which the auto was struck by a hit-and-run driver, if such accident was reported to the proper authority within 24 hours;

   c. as a result of which the applicant or other person who usually drives the applicant's auto obtained a judgment against, or a settlement from or on behalf of, the owner or operator of another auto involved in such accident, if the judgment or settlement was obtained prior to the date of application or, in case of renewal, prior to the effective date of the renewal policy, and provided no judgment was obtained against, nor any amount paid in settlement by or on behalf of, the applicant or other person who usually drives the applicant's auto, as a result of such accident;

   d. in connection with which neither the applicant nor other person who usually drives the applicant's auto was convicted of a moving traffic violation, and the owner or operator of another auto involved was so convicted;

   e. when the only amount paid is for medical expense, work loss, replacement services loss, survivor's economic loss, survivor's replacement service loss, or a combination of these, unless the applicant or other person who usually drives the applicant's auto was convicted of a moving traffic violation, or is found in a civil suit to have caused the accident.

2. Convictions

   The term "conviction" wherever used in this Manual shall be deemed to be the date a forfeiture of bail or bond or a determination by a court that an offense has been committed.

Violation	Points	
	First Conviction	Each Additional Conviction
Driving an auto while under the influence of intoxicating liquor or narcotic drugs	6	6
Drag racing	6	6
Failing to stop and report when involved in an accident	6	6
Homicide or assault arising out of the operation of an auto	6	6
Willfully eluding a police officer	6	6
Driving an auto during a period of revocation or suspension of registration or license	5	5
Driving an auto without state or owner's authority	5	5
False statements made in the application for license or registration	5	5
Impersonating an applicant for license or registration, or procuring a license or registration through impersonation whether for himself or another	5	5
Loaning operator's license to an unlicensed operator	5	5
Driving an auto in a reckless manner	4	4

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Violation	Points	
	First Conviction	Each Additional Conviction
Permitting an unlicensed person to drive	4	4
Driving an auto 10 miles over the speed limit	3	4
Driving an auto under 10 miles over the speed limit	1	2
Moving traffic violations other than those set forth above, unless the conviction resulted from an accident for which points are assignable, in which case only the points for the accident shall be assigned	1	2

EXCEPTIONS:

Convictions for the following shall not be regarded as moving traffic violations:

(a) Any auto equipment requirement of the motor vehicle and traffic laws, except brakes

(b) Failure to display proper number plates, provided such plates are in existence

(c) Failure to have in possession operator's or chauffeur's license, provided there is one in existence

3. Inexperienced Operator

Assign two penalty points for private passenger nonfleet autos only if the principal operator of the auto has not been licensed for three years.

H. **Penalty Point Values**

Additional charges for penalty points shall be as follows:

1 penalty point.....1.00
2 penalty points.....1.15
3 penalty points.....1.30
4 penalty points.....1.50
5 penalty points.....1.75
6 penalty points.....2.00
7 penalty points.....2.50

Add a .10 factor for each additional penalty point over 7, subject to the Rules of Application stated above.

Rule 4. CERTIFIED RISKS—FINANCIAL RESPONSIBILITY LAWS

Multiply the bodily injury, personal injury protection, and property damage total policy premium for a risk on which a certificate of insurance is filed to comply with the requirements of an auto financial responsibility law by a factor of 1.10.

Note: For named nonowner risks, refer to the Named Nonowner Coverage Rule (Rule 26).

Rule 5. WHOLE DOLLAR PREMIUM

The premium for each exposure shall be rounded to the nearest whole dollar, separately for each coverage provided by the policy. A premium involving $.50 or over shall be rounded to the higher whole dollar. This procedure shall apply to all interim premium adjustments, including endorsements or cancellations at the request of the insured. In the case of cancellation by the insurer, the return premium shall be carried to the next higher whole dollar.

Note: The phrase "each exposure" as used herein shall mean each premium developed (after the application of all appropriate adjustments) for (1) each auto, if written on a per auto basis, and (2) for all other auto business.

Rule 6. MINIMUM POLICY PREMIUM

A. **Risks Not Written under CAIP**

The minimum policy premium charge is $25 per policy.

B. **Risks Written under CAIP**

The minimum policy premium charge is $250 per policy.

C. The minimum policy premium applies regardless of the term of the policy and is not subject to modification under any rating plan or other Manual rule provisions.

Rule 7. POLICY PERIOD

A. All policies are to be written for a one-year period with the premium charged to be the annual premium except when a statutory policy is required by a federal, state, or municipal authority to expire on a fixed date and the policy is written to expire on such a date.

B. The premium charged for the above-mentioned short term policies shall be computed pro rata of the annual premium.

Rule 8. CHANGES

A. All changes during the term of a policy requiring adjustment of premium shall be computed pro rata on the basis of the premium in effect at the time of the change.

B. If an auto or a form of coverage is cancelled from a policy at the request of the insured and reinstated within 30 days, it shall be reinstated at the amount of premium returned at the time of cancellation.

C. **Premium Adjustments**

1. Risks Not Subject to CAIP

Any adjustment of premium less than $5 shall be waived unless specifically requested by the insured.

2. Risks Subject to CAIP

a. A minimum premium of $2 shall apply if an additional premium results because a coverage is added or the limits of liability are increased at the request of the insured during the policy period.

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b. If a return premium of less than $2 results because a coverage is cancelled at the request of the insured, no refund need be made except at the request of the insured, in which case the actual return premium shall be allowed.

c. If the limits of liability are reduced at the request of the insured, no refund of premium shall be made unless the difference in premium amounts to $2 or more.

Rule 9. CANCELLATIONS

The following provisions apply when a policy, auto, or form of coverage is cancelled:

A. If a policy or form of coverage is cancelled at the request of the insured, the return premium shall be calculated at .90 of the pro rata unearned premium, except that in the following cases the return premium shall be computed pro rata:

1. An auto is cancelled from a policy and the policy remains in force on other autos.

2. The insured enters the armed forces of the United States of America.

3. The insured auto is stolen or destroyed (total or constructive total loss) and cancellation is requested by the insured within 30 days following the date the auto is stolen or destroyed, the return premium for all coverages shall be calculated from the day following the date of loss.

4. The insured requests cancellation of a policy for the reason that coverage has been replaced in the voluntary market, and the assigned carrier received a statement to that effect and proof of replacement policy.

B. If a policy or form of coverage is cancelled by the insurer within the provisions of the Plan, the return premium shall be computed pro rata.

Instructions for Use of Pro Rata Table

1. Express the date of cancellation by year and decimal part of a year by combining the calendar year with decimal appearing opposite the month and day in the Pro Rata Table.

e.g., June 15, 1999 is designated as 1999.455.

2. In like manner, express the effective date of the policy by year and decimal part of a year.

3. Subtract the numerical designation for the effective date from the numerical designation for the cancellation date, 1 minus 2. The difference represents the percentage of the annual premium to be retained by the company.

Example:

Cancellation Date, June 15, 1999	1,999.455
Effective Date, March 2, 1999	1,999.167
	.288

Earned premium in the above example will be .288 times the annual premium.

Note: Pro Rata Table is shown as follows:

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PRO RATA TABLE

January			February			March			April			May			June		
Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio
1	1	0.003	1	32	0.088	1	60	0.164	1	91	0.249	1	121	0.332	1	152	0.416
2	2	0.005	2	33	0.090	2	61	0.167	2	92	0.252	2	122	0.334	2	153	0.419
3	3	0.008	3	34	0.093	3	62	0.170	3	93	0.255	3	123	0.337	3	154	0.422
4	4	0.011	4	35	0.096	4	63	0.173	4	94	0.258	4	124	0.340	4	155	0.425
5	5	0.014	5	36	0.099	5	64	0.175	5	95	0.260	5	125	0.342	5	156	0.427
6	6	0.016	6	37	0.101	6	65	0.178	6	96	0.263	6	126	0.345	6	157	0.430
7	7	0.019	7	38	0.104	7	66	0.181	7	97	0.266	7	127	0.348	7	158	0.433
8	8	0.022	8	39	0.107	8	67	0.184	8	98	0.268	8	128	0.351	8	159	0.436
9	9	0.025	9	40	0.110	9	68	0.186	9	99	0.271	9	129	0.353	9	160	0.438
10	10	0.027	10	41	0.112	10	69	0.189	10	100	0.274	10	130	0.356	10	161	0.441
11	11	0.030	11	42	0.115	11	70	0.192	11	101	0.277	11	131	0.359	11	162	0.444
12	12	0.033	12	43	0.118	12	71	0.195	12	102	0.279	12	132	0.362	12	163	0.447
13	13	0.036	13	44	0.121	13	72	0.197	13	103	0.282	13	133	0.364	13	164	0.449
14	14	0.038	14	45	0.123	14	73	0.200	14	104	0.285	14	134	0.367	14	165	0.452
15	15	0.041	15	46	0.126	15	74	0.203	15	105	0.288	15	135	0.370	15	166	0.455
16	16	0.044	16	47	0.129	16	75	0.205	16	106	0.290	16	136	0.373	16	167	0.458
17	17	0.047	17	48	0.132	17	76	0.208	17	107	0.293	17	137	0.375	17	168	0.460
18	18	0.049	18	49	0.134	18	77	0.211	18	108	0.296	18	138	0.378	18	169	0.463
19	19	0.052	19	50	0.137	19	78	0.214	19	109	0.299	19	139	0.381	19	170	0.466
20	20	0.055	20	51	0.140	20	79	0.216	20	110	0.301	20	140	0.384	20	171	0.468
21	21	0.058	21	52	0.142	21	80	0.219	21	111	0.304	21	141	0.386	21	172	0.471
22	22	0.060	22	53	0.145	22	81	0.222	22	112	0.307	22	142	0.389	22	173	0.474
23	23	0.063	23	54	0.148	23	82	0.225	23	113	0.310	23	143	0.392	23	174	0.477
24	24	0.066	24	55	0.151	24	83	0.227	24	114	0.312	24	144	0.395	24	175	0.479
25	25	0.068	25	56	0.153	25	84	0.230	25	115	0.315	25	145	0.397	25	176	0.482
26	26	0.071	26	57	0.156	26	85	0.233	26	116	0.318	26	146	0.400	26	177	0.485
27	27	0.074	27	58	0.159	27	86	0.236	27	117	0.321	27	147	0.403	27	178	0.488
28	28	0.077	28	59	0.162	28	87	0.238	28	118	0.323	28	148	0.405	28	179	0.490
29	29	0.079				29	88	0.241	29	119	0.326	29	149	0.408	29	180	0.493
30	30	0.082				30	89	0.244	30	120	0.329	30	150	0.411	30	181	0.496
31	31	0.085				31	90	0.247				31	151	0.414			

July			August			September			October			November			December		
Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio
1	182	0.499	1	213	0.584	1	244	0.668	1	274	0.751	1	305	0.836	1	335	0.918
2	183	0.501	2	214	0.586	2	245	0.671	2	275	0.753	2	306	0.838	2	336	0.921
3	184	0.504	3	215	0.589	3	246	0.674	3	276	0.756	3	307	0.841	3	337	0.923
4	185	0.507	4	216	0.592	4	247	0.677	4	277	0.759	4	308	0.844	4	338	0.926
5	186	0.510	5	217	0.595	5	248	0.679	5	278	0.762	5	309	0.847	5	339	0.929
6	187	0.512	6	218	0.597	6	249	0.682	6	279	0.764	6	310	0.849	6	340	0.932
7	188	0.515	7	219	0.600	7	250	0.685	7	280	0.767	7	311	0.852	7	341	0.934
8	189	0.518	8	220	0.603	8	251	0.688	8	281	0.770	8	312	0.855	8	342	0.937
9	190	0.521	9	221	0.605	9	252	0.690	9	282	0.773	9	313	0.858	9	343	0.940
10	191	0.523	10	222	0.608	10	253	0.693	10	283	0.775	10	314	0.860	10	344	0.942
11	192	0.526	11	223	0.611	11	254	0.696	11	284	0.778	11	315	0.863	11	345	0.945
12	193	0.529	12	224	0.614	12	255	0.699	12	285	0.781	12	316	0.866	12	346	0.948
13	194	0.532	13	225	0.616	13	256	0.701	13	286	0.784	13	317	0.868	13	347	0.951
14	195	0.534	14	226	0.619	14	257	0.704	14	287	0.786	14	318	0.871	14	348	0.953
15	196	0.537	15	227	0.622	15	258	0.707	15	288	0.789	15	319	0.874	15	349	0.956
16	197	0.540	16	228	0.625	16	259	0.710	16	289	0.792	16	320	0.877	16	350	0.959
17	198	0.542	17	229	0.627	17	260	0.712	17	290	0.795	17	321	0.879	17	351	0.962
18	199	0.545	18	230	0.630	18	261	0.715	18	291	0.797	18	322	0.882	18	352	0.964
19	200	0.548	19	231	0.633	19	262	0.718	19	292	0.800	19	323	0.885	19	353	0.967
20	201	0.551	20	232	0.636	20	263	0.721	20	293	0.803	20	324	0.888	20	354	0.970
21	202	0.553	21	233	0.638	21	264	0.723	21	294	0.805	21	325	0.890	21	355	0.973
22	203	0.556	22	234	0.641	22	265	0.726	22	295	0.808	22	326	0.893	22	356	0.975
23	204	0.559	23	235	0.644	23	266	0.729	23	296	0.811	23	327	0.896	23	357	0.978
24	205	0.562	24	236	0.647	24	267	0.732	24	297	0.814	24	328	0.899	24	358	0.981
25	206	0.564	25	237	0.649	25	268	0.734	25	298	0.816	25	329	0.901	25	359	0.984
26	207	0.567	26	238	0.652	26	269	0.737	26	299	0.819	26	330	0.904	26	360	0.986
27	208	0.570	27	239	0.655	27	270	0.740	27	300	0.822	27	331	0.907	27	361	0.989
28	209	0.573	28	240	0.658	28	271	0.742	28	301	0.825	28	332	0.910	28	362	0.992
29	210	0.575	29	241	0.660	29	272	0.745	29	302	0.827	29	333	0.912	29	363	0.995
30	211	0.578	30	242	0.663	30	273	0.748	30	303	0.830	30	334	0.915	30	364	0.997
31	212	0.581	31	243	0.666				31	304	0.833				31	365	1.000

Note: The indicated Pro Rata Table is also used for leap years as it is not customary to charge for the extra day (Feb. 29) which occurs once every four years.

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Rules 10–18. RESERVED FOR FUTURE USE

Rule 19. TERRITORIES

This Rule contains the definitions of the territories into which the state is divided and show for each territory the number of the rate schedule that is to be used.

A. Each territory as defined embraces a certain area, usually a city and its surroundings. In many cases the area so defined includes several smaller cities, towns, boroughs, and villages. The following provisions are applicable in this connection:

   1. Any city, town, borough, or village not specifically mentioned as included within a defined territory, but which is inside of the area so defined, shall be subject to the rate schedule for that territory.

   2. If a city, town, borough, or village extends into more than one defined territory, the territory schedule for the higher rated territory applies to the entire city, town, borough, or village.

   3. Unless otherwise indicated, if a street, avenue, or other public way serves as a dividing line between two territories, except when the public way serves as a boundary line of any political subdivision (state, county, township, city, town, village, etc.), the rates for the lower rated of the two territories shall apply to autos principally garaged on either side of such street or avenue.

B. This Rule also contains a list of all towns in the state with a population of 1,000 or over, indicating the counties in which such towns are located and the territories to which they are assigned. The rate territory for a town not listed should be determined as follows:

   1. Ascertain the county in which the town is located.

   2. If the name of the county is included in two or more rate territories, it will be necessary to refer to a map to determine in which of the rate territories the town belongs.

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	Territory
ADAIR COUNTY—(entire county)	09
ALLEN COUNTY—(entire county)	09
ANDERSON COUNTY—(entire county)	18
ASHLAND territory comprises the entire counties of Boyd and Greenup	05
BALLARD COUNTY—(entire county)	12
BARREN COUNTY—(entire county)	09
BATH COUNTY—(entire county)	18
BELL COUNTY—(entire county)	06
BOONE COUNTY—(entire county)	16
BOURBON COUNTY—(entire county)	17
BOYD COUNTY—See Ashland.	
BOYLE COUNTY—(entire county)	18
BRACKEN COUNTY—(entire county)	18
BREATHITT COUNTY—(entire county)	06
BRECKINRIDGE COUNTY—(entire county)	09
BULLITT COUNTY—(entire county)	13
BUTLER COUNTY—(entire county)	12
CALDWELL COUNTY—(entire county)	12
CALLOWAY COUNTY—(entire county)	12
CAMPBELL COUNTY—See Covington—Newport territory.	
CARLISLE COUNTY—(entire county)	12
CARROLL COUNTY—(entire county)	18
CARTER COUNTY—(entire county)	06
CASEY COUNTY—(entire county)	10
CHRISTIAN COUNTY—(entire county)	12
CLARK COUNTY—(entire county)	17
CLAY COUNTY—(entire county)	06
CLINTON COUNTY—(entire county)	09
COVINGTON—NEWPORT territory comprises the entire counties of Campbell and Kenton	02
CRITTENDEN COUNTY—(entire county)	12
CUMBERLAND COUNTY—(entire county)	09
DAVIESS COUNTY—See Owensboro territory.	
EDMONSON COUNTY—(entire county)	09
ELLIOTT COUNTY—(entire county)	06
ESTILL COUNTY—(entire county	06
FAYETTE COUNTY—See Lexington.	
FLEMING COUNTY—(entire county)	18
FLOYD COUNTY—(entire county)	06
FRANKLIN COUNTY—(entire county)	18
FULTON COUNTY—(entire county)	12
GALLATIN COUNTY—(entire county)	18
GARRARD COUNTY—(entire county)	18
GRANT COUNTY—(entire county)	18
GRAVES COUNTY—(entire county)	12
GRAYSON COUNTY—(entire county)	09
GREEN COUNTY—(entire county)	09
GREENUP COUNTY—See Ashland.	
HANCOCK COUNTY—(entire county)	12
HARDIN COUNTY—(entire county)	14
HARLAN COUNTY—(entire county)	06
HARRISON COUNTY—(entire county)	18
HART COUNTY—(entire county)	09
HENDERSON COUNTY—(entire county)	12
HENRY COUNTY—(entire county)	18
HICKMAN COUNTY—(entire county)	12
HOPKINS COUNTY—(entire county)	12
JACKSON COUNTY—(entire county)	06
JEFFERSON COUNTY—See Louisville.	
JESSAMINE COUNTY—(entire county)	17
JOHNSON COUNTY—(entire county)	06
KENTON COUNTY—See Covington—Newport territory.	
KNOTT COUNTY—(entire county)	06
KNOX COUNTY—(entire county)	06
LARUE COUNTY—(entire county)	09
LAUREL COUNTY—(entire county)	06
LAWRENCE COUNTY—(entire county)	06
LEE COUNTY—(entire county)	06
LESLIE COUNTY—(entire county)	06
LETCHER COUNTY—(entire county)	06
LEWIS COUNTY—(entire county)	18
LEXINGTON territory comprises the entire county of Fayette	03
LINCOLN COUNTY—(entire county)	10
LIVINGSTON COUNTY—(entire county)	12
LOGAN COUNTY—(entire county)	12

Note: Refer to an atlas or map for places not listed.

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GENERAL RULES

	Territory
LOUISVILLE territory comprises the entire county of Jefferson	01
LYON COUNTY—(entire county)	12
MADISON COUNTY—(entire county)	17
MAGOFFIN COUNTY—(entire county)	06
MARION COUNTY—(entire county)	10
MARSHALL COUNTY—(entire county)	12
MARTIN COUNTY—(entire county)	06
MASON COUNTY—(entire county)	18
McCRACKEN COUNTY—See Paducah.	
McCREARY COUNTY—(entire county)	06
McLEAN COUNTY—(entire county)	12
MEADE COUNTY—(entire county)	14
MENIFEE COUNTY—(entire county)	06
MERCER COUNTY—(entire county)	18
METCALFE COUNTY—(entire county)	09
MONROE COUNTY—(entire county)	09
MONTGOMERY COUNTY—(entire county)	18
MORGAN COUNTY—(entire county)	06
MUHLENBERG COUNTY—(entire county)	12
NELSON COUNTY—(entire county)	10
NICHOLAS COUNTY—(entire county)	18
OHIO COUNTY—(entire county)	12
OLDHAM COUNTY—(entire county)	15
OWEN COUNTY—(entire county)	18
OWENSBORO territory comprises the entire county of Daviess	07
OWSLEY COUNTY—(entire county)	06
PADUCAH territory comprises the entire county of McCracken	04
PENDELTON COUNTY—(entire county)	18
PERRY COUNTY—(entire county)	06
PIKE COUNTY—(entire county)	06
POWELL COUNTY—(entire county)	06
PULASKI COUNTY—(entire county)	06
ROBERTSON COUNTY—(entire county)	18
ROCKCASTLE COUNTY—(entire county)	06
ROWAN COUNTY—(entire county)	06
RUSSELL COUNTY—(entire county)	09
SCOTT COUNTY—(entire county)	17
SHELBY COUNTY—(entire county)	18
SIMPSON COUNTY—(entire county)	09
SPENCER COUNTY—(entire county)	10
TAYLOR COUNTY—(entire county)	09
TODD COUNTY—(entire county)	12
TRIGG COUNTY—(entire county)	12
TRIMBLE COUNTY—(entire county)	18
UNION COUNTY—(entire county)	12
WARREN COUNTY—(entire county)	09
WASHINGTON COUNTY—(entire county)	10
WAYNE COUNTY—(entire county)	09
WEBSTER COUNTY—(entire county)	12
WHITLEY COUNTY—(entire county)	06
WOLFE COUNTY—(entire county)	06
WOODFORD COUNTY—(entire county)	17

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LIST OF IMPORTANT CITIES AND TOWNS

The following list contains all the more important cities, towns, boroughs, and villages in the state, together with their counties and territory and code assignments:

City and County	Territory
A	
Adairville, Logan	12
Albany, Clinton	09
Alexandria, Campbell	02
Anchorage, Jefferson	01
Ashland, Boyd	05
Audubon Park, Jefferson	01
Augusta, Bracken	18
B	
Barbourmeade, Jefferson	01
Barbourville, Knox	06
Bardstown, Nelson	10
Beachwood Village, Jefferson	01
Beattyville, Lee	06
Beaver Dam, Ohio	12
Bellemeade, Jefferson	01
Bellevue, Campbell	02
Benham, Harlan	06
Benton, Marshall	12
Berea, Madison	17
Bowling Green, Warren	09
Brandenburg, Meade	14
Bromley, Kenton	02
Burkesville, Cumberland	09
C	
Cadiz, Trigg	12
Calvert City, Marshall	12
Campbellsville, Taylor	09
Carlisle, Nicholas	18
Carrollton, Carroll	18
Catlettsburg, Boyd	05
Cave City, Barren	09
Central City, Muhlenberg	12
Clay, Webster	12
Clay City, Powell	06
Clinton, Hickman	12
Cloverport, Breckinridge	09
Cold Spring, Campbell	02
Columbia, Adair	09
Corbin, Knox & Whitley	06
Covington, Kenton	02
Crescent Springs, Kenton	02
Crestview Hills, Kenton	02
Cumberland (Poor Fork), Harlan	06
Cynthiana, Harrison	18
D	
Danville, Boyle	18
Dawson Springs, Hopkins	12
Dayton, Campbell	02
Devondale, Jefferson	01
Douglass Hills, Jefferson	01
Drakesboro, Muhlenberg	12
Dry Ridge, Grant	18
E	
Earlington, Hopkins	12
Eddyville, Lyon	12
Edgewood, Kenton	02
Elizabethtown, Hardin	14
Elkhorn City, Pike	06
Elkton, Todd	12
Elsmere, Kenton	02
Eminence, Henry	18
Erlanger, Kenton	02
Evarts, Harlan	06
F	
Falmouth, Pendleton	18
Flatwoods, Greenup	05
Fleming-Neon, Letcher	06
Flemingsburg, Fleming	18
Florence, Boone	16
Fort Mitchell, Kenton	02
Fort Thomas, Campbell	02
Fort Wright, Kenton	02
Frankfort, Franklin	18
Franklin, Simpson	09
Fulton, Fulton	12
G	
Georgetown, Scott	17
Glasgow, Barren	09
Graymoor, Jefferson	01
Grayson, Carter	06
Greensburg, Green	09
Greenup, Greenup	05
Greenville, Muhlenberg	12
Guthrie, Todd	12
H	
Hardinsburg, Breckinridge	09
Harlan, Harlan	06
Harrodsburg, Mercer	18
Hartford, Ohio	12
Hawesville, Hancock	12
Hazard, Perry	06
Henderson, Henderson	12
Hickman, Fulton	12
Highland Heights, Campbell	02
Hillview, Bullitt	13
Hodgenville, Larue	09
Hollow Creek, Jefferson	01
Hopkinsville, Christian	12
Horse Cave, Hart	09
I	
Independence, Kenton	02
Irvine, Estill	06
Irvington, Breckinridge	09
J	
Jackson, Breathitt	06
Jamestown, Russell	09
Jeffersontown, Jefferson	01
Jenkins, Letcher	06
Junction City, Boyle	18
L	
LaGrange, Oldham	15
Lakeside Park, Kenton	02
Lancaster, Garrard	18
Lawrenceburg, Anderson	18
Lebanon, Marion	10
Lebanon Junction, Bullitt	13
Leitchfield, Grayson	09
Lewisport, Hancock	12
Lexington, Fayette	03
Liberty, Casey	10
Livermore, McLean	12
London, Laurel	06
Louisa, Lawrence	06
Louisville, Jefferson	01
Loyall, Harlan	06
Ludlow, Kenton	02
Lynch, Harlan	06
Lyndon, Jefferson	01
Lynnview, Jefferson	01
M	
Madisonville, Hopkins	12
Manchester, Clay	06
Marion, Crittenden	12
Mayfield, Graves	12
Maysville, Mason	18
Meadow Vale, Jefferson	01
Middlesboro, Bell	06
Middletown, Jefferson	01
Midway, Woodford	17
Minor Lane Heights, Jefferson	01
Monticello, Wayne	09
Morehead, Rowan	06
Morganfield, Union	12
Morgantown, Butler	12
Mortons Gap, Hopkins	12
Mount Sterling, Montgomery	18
Mount Vernon, Rockcastle	06
Mount Washington, Bullitt	13
Muldraugh, Meade	14

Note: Refer to an atlas or map for places not listed.

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GENERAL RULES

City and County	Territory
Munfordville, Hart	09
Murray, Calloway	12
N	
Newport, Campbell	02
Nicholasville, Jessamine	17
O	
Oak Grove, Christian	12
Olive Hill, Carter	06
Owensboro, Daviess	07
Owenton, Owen	18
Owingsville, Bath	18
P	
Paducah, McCracken	04
Paintsville, Johnson	06
Paris, Bourbon	17
Park Hills, Kenton	02
Pewee Valley, Oldham	15
Pikeville, Pike	06
Pineville, Bell	06
Plantation, Jefferson	01
Prestonburg, Floyd	06
Princeton, Caldwell	12
Prospect, Jefferson	01
Providence, Webster	12
R	
Raceland, Greenup	05
Radcliff, Hardin	14
Richmond, Madison	17
Rollings Hills, Jefferson	01
Russell, Greenup	05
Russell Springs, Russell	09
Russellville, Logan	12
S	
Saint Matthews, Jefferson	01
Saint Regis Park, Jefferson	01
Salyersville, Magoffin	06
Scotsville, Allen	09
Sebree, Webster	12
Shelbyville, Shelby	18
Shepherdsville, Bullitt	13
Shiveley, Jefferson	01
Silver Grove, Campbell	02
Somerset, Pulaski	06
Southgate, Campbell	02
South Shore, Greenup	05
Springfield, Washington	10
Stanford, Lincoln	10
Stanton, Powell	06
Sturgis, Union	12
T	
Taylor Mill, Kenton	02
Tompkinsville, Monroe	09
U	
Uniontown, Union	12
V	
Vanceburg, Lewis	18
Versailles, Woodford	17
Villa Hills, Kenton	02
Vine Grove, Hardin	14
W	
Walton, Boone	16
Warsaw, Gallatin	18
West Buechel, Jefferson	01
West Liberty, Morgan	06
West Point, Hardin	14
Westwood, Jefferson	01
Whitesburg, Letcher	06
Wickliffe, Ballard	12
Williamsburg, Whitley	06
Williamstown, Grant	18
Wilmore, Jessamine	17
Winchester, Clark	17
Windy Hills, Jefferson	01
Woodland Hills, Jefferson	01
Woodlawn Park, Jefferson	01
Worthington, Greenup	05

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KENTUCKY AUTOMOBILE INSURANCE PLAN MANUAL

PRIVATE PASSENGER CHAPTER

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NOTES

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Rule 20. DEFINITIONS

A. **Private Passenger Auto**

1. A private passenger auto is an auto of the private passenger, station wagon, or jeep type that meets all of the following requirements:

   a. Owned or leased for a continuous period of six months or more

   b. Not used as a public or livery conveyance for passengers

   c. Not rented to others without a driver

   This term excludes motorcycles, motorized bicycles, powercycles, motorized scooters, golfmobiles, snowmobiles, and other similar motorized autos.

2. A pickup or van with a load capacity of 1,500 pounds or less owned or leased for a continuous period of six months or more by an individual or a married couple who are residents of the same household, and not customarily used in the occupation, profession, or business of the insured other than in the course of driving to or from work, shall be classified and rated as a private passenger auto.

   Note: All pickups and vans used for business purposes other than farming or ranching are to be rated in accordance with the Commercial Auto Chapters.

3. A farm truck owned or leased for a continuous period of six months or more by one or more natural persons with a load capacity of 1,500 pounds or less shall be classified and rated as a private passenger auto.

4. Classify as fleet the autos of any risk that has five or more self-propelled autos of any type that are under one ownership.

5. ★This term includes the autos mentioned above that are used for both private passenger purposes and for

   a. ride sharing; and/or

   b. vehicle-sharing; and/or

   c. prearranged delivery services, including courier services.

   However, the ride-sharing, vehicle-sharing, and prearranged delivery services, including courier services, will be excluded.✣

B. **Named Nonowner**

Individuals who do not own an auto

C. **Trailers**

A movable structure not self-propelled and designed to be towable by a private passenger auto as defined above provided the owner maintains a separate and permanent residence other than the trailer.

D. **Camper Bodies**

A portable camper body equipped as mobile living quarters

E. **Motor Homes**

A motor home is a self-propelled auto with a living area that is an integral part of the auto chassis, or a pickup with a permanently attached camper body. The living area or camper body must consist of facilities for cooking and sleeping.

F. **Motorcycles**

Motorcycles, mopeds, motorscooters, motorbikes, and any other similar motorized autos used for private passenger purposes.

G. **Antique Autos**

An antique auto is an auto of the private passenger type that is 25 or more years old that is maintained solely for use in exhibitions, club activities, parades, and other functions of public interest, and occasionally used for other purposes.

Rule 21. PREMIUM DEVELOPMENT

A. **Private Passenger Autos**

1. Determine the rating territory to be used (Rule 19). The territory in which the auto is principally garaged is the applicable territory.

   Exception: For autos used by salesmen or solicitors or others with similar duties requiring the operation of an auto in more than one rating territory, use the territory determined by the place of principal garaging, if there is such a place; otherwise, use the residential address of the operator. If the residential address of the operator cannot be determined, use the business address of the operator.

2. Determine the applicable classification (Rule 22).

3. Bodily Injury and Property Damage Liability Coverage

   a. Determine the appropriate base rates from the Private Passenger Auto Rate Chapter.

   b. Determine the appropriate class factors from the Private Passenger Auto Rate Chapter.

   c. Multiply the base rates determined in paragraph a by the class factors determined in paragraph b and round to the nearest whole dollar.

   d. If increased limits (Rule 23) apply, multiply the rates determined above by the appropriate factor.

   e. If an accident prevention course discount (Rule 24) applies, multiply the rates determined above by the appropriate factor.

   f. If additional charges for accidents and convictions (Rule 3) apply, multiply the rates determined above by the appropriate factor and round to the nearest whole dollar.

   g. If a certified risk—financial responsibility filing (Rule 4) is required, multiply the rates determined above by the appropriate factor.

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h. If extended nonowned auto coverage is requested, refer to Rule 25. Extended nonowned auto coverage premium is subject to increased limit factors, additional charges, and certified risk—financial responsibility factors.

4. Uninsured and Underinsured Motorists Coverages

Refer to Rule 27 for development of premium.

5. Personal Injury Protection Coverages

Refer to Rule 28 for development of premium

6. Medical Payments Coverage

a. Determine the appropriate base rate from the Private Passenger Auto Rate Chapter.

b. Determine the appropriate class factor from the Private Passenger Auto Rate Chapter.

c. Multiply the base rate determined in paragraph a by the class factors determined in paragraph b and round to the nearest whole dollar.

d. If an accident prevention course discount (Rule 24) applies, multiply the rate determined above by the appropriate factor.

e. If additional charges for accidents and convictions (Rule 3) apply, multiply the rates determined above by the appropriate factor and round to the nearest whole dollar.

f. If extended nonowned auto coverage is requested, refer to Rule 25. Extended nonowned auto coverage premium is subject to increased limit factors and additional charges.

B. **Named Nonowner Coverage—Bodily Injury and Property Damage Liability, Uninsured and Underinsured Motorists, and Personal Injury Protection Coverages**

Refer to Rule 26.

C. **Trailers and Camper Bodies—Bodily Injury and Property Damage Liability Coverage Only**

Refer to Rule 29.

D. **Motor Homes—Bodily Injury and Property Damage Liability, Uninsured and Underinsured Motorists, Medical Payments, and Personal Injury Protection Coverages**

Refer to Rule 30.

E. **Motorcycles—Bodily Injury and Property Damage Liability, Uninsured and Underinsured Motorists, and Personal Injury Protection Coverages**

Refer to Rule 31.

F. **Antique Autos—Bodily Injury and Property Damage Liability, Uninsured and Underinsured Motorists, Medical Payments, and Personal Injury Protection Coverages**

Refer to Rule 32.

Rule 22. PRIVATE PASSENGER AUTO CLASSIFICATIONS

A. Private passenger autos owned or leased for a continuous period of six months or more owned by the following shall be classified as shown in this chart:

1. An individual
2. A married couple resident in the same household
3. Relatives other than a married couple
4. Resident individuals

EXCEPTIONS: (a) Private passenger autos owned by a clergyman shall be classified and rated as Class 1A provided there is no youthful operator who is an owner or principal operator.

(b) Private passenger autos owned by a family copartnership, or corporation, principally garaged on a farm or ranch and neither used in any occupation other than farming or ranching nor customarily used in going to or from work other than farming or ranching, shall be classified and rated as Class 1AF, 2AF, 2BF, 2CF, 2DF, or 2EF.

Refer to paragraph B of this Rule for the definitions of terms used in this Rule.

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<table>
<tr><td colspan="8">IF MORE THAN ONE CLASSIFICATION IS APPLICABLE, THE CLASS DEVELOPING THE HIGHER PREMIUM SHOULD BE USED</td></tr>
<tr><td colspan="5" rowspan="3">DESCRIPTION OF OPERATOR</td><td colspan="4">USE OF AUTO</td></tr>
<tr><td colspan="3">OTHER THAN BUSINESS USE</td><td rowspan="2">BUSINESS USE</td><td rowspan="2">FARM AUTOS</td></tr>
<tr><td>NOT DRIVEN TO OR FROM WORK</td><td>DRIVEN TO OR FROM WORK LESS THAN 10 MILES ONE WAY</td><td>DRIVEN TO OR FROM WORK 10 OR MORE MILES ONE WAY</td></tr>
<tr><td colspan="5">NO YOUTHFUL OPERATORS</td><td>1A</td><td>1B</td><td>1C</td><td>3</td><td>1AF</td></tr>
<tr><td rowspan="4">YOUTHFUL OPERATORS</td><td>FEMALES</td><td colspan="2">Unmarried</td><td>Under Age 21</td><td>4A</td><td>4B</td><td>4C</td><td>4D</td><td>4DF</td></tr>
<tr><td rowspan="3">MALES</td><td rowspan="2">Unmarried</td><td>Owner or Principal Operator</td><td>Under Age 25</td><td colspan="3">2C</td><td>2CF</td></tr>
<tr><td>Not Owner or Principal Operator</td><td>Under Age 25</td><td colspan="3">2A</td><td>2AF</td></tr>
<tr><td>Married</td><td colspan="2">Under Age 25</td><td colspan="3">2B</td><td>2BF</td></tr>
</table>

B. The terms used in the classification descriptions in this Rule shall mean the following:

1. “Age” means the age attained on the last birthday.
2. “Driven to or from work” means that the auto is customarily used in the course of driving to or from work.
   a. The term “customarily” shall include the use of autos in a car-pool or other share-the-ride arrangements.
   b. An auto driven part way to or from work, such as to a railroad or bus depot, shall be considered in the course of driving to or from work whether or not the auto is parked at the depot during the day.
   c. An auto that is used for driving to or from school shall be considered as driving to or from work.
3. “Farm auto” means an auto principally garaged on a farm or ranch that is not customarily used in going to or from work other than farming or ranching and is not used in any occupation other than farming or ranching.
4. “Married” means a married person living with his or her spouse and does not include a person widowed, divorced, or legally separated unless such person has custody of a child resident in his or her household.

   “Resident in the same household” shall include an individual absent from the household while attending a school, however, it shall not include an individual in active military service with the armed forces of the United States of America unless such individual customarily operates the auto.
5. “Used for business” means that the use of the auto is required by or customarily involved in the duties of the applicant or any other person customarily operating the auto, in his or her occupation, profession, or business, other than in going to or from his or her principal place of occupation, profession, or business.
6. “Youthful operator” means an applicant or any other operator of the auto resident in the same household, or who customarily operates the auto who is a
   a. unmarried female under 21 years of age;
   b. male under 25 years of age.

   Note: If there are two or more private passenger autos in the same household as the applicant, the rating elements of this Rule shall be applied separately to the number of autos equal to the number of youthful operators. The age of the operators shall be disregarded for the purpose of rating the autos in excess of the number of such operators.

Rule 23. INCREASED LIMITS

A. The increased limits tables below show the factors to be applied to the $25,000/50,000 bodily injury rates shown in this Manual to determine the premium for other limits.

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B. Optional limits are only available up to $50,000/100,000 bodily injury in accordance with the Extent of Coverage Section of the Plan.

1. Optional Split Limits

Table 1

	Private Passenger		All Other Risks
BI Limits	**BI Factor**	**Residual BI Factor**	**BI Factor**
50/100	1.24	1.35	1.41

2. Split Limits Required by Law

Table 1

	Private Passenger		All Other Risks
BI Limits	**BI Factor**	**Residual BI Factor**	**BI Factor**
100/300	1.45	1.64	1.97

Table 1A

PD Limits	Private Passenger	All Other Risks
$50,000	1.03	1.06

3. Optional Single Limits for CAIP Risks

The increased limits tables below show the factors to be applied to the $60,000 single limits bodily injury and property damage liability rates shown in this Manual to determine the premium for other limits

Table 2
Private Passenger

Single Limits	BI and PD Factor	Residual BI and PD Factor	All Other Risks
$125,000	1.09	1.09	1.20
150,000	1.12	1.12	1.25
325,000	1.22	1.23	1.49
350,000	1.23	1.24	1.52

4. Single Limits Required by Law

Table 3
Private Passenger

Single Limits	BI and PD Factor	Residual BI and PD Factor	All Other Risks
$ 400,000	1.25	1.26	1.56
500,000	1.28	1.29	1.63
750,000	1.35	1.36	1.73
1,000,000	1.41	1.42	1.81
1,500,000	1.76	1.78	2.26
2,000,000	2.12	2.13	2.72
5,000,000	3.53	3.55	4.53

5. For factors for limits required by law that are not shown, refer to Rule 2.

C. **Determination of Split Limits Premium from Single Limit Rates**

To determine the $25,000/50,000 bodily injury and $25,000 property damage split limit liability rates where rates are displayed on a single limit basis, apply the following factors to the $60,000 single limit bodily injury and property damage liability coverage rate determined in accordance with this Manual:

$25,000/50,000 BI	$25,000 PD
.463	.409

Next, apply the appropriate increased limits factors from the appropriate table above for determination of premium for other limits.

D. **Determination of Single Limit Premium from Split Limits Rates**

To determine the $60,000 single limit bodily injury and property damage liability rates where rates are displayed on a split limits basis, apply a factor of 1.15 to the total of the $25,000/50,000 bodily injury and $25,000 property damage split liability rates determined in accordance with this Manual.

Next, apply the appropriate increased limits factors from the appropriate table above for determination of premium for other limits.

Rule 24. ACCIDENT PREVENTION COURSE DISCOUNT

A. Multiply the applicable premiums for bodily injury liability, property damage liability, and personal injury protection (or medical payments if afforded) by a factor of .98 for the following:

Vehicles classified and rated as private passenger vehicles provided the principal operator of a specific vehicle is:

1. age 55 or older and has a completion certificate dated within the most recent 60 months certifying that he or she has successfully completed a motor vehicle accident prevention course approved by the Kentucky Transportation Cabinet; or

2. a member of the United States Armed Forces and has a completion certificate dated within the most recent 60 months certifying that he or she has successfully completed a defensive driving course provided by the United States Armed Forces, regardless of age.

B. If the policy insures two or more vehicles, the discount shall apply only to the auto principally operated by a person with the course completion certificate.

C. The discount shall apply to new and renewal policies with inception dates occurring within a period of five years following the course completion date.

D. The discount shall apply only once to each vehicle regardless of the number of operators with course completion certificates.

E. The discount shall not apply if the course was self-instructed or was completed under a court order as a result of a motor vehicle conviction.

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Rule 25. EXTENDED NONOWNED AUTO COVERAGE

A. **Coverage**

Extended nonowned auto coverage extends coverage to autos furnished or available for the insured's regular use, subject to the terms of the policy.

B. **Premium Development—Bodily Injury and Property Damage Liability and Medical Payments Coverage**

1. Autos Furnished or Available For Regular Use—Excluding Use as Public or Livery Conveyances

Apply the following factor to the premium that would apply if the insured owned the auto furnished or available for his or her regular use. If the furnished or available auto has coverage that extends to the insured on a primary basis, use the Excess Coverage factor. Otherwise, use the Primary Coverage factor.

	Excess Coverage	Primary Coverage
Named Individual	.12	.90
Named Individual and Resident Relatives (including Named Individual's Spouse)	.13	1.00

Attach the Extended Non-Owned Coverage—Vehicles Furnished Or Available For Regular Use Endorsement.

2. Autos Furnished or Available For Regular Use—Including Use as Public or Livery Conveyances

a. Apply the following factor to the premium that would apply if the insured owned the auto furnished or available for his or her regular use:

Named Individual	.50
Named Individual and Resident Relatives (including Named Individual's Spouse)	.60

b. Primary liability insurance must be in effect for any nonowned autos furnished or available for use as public or livery conveyances.

c. Attach the Extended Non-Owned Coverage—Vehicles Furnished Or Available For Use As Public Or Livery Conveyances Endorsement.

Rule 26. NAMED NONOWNER COVERAGE

Bodily Injury and Property Damage Liability, Uninsured and Underinsured Motorists, and Personal Injury Protection Coverages

A. This Rule applies to natural persons who do not own an auto.

B. Coverage may be afforded to a named individual, spouse, and resident relatives of the named individual.

C. The bodily injury and property damage liability rates for named nonowner policies shall be determined on the basis of the following classification chart:

Description of Driver and Usage		Class
Pleasure Use	Male Operator Under 25 Years of Age	N5 or N5-FR
	No Male Operator Under 25 Years of Age	N6 or N6-FR

1. Classifications N5-FR and N6-FR apply to risks required to file evidence of financial responsibility.

2. The term "male operator under 25 years of age" used in the classification descriptions in this Rule shall mean a male applicant under 25 years of age.

D. Premium Development—Bodily Injury and Property Damage Liability Coverage

1. For each individual, apply the factor shown in the table below for the applicable class as determined in paragraph C above to the Class 3 Private Passenger Bodily Injury and Property Damage Liability rates for the territory in which the named insured resides.

Class	Exclusion for autos furnished or available for regular use does not apply	Exclusion for autos furnished or available for regular use does apply
N5	.45	.30
N6	.30	.20
N5-FR	1.20	.80
N6-FR	.85	.57

2. Minimum Premium

a. If the exposure includes any other auto without primary liability insurance for the named individuals, the minimum premium is 50% of the specified auto rate for such auto.

b. For all other exposures, the minimum premium is $8 bodily injury and $5 property damage for basic limits.

3. If additional charges for accidents and convictions (Rule 3) apply, multiply the rates determined above by the appropriate factor. Additional charges are not applicable to the minimum policy premium.

E. **Uninsured and Underinsured Motorists Coverages**

Refer to Rule 27 for determination of premium.

F. **Personal Injury Protection Coverages**

Refer to Rule 28 for determination of premium.

G. Use the Named Nonowner Policy—Kentucky.

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Rule 27. UNINSURED AND UNDERINSURED MOTORISTS COVERAGE

A. **Uninsured Motorists Coverage**

1. This form of auto insurance shall be afforded under every auto liability policy issued or delivered to the owner of an auto registered or principally garaged in Kentucky.

   This form of coverage must apply to all autos on the policy.

   EXCEPTIONS:

   a. Any named insured has the right to reject such coverage in writing. Such rejection will be valid for all insureds under the policy.

   b. Subsequent renewal, reinstatement, substitute, replacement, or amended policies issued to the same named insured by the same insurer or any of its affiliates or subsidiaries need not provide the rejected coverage unless a named insured requests such coverage in writing.

   c. Increased limits may be afforded but not in excess of the limits of liability of the policy.

2. The minimum uninsured motorists coverage limits are $25,000/50,000 split limit bodily injury liability.

3. Rates

   The same rate applies regardless of the number of autos insured on the policy. Stacking is not allowed.

   Refer to the Private Passenger Auto Rate Chapter for applicable rates.

B. **Underinsured Motorists Coverage**

1. Underinsured motorists coverage shall be made available upon the request of the named insured under the following conditions:

   a. Underinsured motorists limits can be no greater than the bodily injury limits of the policy.

   b. Underinsured motorists limits coverage must apply to all autos insured under the policy

2. Rates

   The same rate applies regardless of the number of autos insured on the policy. Stacking is not allowed.

   Refer to the Private Passenger Auto Rate Chapter for applicable rates.

C. **Nonowners**

Named nonowner policies may be extended to afford uninsured motorists coverage or uninsured and underinsured motorists coverage as specified in paragraphs A and B above. The rate for such extension of coverage or coverages is the applicable rate per policy.

D. **Motorcycles**

Refer to the Private Passenger Auto Rate Chapter for applicable rates.

E. Attach the applicable endorsements.

F. The premium shall not be subject to modification under the provisions of any rating plan or other Manual rules.

Rule 28. KENTUCKY MOTOR VEHICLE NO-FAULT ACT

A. **Personal Injury Protection Coverage**

Personal injury protection (PIP) coverage shall be afforded on policies or binders providing bodily injury and property damage liability coverages subject to the provisions of Subtitle 39 of the Kentucky Revised Statutes, Chapter 304.

★PIP coverage shall be for an aggregate limit of $10,000 per insured injured person. The maximum limit of liability for the total of work loss, replacement services loss, survivor's economic loss, and survivor's replacement services loss is $500 per week.✣

Pedestrian PIP must be afforded motorcycle risks. Full or added PIP is optional for such risks.

B. **Guest Personal Injury Protection Coverage**

Guest PIP shall be available when the named insured and all members of the family residing in his or her household not identified by name as an insured in any other contract of basic reparations insurance have rejected the tort limitations and appropriate KENTUCKY NO-FAULT REJECTION FORM (KYNF-1) has been filed with the Kentucky Department of Insurance.

C. **Added Personal Injury Protection**

Every insurer providing PIP shall also provide added PIP at the request of the named insured.

Added PIP is not available on a policy that provides guest PIP only.

D. **Buy-Back Personal Injury Protection**

Full PIP and added PIP shall be available when the named insured or any members of the family residing in his or her household not identified by name as an insured in any other contract of basic reparations insurance have rejected the tort limitations and appropriate KENTUCKY NO-FAULT REJECTION FORM (KYNF-1) has been filed with the Kentucky Department of Insurance.

E. **Deductibles**

In those cases where the PIP rate is applicable, the assigned insurer shall, upon request of the applicant or insured, provide aggregate deductibles, per accident, for the personal injury protection coverage of $250, $500, or $1,000 applicable to the named insured and family members.

F. **Rates**

1. Motorcycles Used for Private Passenger Purposes

   Refer to the Private Passenger Auto Rate Chapter for applicable rates.

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2. Private Passenger Autos and Named Nonowners

a. Full PIP

(1) Determine the appropriate base rate from the Private Passenger Auto Rate Chapter.

(2) Determine the appropriate class factor from the Private Passenger Auto Rate Chapter

For named nonowners, determine the appropriate class factor from Rule 26.

(3) Multiply by the base rate determined in paragraph (1) by the class factor determined in paragraph (2) and round to the nearest whole dollar.

(4) Deductibles—Multiply the PIP rate determined above by the following applicable factor:

Deductibles	Factors
$ 250	.90
500	.85
1,000	.80

(5) If an accident prevention course discount (Rule 24) applies, multiply the rate determined above by the appropriate factor.

(6) If additional charges for accidents and convictions (Rule 3) apply, multiply the rate determined above by the appropriate factor and round to the nearest whole dollar.

(7) If a certified risk—financial responsibility filing (Rule 4) is required, multiply the rate determined above by the appropriate factor.

b. Added PIP—Rates for added PIP coverage are provided on a per policy basis. The same rate applies regardless of the number of autos insured on the policy. Stacking is not allowed.

(1) Determine the appropriate base rate from the Private Passenger Auto Rate Chapter. Use the Full PIP base rate.

(2) Determine the appropriate class factor from the Private Passenger Auto Rate Chapter

For named nonowners, determine the appropriate class factor from Rule 26.

(3) Multiply by the base rate determined in paragraph (1) by the class factor determined in paragraph (2) and round to the nearest whole dollar.

(4) Multiply the PIP rate determined above by the following factors:

Option	Maximum Limit of Liability for the Total of All Added PIP Benefits	Maximum Weekly Limit for Added Work Loss, Replacement Services Loss, Survivor's Economic Loss, and Survivor's Replacement Services Loss	Factor per Policy
1	$10,000	$ 50	.25
2	20,000	100	.40
3	30,000	200	.51

Note: The maximum limit of liability for the total of all added PIP benefits in each option applies in addition to the $10,000 maximum limit of liability for basic PIP benefits.

(5) If an accident prevention course discount (Rule 24) applies, multiply the rate determined above by the appropriate factor.

(6) If additional charges for accidents and convictions (Rule 3) apply, multiply the rate determined above by the appropriate factor and round to the nearest whole dollar.

(7) If a certified risk—financial responsibility filing (Rule 4) is required, multiply the rate determined above by the appropriate factor.

c. Guest PIP

(1) Determine the appropriate base rate from the Private Passenger Auto Rate Chapter.

(2) Determine the appropriate class factor from the Private Passenger Auto Rate Chapter

For named nonowners, determine the appropriate class factor from Rule 26.

(3) Multiply by the base rates determined in paragraph (1) by the class factor determined in paragraph (2) and round to the nearest whole dollar.

d. Buy-Back PIP

(1) For full PIP, refer to paragraph F.2.a above for rating.

(2) For added PIP, refer to paragraph F.2.b above for rating.

G. Attach applicable endorsement.

Rule 29. TRAILERS AND CAMPER BODIES

A. Determine the territory based on the principal place of garaging (Rule 19).

B. **Bodily injury and Property Damage Liability Coverage**

1. Camper Bodies—Coverage is automatic, no separate premium is charged.

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2. Trailers

   a. If used with a private passenger auto, as defined in Rule 20, coverage is automatic, no separate premium is charged.

   b. All Others

      (1) Multiply the fleet or nonfleet trucks, tractors, and trailers base rates on the rate schedules by a factor of .40.

      (2) If increased limits (Rule 23) apply, multiply the rates determined above by the appropriate factor. Increased limit factors are applicable to minimum premium.

      (3) If additional charges (Rule 3) for accidents and convictions apply multiply the rates determined above by the appropriate factor. Additional charges are not applicable to minimum premium.

      (4) If a certified risk—financial responsibility filing (Rule 4) is required, multiply the rates determined above by the appropriate factor.

Rule 30. MOTOR HOMES

A. Determine the territory based on the principal place of garaging (Rule 19).

B. **Bodily Injury and Property Damage Liability Coverage**

1. Multiply the fleet or nonfleet trucks, tractors, and trailers base rate on the rate schedules in the Commercial Auto Chapters by the following factor:

   a. Overall length not exceeding 22 feet—1.25

   b. Overall length exceeding 22 feet—1.60

2. If increased limits (Rule 23) apply, multiply the rates determined above by the appropriate factor. Increased limit factors are applicable to minimum premium.

3. If additional charges (Rule 3) for accidents and convictions apply, multiply the rates determined above by the appropriate factor. Additional charges are not applicable to minimum premium.

4. If a certified risk—financial responsibility filing (Rule 4) is required, multiply the rates determined above by the appropriate factor.

C. **Uninsured and Underinsured Motorists Coverages**

Refer to Rule 27 for determination of premium.

D. **Personal Injury Protection Coverages**

Refer to Rule 28 for determination of premium.

E. **Medical Payments Coverage**

1. Determine the appropriate base rate from the Private Passenger Auto Rate Chapter.

2. Determine the appropriate class factor from the Private Passenger Auto Rate Chapter.

3. Multiply the base rate determined in paragraph 1 by the class factor determined in paragraph 2 and round to the nearest whole dollar.

4. If additional charges for accidents and convictions (Rule 3) apply, multiply the rate determined above by the appropriate factor.

Rule 31. MOTORCYCLES

A. Determine the territory based on the principal place of garaging (Rule 19).

B. **Motorcycles Used for Commercial Purposes**

Refer to the Commercial General Rules Chapter.

C. **Motorcycles Used for Private Passenger Purposes**

1. Bodily Injury and Property Damage Liability Coverage

   a. Apply the applicable factor from the table below to the Private Passenger base rate in the Private Passenger Auto Rate Chapter for the appropriate territory.

Engine Size	Operator Under Age 25	All Other Operators
0– 50cc	.60	.40
51– 100	.80	.50
101– 200	1.00	.60
201– 360	1.20	.75
361– 500	1.40	.90
501– 800	1.60	1.05
801– 1000	1.80	1.20
Over 1000	2.00	1.35

   The above rates contemplate the passenger hazard.

   b. If increased limits (Rule 23) apply, multiply the rates determined above by the appropriate factor. Increased limit factors are applicable to minimum premium.

   c. If additional charges (Rule 3) for accidents and convictions apply, multiply the rates determined above by the appropriate factor. Additional charges are not applicable to minimum premium.

   d. If a certified risk—financial responsibility filing (Rule 4) is required, multiply the rates determined above by the appropriate factor.

2. Uninsured and Underinsured Motorists Coverages

   Refer to Rule 27 for development of premium.

3. Personal Injury Protection Coverages

   Refer to Rule 28 for determination of premium.

Rule 32. ANTIQUE AUTOS

A. Determine the rating territory based on the principal place of garaging (Rule 19).

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B. **Bodily Injury and Property Damage Liability Coverage**

1. Multiply the Class 3 Private Passenger rates in the Private Passenger Auto Rate Chapter by a factor of .19 regardless of the type of auto.
2. If increased limits (Rule 23) apply, multiply the rates determined above by the appropriate factor. Increased limit factors are applicable to minimum premium.
3. If an accident prevention course discount (Rule 24) applies, multiply the rate determined above by the appropriate factor.
4. If additional charges (Rule 3) for accidents and convictions apply, multiply the rates determined above by the appropriate factor. Additional charges are not applicable to minimum premium.
5. If a certified risk—financial responsibility filing (Rule 4) is required, multiply the rates determined above by the appropriate factor.

C. **Uninsured and Underinsured Motorists Coverages**

Refer to Rule 27 for determination of premium.

D. **Personal Injury Protection Coverages**

Refer to Rule 28 for determination of premium.

E. **Medical Payments Coverage**

1. Determine the appropriate base rate from the Private Passenger Auto Rate Chapter.
2. Determine the appropriate class factor from the Private Passenger Auto Rate Chapter.
3. Multiply the base rate determined in paragraph 1 by the class factor determined in paragraph 2 and round to the nearest whole dollar.
4. If an accident prevention course discount (Rule 24) applies, multiply the rate determined above by the appropriate factor.
5. If additional charges for accidents and convictions (Rule 3) apply, multiply the rate determined above by the appropriate factor.

Rule 33. TRUSTS

A. **Coverage**

Coverage is provided for vehicles described in Rule 20 if the title of the vehicle has been transferred to a trust or if the vehicle is otherwise held in a trust.

B. **Ineligible Trustees**

A trustee of the trust cannot be

1. a partnership or joint venture;
2. a corporation;
3. a limited liability company;
4. an organization other than a partnership or joint venture, a corporation, or a limited liability company; or
5. a licensed professional who provides ongoing professional services with respect to the profession for which that individual is licensed, in connection with the administration of the trust. However, this paragraph does not apply to any named insured or any individual who is a relative of the grantor/settlor of the trust.

C. Attach the Trust Endorsement.

Rules 34–50. RESERVED FOR FUTURE USE

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KENTUCKY AUTOMOBILE INSURANCE PLAN MANUAL

PRIVATE PASSENGER AUTO RATE CHAPTER

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PRIVATE PASSENGER AUTO RATE CHAPTER

PRIVATE PASSENGER AUTO RATING WORKSHEET

Bodily Injury and Property Damage Liability, Uninsured/Underinsured Motorists, Personal Injury Protection, and Medical Payments Coverage

Refer to Rule 21 for premium development procedures.

Multiply the base rates by the applicable factors down each column unless indicated otherwise.

	BI Liability	PD Liability	UM*	UIM*	PIP	Added PIP*	Medical Payments
Base Rates							
Class Factor							
Round to the nearest whole dollar.							
PIP Deductible Factor (Rule 28)							
Added PIP* Factor (Rule 28)							
Increased Limits (Rule 23)							
Accident Prevention Course Discount (Rule 24)							
Additional Charges (Rule 3)							
Round to the nearest whole dollar.							
Certified Risks Financial Responsibility (Rule 4)							
Premium *(Round to the nearest whole dollar.)*							

Refer to Rule 25. Extended Nonowned Auto Coverage.

* Provided on a per policy basis.

Note: Does not include any applicable municipal/county taxes and the Kentucky premium surcharge.

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PRIVATE PASSENGER AUTO RATE CHAPTER

PAIP RISKS (APPLICATION EFFECTIVE 1/1/2019 OR LATER)

LIABILITY, PERSONAL INJURY PROTECTION, AND MEDICAL PAYMENTS BASE RATES

Territory	$25/50 BI	$25/50 R.B.I.*	Full PIP	Guest PIP	$25,000 PD	$1,000 MP
01	$3,740	$2,579	$1,340	$201	$1,410	$21
02	1,370	945	413	62	1,152	8
03	1,987	1,370	688	103	1,222	11
04	1,731	1,194	579	87	1,039	10
05	2,848	1,964	1,088	163	847	22
06	2,996	2,066	1,165	175	901	23
07	1,692	1,167	545	82	1,139	9
09	1,888	1,302	691	104	990	13
10	2,147	1,481	770	116	1,023	14
12	1,757	1,212	597	90	1,040	11
13	2,781	1,918	885	133	1,152	14
14	2,632	1,815	838	126	1,125	13
15	2,282	1,574	672	101	1,296	10
16	1,407	970	461	69	1,177	10
17	2,063	1,423	731	110	1,146	13
18	1,929	1,330	711	107	1,042	13

* The residual bodily injury rate only applies where the insured and all members of the family accept the tort limitations. In all other cases, the bodily injury rate applies.

PERSONAL INJURY PROTECTION COVERAGE MOTORCYCLES USED FOR PRIVATE PASSENGER PURPOSES

	Per Auto
Pedestrian PIP	$ 14
Full PIP	720
Added PIP	Refer to Rule 2.

UNINSURED AND UNDERINSURED MOTORISTS COVERAGE (RULE 27)

Uninsured Motorists Coverage Rate per Policy					
	Territories				
BI Limits	01	2–4, 7–12, 14–18	05	06	13
$ 25/50	$319	$124	$481	$403	$143
50/100	441	172	667	559	199

Note: For motorcycles used for private passenger purposes, multiply the per policy rate by 2.00.

Total Bodily Injury Limits	Underinsured Motorists Coverage Rate per Policy				
	Territories				
	01	2–4, 7–12, 14–18	05	06	13
$ 25/50	$ 621	$457	$ 758	$ 692	$474
50/100	1,097	808	1,339	1,223	837

Note: For motorcycles used for private passenger purposes, multiply the per policy rate by 2.00.

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PRIVATE PASSENGER AUTO RATE CHAPTER

DIRECT ASSIGNED RISKS (APPLICATION EFFECTIVE PRIOR TO 1/1/2019)

LIABILITY, PERSONAL INJURY PROTECTION, AND MEDICAL PAYMENTS BASE RATES

Territory	$25/50 BI	$25/50 R.B.I.*	Full PIP	Guest PIP	$25,000 PD	$1,000 MP
01	$1,569	$1,082	$739	$111	$735	$27
02	645	445	270	41	621	11
03	769	530	368	55	653	14
04	638	440	342	51	541	13
05	1,346	928	712	107	437	28
06	1,353	933	739	111	475	29
07	645	445	336	50	601	11
09	818	564	419	63	519	17
10	870	600	442	66	540	18
12	663	457	355	53	543	14
13	1,096	756	437	66	620	18
14	1,038	716	416	62	607	17
15	1,024	706	367	55	688	13
16	693	478	304	46	629	13
17	770	531	418	63	580	16
18	771	532	418	63	553	16

* The residual bodily injury rate only applies where the insured and all members of the family accept the tort limitations. In all other cases, the bodily injury rate applies.

PERSONAL INJURY PROTECTION COVERAGE MOTORCYCLES USED FOR PRIVATE PASSENGER PURPOSES

	Per Auto
Pedestrian PIP	$ 14
Full PIP	720
Added PIP	Refer to Rule 2.

UNINSURED AND UNDERINSURED MOTORISTS COVERAGE (RULE 27)

Uninsured Motorists Coverage Rate per Policy					
	Territories				
BI Limits	01	2–4, 7–12, 14–18	05	06	13
$ 25/50	$ 107	$48	$156	$133	$54
50/100	149	67	217	185	75

Note: For motorcycles used for private passenger purposes, multiply the per policy rate by 2.00.

Total Bodily Injury Limits	Underinsured Motorists Coverage Rate per Policy				
	Territories				
	01	2–4, 7–12, 14–18	05	06	13
$ 25/50	$210	$143	$266	$239	$149
50/100	369	251	468	421	263

Note: For motorcycles used for private passenger purposes, multiply the per policy rate by 2.00.

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CLASS FACTORS

Territories 01-04	
Class	**Bodily Injury, Property Damage, Personal Injury Protection, and Medical Payments**
1A	1.00
1B	1.10
1C	1.45
2A	1.90
2B	1.90
2C	3.10
3	1.50
4A	1.50
4B	1.65
4C	2.18
4D	2.25
1AF	0.70
2AF	1.33
2BF	1.33
2CF	2.17
4DF	1.05

All Other Territories	
Class	**Bodily Injury, Property Damage, Personal Injury Protection, and Medical Payments**
1A	1.00
1B	1.00
1C	1.45
2A	1.90
2B	1.90
2C	3.60
3	1.50
4A	1.50
4B	1.50
4C	2.18
4D	2.25
1AF	0.70
2AF	1.33
2BF	1.33
2CF	2.52
4DF	1.05

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KENTUCKY AUTOMOBILE INSURANCE PLAN MANUAL

COMMERCIAL AUTO CHAPTERS

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Rule 51. PREMIUM DEVELOPMENT

A. Determine the applicable base rate from the Premium Development Rule in the appropriate chapter of this Manual.

B. Determine the appropriate chapter of the Manual in accordance with the following:

1. All eligible trucks, tractors, and trailers are rated under the Trucks, Tractors, and Trailers Chapter.

   Exception: Trucks with load capacities of 1,500 pounds or less owned by an individual or a married couple who are residents of the same household, and not customarily used in the occupation, profession, or business of the insured other than in the course of driving to or from work, are rated under the Private Passenger Chapter.

2. All eligible public transportation autos are rated under the Public Transportation Chapter.

3. All eligible auto dealer exposures are rated under the Auto Dealers Chapter.

4. All eligible commercial nonowned exposures are rated under the Nonowned Auto Chapter.

   Exception: All named nonowner policies are rated under the Private Passenger Chapter.

5. All other eligible commercial autos are rated under the Special Types and Operations Chapter.

C. **Bodily Injury and Property Damage Liability Coverage**

1. If increased limits (Rule 52) apply, multiply the rate determined above by the appropriate factor. Increased limit factors are to be applied to minimum coverage premiums, but not the minimum policy premium.

2. If an accident prevention discount applies, refer to Rule 61.

3. If pollution liability coverage (Rule 53) is required, multiply the rate determined above by the appropriate factor.

4. If additional charges for accidents and convictions (Rule 3) apply, increase the rate determined above by the appropriate factor. Additional charges are applicable to minimum coverage premiums but not the minimum policy premium.

5. If a certified risk—financial responsibility filing (Rule 4) is required, increase the rates determined above by the applicable factor.

6. Refer to experience rating plan (Rule 54) for applicability.

7. Refer to motor carrier filings (Rule 56) for applicability.

8. Refer to out-of-state coverage extension (Rule 57) for applicability.

9. Refer to audit (Rule 60).

D. **Uninsured Motorists and Underinsured Motorists Coverage**

Refer to Rule 58 for determination of the appropriate premium.

E. **No-Fault Coverages**

1. If deductibles (Rule 59) apply, multiply the base rate by the applicable factor.

2. If added PIP (Rule 59) applies, multiply the base rates determined by the applicable factor.

3. If an accident prevention discount applies, refer to Rule 61.

4. If additional charges for accidents and convictions (Rule 3) apply, increase the rate determined above by the appropriate factor.

5. Refer to experience rating plan (Rule 54) for applicability.

Rule 52. INCREASED LIMITS

NOTE 1: For private passenger autos, refer to the Private Passenger Chapter.

NOTE 2: For factors for limits required by law that are not shown, refer to Rule 2.

A. **Optional Single Limits**

The increased limits table below shows the factors to be applied to the $60,000 single limit liability rates to determine the premium for other limits written in accordance with the Extent of Coverage Section of the Plan.

Table 1

Single Limits	Light and Medium Trucks	Heavy Trucks and Truck-Tractors
$125,000	1.27	1.29
150,000	1.36	1.36
325,000	1.70	1.73
350,000	1.74	1.77

Single Limits	Extra Heavy Trucks and Truck-Tractors	Zone Rated Risks	All Other Risks
$125,000	1.29	1.26	1.26
150,000	1.37	1.33	1.33
325,000	1.76	1.66	1.65
350,000	1.81	1.69	1.68

B. **Single Limits Required by Law**

The increased limits table below shows the factors to be applied to the $60,000 single limit liability rates for increased limits required by law:

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Single Limits	Table 2 Light and Medium Trucks	Heavy Trucks and Truck-Tractors
$ 400,000	1.80	1.85
500,000	1.92	1.98
750,000	2.13	2.21
1,000,000	2.29	2.39
1,500,000	2.86	2.86
2,000,000	3.44	3.44
5,000,000	5.73	5.73

Single Limits	Extra Heavy Trucks and Truck-Tractors	Zone Rated Risks	All Other Risks
$ 400,000	1.89	1.76	1.74
500,000	2.04	1.88	1.85
750,000	2.32	2.12	2.05
1,000,000	2.52	2.29	2.20
1,500,000	2.86	2.86	2.86
2,000,000	3.44	3.44	3.44
5,000,000	5.73	5.73	5.73

★ ✣

C. **Determination of Single Limit Premium from Split Limit Rates**

To determine the $60,000 single limit bodily injury and property damage liability rates for those risks subject to CAIP where rates are displayed on a split limits basis, apply a factor of 1.18 to the total of the $25,000/50,000 bodily injury and $25,000 property damage split limit liability rates determined in accordance with this Manual.

Next, apply the appropriate increased limits factors from the appropriate table above for determination of premium for other limits.

D. **Determination of Split Limits Premium from Single Limit Rates**

To determine the $25,000/50,000 bodily injury and $25,000 property damage split limit liability rates for those risks not subject to CAIP where rates are displayed on a single limit basis, apply the following factors to the $60,000 single limit bodily injury and property damage liability rate determined in accordance with this Manual:

$25,000/50,000 BI	$25,000 PD
.459	.391

Next, apply the appropriate increased limits factors from the appropriate table above for determination of premium for other limits.

E. Minimum coverage premiums are subject to increased limit factors.

Rule 53. POLLUTION LIABILITY

A. Coverage for bodily injury or property damage arising out of the discharge of pollutants that are being transported or towed by, loaded onto or unloaded from or (with the exception of certain fluids) stored, disposed of, or treated or processed in or upon a covered auto is excluded under the Business Auto Policy.

However, coverage for bodily injury, property damage, or covered pollution cost or expense arising from the discharge of pollutants that are **neither** being transported or towed by, **nor** loaded onto or unloaded from or (with the exception of certain fluids) stored, disposed of, or treated or processed in or upon a covered auto is included under the Business Auto Policy.

B. **Pollution Liability—Broadened Coverage for Covered Autos**

Business Auto Policies shall be endorsed to delete that part of the pollution exclusion and the definition of "covered pollution cost or expense", for bodily injury, property damage, and covered pollution cost or expense relating to discharge of pollutants that are in or upon, being transported or towed by, or being loaded onto or unloaded from a covered auto for risks that are subject to the Motor Carrier Act of 1980 or any similar or equivalent state financial responsibility filing requirement. This extension of coverage does not apply to liability assumed under any contract or agreement.

Attach applicable endorsement.

C. **Premium Development**

1. Owned Autos

Multiply the applicable bodily injury and property damage premium for each covered auto transporting any of the commodities described below by the applicable factor below:

Commodities Transported	Charge
Hazardous substances as defined in 49 CFR 171.8, transported in cargo tanks, portable tanks, or hopper-type vehicles with capacities in excess of 3,500 water gallons Liquefied compressed gas or compressed gas Class A or B explosives Poison gas (Poison A) Highway route controlled quantity radioactive materials as defined in 49 CFR 173.403	1.25
Oil listed in 49 CFR 172.101 Hazardous waste, hazardous materials, and hazardous substances defined in 49 CFR 171.8 and listed in 49 CFR 172.101, but not mentioned above	1.10
Nonhazardous property	1.05

Note: Where more than one class of commodity is transported by a covered auto, apply to that auto the charge for the class of commodity transported that develops the highest premium.

2. Minimum Premium

All owned autos, except private passenger type autos, are subject to a minimum additional charge. Multiply the applicable bodily injury and property damage liability premium by a factor of 1.05.

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3. Hired Autos

   Multiply the applicable bodily injury and property damage hired auto premium by the applicable factor. Such factor shall be the highest one determined in accordance with paragraph C.1 above for any owned auto. Where hired autos transport more than one class of commodities, apply the charge for the class of commodity transported that develops the highest premium.

Rule 54. EXPERIENCE RATING PLAN

Bodily Injury and Property Damage Liability Coverage Only

This Rule develops a premium credit (reduction) or a premium debit (increase) based on the loss experience of the insured during the experience period specified in paragraph B.

A. **Eligibility**

1. Experience rating is limited to insureds that meet all of the following criteria:

   a. The loss experience for the experience period can be obtained from the company that issued the policy(ies) for that period.

   b. The insured has liability coverage at limits higher than $100,000 combined single limit (CSL).

   c. The insured develops a credibility factor of at least 0.07 from the tables contained in this Rule.

      Determine the credibility factor as follows:

      (1) Determine the detrended premium according to paragraph C.1.

      (2) Refer to the Credibility and Maximum Single Loss table to determine the credibility factor corresponding to the detrended premium for the experience period.

2. An insured is **not** eligible for experience rating if any of the following apply:

   a. The insured was self-insured during the experience period.

   b. All policies included in the experience period were written at liability limits of less than $100,000 CSL.

   c. All policies included in the experience period were written with a deductible, self-insured retention, or similar type plan, applicable to the liability coverage.

B. **Experience Period**

1. The experience period includes all of the following, if available:

   a. The policy ending 12 months prior to the current policy (latest full policy year)

   b. The policy ending 24 months prior to the current policy (second latest full policy year)

   c. The policy ending 36 months prior to the current policy (third latest full policy year)

2. If three years of loss experience is not available or is excluded by paragraph 5, use at least one full year of losses.

3. Use no more than three years of loss experience.

4. Use only full policy years.

5. Do not use policy years during which the insured had liability coverage at limits less than $100,000 CSL or were written with a deductible, self-insured retention, or similar type plan, applicable to the liability coverage.

C. **Determination of Experience Modification**

1. Premium

   Determine the detrended premium as follows for the policy years included in the experience period:

   a. Determine the current annual manual $100,000 CSL liability premium by multiplying the $60,000 CSL specified auto, hired auto, and nonowned auto liability premiums by the appropriate $100,000 CSL increased limit factor below. Use the headquarters location of the insured to determine the premium for hired and nonowned auto liability exposures.

Single Limits	Light and Medium Trucks	Heavy Trucks and Truck-Tractors
$100,000	1.11	1.12

Single Limits	Extra Heavy Trucks and Truck-Tractors	Zone Rated	All Other Risks
$100,000	1.13	1.15	1.13

   b. Multiply the premium determined in paragraph a above by the following detrend factors to determine the detrended premium for each policy in the experience period:

Latest Full Policy Year	Second Latest Full Policy Year	Third Latest Full Policy Year
.952	.929	.906

   c. If the actual exposures of the insured have been subject to a dramatic change during or since the experience period due to known factors other than inflation, apply the following procedure to determine the premium.

      (1) Determine the current annual manual $100,000 CSL liability premium for the actual historical exposures for each policy of the experience period.

      (2) Multiply the premium determined in paragraph c.(1) above by the detrend factors in paragraph b to determine the detrended premium for each policy in the experience period.

   d. Add the detrended premium for all policy years included in the experience period to determine the total detrended premium.

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2. Losses

   a. Determine the Adjusted Expected Loss Ratio from the Credibility and Maximum Single Loss Table for the total of the detrended premium developed above.

   b. Multiply the detrended premium for each year by the Adjusted Expected Loss Ratio determined in paragraph a to determine the expected losses.

   c. Multiply the expected losses determined in paragraph b by the following loss development factors:

$100,000 CSL	Latest Full Policy Year	Second Latest Full Policy Year	Third Latest Full Policy Year
Auto Dealers	.360	.158	.075
Zone Rated	.288	.126	.048
All Others	.133	.059	.028

   d. Determine the paid and outstanding losses (including allocated claim expense) for the policy years included in the experience period.

      (1) Limit the indemnity amount to $100,000 CSL for any one occurrence.

      (2) Limit the sum of the indemnity and allocated claim expense resulting from any single occurrence to the maximum single loss specified in the Credibility and Maximum Single Loss Table for the total of the detrended premium developed above.

   e. Determine the total adjusted losses by adding the results of paragraphs c and d.

3. Actual Loss Ratio

   Determine the Actual Loss Ratio by dividing the total adjusted losses determined in paragraph C.2 by the detrended premium determined in paragraph C.1.

4. Experience Modification

   a. If the Actual Loss Ratio is less than the Adjusted Expected Loss Ratio, the experience modification is a credit. Determine as follows:

$$\left(\frac{\text{Adjusted Expected Loss Ratio} - \text{Actual Loss Ratio}}{\text{Adjusted Expected Loss Ratio}}\right) \times \text{Credibility} = \text{Experience Modification}$$

   Determine the experience rating factor by subtracting the credit from 1.00.

   b. If the Actual Loss Ratio is greater than the Adjusted Expected Loss Ratio, the experience modification is a debit. Determine as follows:

$$\left(\frac{\text{Actual Loss Ratio} - \text{Adjusted Expected Loss Ratio}}{\text{Adjusted Expected Loss Ratio}}\right) \times \text{Credibility} = \text{Experience Modification}$$

   Determine the experience rating factor by adding the debit to 1.00.

D. **Application**

1. Apply the experience rating factor to the liability premium.

2. Apply the experience modification at policy inception or renewal.

3. Do not apply the experience modification midterm.

E. Refer to the rating example and worksheet at the end of this Chapter.

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AUTO LIABILITY EXPERIENCE RATING
CREDIBILITY AND MAXIMUM SINGLE LOSS TABLE

Premium		Credibility	Adjusted Expected Loss Ratio		Maximum Single Loss	
			Zone Rated	All Others	Zone Rated	All Others
$ 15,216–	21,521	0.03	0.365	0.384	$ 55,500	$ 58,400
21,522–	27,959	0.04	0.374	0.393	60,450	63,400
27,960–	34,534	0.05	0.381	0.398	63,900	66,850
34,535–	41,250	0.06	0.386	0.402	66,550	69,550
41,251–	48,111	0.07	0.389	0.406	68,800	71,800
48,112–	55,122	0.08	0.392	0.409	70,750	73,750
55,123–	62,286	0.09	0.395	0.411	72,550	75,550
62,287–	69,613	0.10	0.397	0.414	74,250	77,250
69,614–	77,105	0.11	0.400	0.416	75,850	78,900
77,106–	84,767	0.12	0.402	0.417	77,450	80,500
84,768–	92,607	0.13	0.404	0.419	79,000	82,050
92,608–	100,630	0.14	0.406	0.421	80,550	83,550
100,631–	108,844	0.15	0.408	0.423	82,050	85,100
108,845–	117,252	0.16	0.410	0.424	83,600	86,600
117,253–	125,868	0.17	0.411	0.426	85,100	88,150
125,869–	134,692	0.18	0.413	0.428	86,650	89,700
134,693–	143,735	0.19	0.415	0.429	88,200	91,250
143,736–	153,009	0.20	0.417	0.431	89,800	92,800
153,010–	162,515	0.21	0.418	0.432	91,400	94,400
162,516–	172,269	0.22	0.420	0.433	93,000	96,000
172,270–	182,278	0.23	0.421	0.435	94,650	97,650
182,279–	192,551	0.24	0.423	0.436	96,300	99,300
192,552–	203,100	0.25	0.424	0.437	98,050	101,000
203,101–	213,938	0.26	0.426	0.439	99,750	102,750
213,939–	225,073	0.27	0.427	0.439	101,550	104,500
225,074–	236,519	0.28	0.429	0.441	103,350	106,300
236,520–	248,291	0.29	0.430	0.442	105,250	108,150
248,292–	260,402	0.30	0.431	0.443	107,100	110,500
260,403–	272,865	0.31	0.433	0.444	109,050	111,950
272,866–	285,699	0.32	0.434	0.446	111,050	113,900
285,700–	298,917	0.33	0.435	0.446	113,100	115,950
298,918–	312,541	0.34	0.437	0.447	115,200	118,000
312,542–	326,585	0.35	0.438	0.448	117,350	120,100
326,586–	341,073	0.36	0.439	0.449	119,550	122,300
341,074–	356,026	0.37	0.440	0.450	121,800	124,550
356,027–	371,462	0.38	0.442	0.451	124,100	126,800
371,463–	387,410	0.39	0.443	0.452	126,500	129,200
387,411–	403,893	0.40	0.444	0.453	128,950	131,600
403,894–	420,940	0.41	0.445	0.454	131,500	134,100
420,941–	438,581	0.42	0.446	0.454	134,100	136,650
438,582–	456,846	0.43	0.447	0.455	136,800	139,300
456,847–	475,769	0.44	0.448	0.456	139,550	142,050
475,770–	495,387	0.45	0.449	0.457	142,400	144,850
495,388–	515,737	0.46	0.450	0.457	145,350	147,800
515,738–	536,863	0.47	0.451	0.458	148,450	150,800
536,864–	558,810	0.48	0.452	0.459	151,600	153,900
558,811–	581,624	0.49	0.453	0.459	154,850	157,150
581,625–	605,363	0.50	0.453	0.460	158,250	160,450
605,364–	630,079	0.51	0.454	0.461	161,750	163,950
630,080–	655,835	0.52	0.455	0.461	165,400	167,550

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AUTO LIABILITY EXPERIENCE RATING
CREDIBILITY AND MAXIMUM SINGLE LOSS TABLE

Premium		Credibility	Adjusted Expected Loss Ratio		Maximum Single Loss	
			Zone Rated	All Others	Zone Rated	All Others
$ 655,836–	682,701	0.53	0.456	0.461	$ 169,200	$ 171,300
682,702–	710,746	0.54	0.457	0.462	173,150	175,200
710,747–	740,051	0.55	0.457	0.462	177,250	179,250
740,052–	770,705	0.56	0.458	0.463	181,550	183,450
770,706–	802,801	0.57	0.459	0.463	186,000	187,850
802,802–	836,444	0.58	0.459	0.463	190,650	192,500
836,445–	871,750	0.59	0.460	0.464	195,550	197,300
871,751–	908,840	0.60	0.461	0.464	200,650	202,350
908,841–	947,859	0.61	0.461	0.465	206,000	207,650
947,860–	988,959	0.62	0.461	0.465	211,600	213,200
988,960–	1,032,310	0.63	0.462	0.465	217,500	219,050
1,032,311–	1,078,105	0.64	0.462	0.465	223,750	225,200
1,078,106–	1,126,553	0.65	0.463	0.466	230,300	231,700
1,126,554–	1,177,895	0.66	0.463	0.466	237,200	238,550
1,177,896–	1,232,395	0.67	0.464	0.466	244,500	245,800
1,232,396–	1,290,357	0.68	0.464	0.466	252,300	253,500
1,290,358–	1,352,118	0.69	0.464	0.467	260,500	261,700
1,352,119–	1,418,066	0.70	0.465	0.467	269,300	270,400
1,418,067–	1,488,643	0.71	0.465	0.467	278,600	279,700
1,488,644–	1,564,355	0.72	0.465	0.467	288,600	289,600
1,564,356–	1,645,778	0.73	0.466	0.467	299,300	300,250
1,645,779–	1,733,588	0.74	0.466	0.467	310,800	311,700
1,733,589–	1,828,566	0.75	0.466	0.467	323,200	324,000
1,828,567–	1,931,628	0.76	0.466	0.468	336,550	337,350
1,931,629–	2,043,850	0.77	0.467	0.468	351,050	351,800
2,043,851–	2,166,511	0.78	0.467	0.468	366,850	367,550
2,166,512–	2,301,141	0.79	0.467	0.468	384,100	384,700
2,301,142–	2,449,577	0.80	0.467	0.468	403,000	403,550
2,449,578–	2,614,062	0.81	0.467	0.468	423,800	424,350
2,614,063–	2,797,344	0.82	0.467	0.468	446,850	447,350
2,797,345–	3,002,842	0.83	0.468	0.468	472,550	473,000
3,002,843–	3,234,855	0.84	0.468	0.468	501,350	501,750
3,234,856–	3,498,872	0.85	0.468	0.468	533,800	534,200
3,498,873–	3,802,002	0.86	0.468	0.468	570,750	571,100
3,802,003–	4,153,632	0.87	0.468	0.468	613,200	613,450
4,153,633–	4,566,415	0.88	0.468	0.468	662,350	662,600
4,566,416–	5,057,823	0.89	0.468	0.468	720,100	720,300
5,057,824–	5,652,686	0.90	0.468	0.468	788,800	788,950
5,652,687–	6,387,517	0.91	0.468	0.468	871,950	872,100
6,387,518–	7,318,303	0.92	0.468	0.468	974,650	974,750
7,318,304–	8,535,485	0.93	0.468	0.468	1,104,700	1,104,800
8,535,486–	10,195,278	0.94	0.468	0.468	1,274,800	1,274,850
10,195,279–	12,592,759	0.95	0.468	0.468	1,506,700	1,506,750
12,592,760–	16,360,224	0.96	0.468	0.468	1,841,650	1,841,700
16,360,225–	23,141,667	0.97	0.468	0.468	2,368,000	2,368,000
23,141,668–	38,965,028	0.98	0.468	0.468	3,315,400	3,315,400
38,965,029–	118,081,838	0.99	0.468	0.468	5,525,950	5,525,950
118,081,839 and over		1.00	0.468	0.468	16,578,700	16,578,700

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Rule 55. RESERVED FOR FUTURE USE

Rule 56. MOTOR CARRIER FILINGS

When a certificate of insurance is filed for motor carriers to comply with federal, state, local laws, or ordinances, a flat fully earned premium charge of $25, not subject to modification, shall be made for each certificate filed.

Rule 57. OUT-OF-STATE COVERAGE EXTENSIONS

When the Out-of-State Coverage Extensions endorsement is issued to delete the exception relating to motor carriers, a flat fully earned premium charge of $50, not subject to modification, shall be made for such endorsement request.

Attach applicable endorsement.

Rule 58. UNINSURED AND UNDERINSURED MOTORISTS COVERAGE

A. **Uninsured Motorists Coverage**

1. This form of auto insurance shall be afforded under every auto liability policy issued or delivered to the owner of an auto registered or principally garaged in Kentucky.

   This form of coverage must apply to all autos on the policy.

   EXCEPTIONS:

   a. Any named insured has the right to reject such coverage in writing. Such rejection will be valid for all insureds under the policy.

   b. Subsequent renewal, reinstatement, substitute, replacement, or amended policies issued to the same named insured by the same insurer or any of its affiliates or subsidiaries need not provide the rejected coverage unless a named insured requests such coverage in writing.

   c. Increased limits may be afforded but not in excess of the limits of liability of the policy.

2. The minimum required uninsured motorists coverage limits are $60,000 single limit bodily injury liability.

3. Rates

	Rate per Auto Registered in Kentucky	
BI Limits	**Single Auto**	**Multiauto per Auto**
$ 60,000	$40	$57
125,000	50	65
150,000	53	67
325,000	62	73
350,000	63	74

B. **Underinsured Motorists Coverage**

1. Underinsured motorists coverage shall be made available upon the request of the named insured under the following conditions:

   a. Underinsured motorists limits can be no greater than the bodily injury limits of the policy.

   b. Underinsured motorists coverage must apply to all autos insured under the policy.

2. Rates

	Rate per Auto Registered in Kentucky	
BI Limits	**Single Auto**	**Multiauto per Auto**
$ 60,000	$143	$307
125,000	232	415
150,000	258	443
325,000	371	548
350,000	383	558

C. **Motorcycles**

For motorcycles used for commercial purposes, multiply the otherwise applicable rate by a factor of 2.00.

D. Attach applicable endorsements.

E. The premium shall not be subject to modification under the provisions of any rating plan or other Manual rules.

Rule 59. KENTUCKY MOTOR VEHICLE NO-FAULT ACT

A. **Personal Injury Protection Coverage**

Personal injury protection (PIP) coverage shall be afforded on policies or binders providing bodily injury and property damage liability coverages for owned motor vehicles registered in the Commonwealth of Kentucky and subject to the provisions of Subtitle 39 of the Kentucky Revised Statutes, Chapter 304.

★PIP coverage shall be for an aggregate limit of $10,000 per insured injured person. The maximum limit of liability for the total of work loss, replacement services loss, survivor's economic loss, and survivor's replacement services loss is $500 per week.✣

Pedestrian PIP must be afforded motorcycle risks. Full or added PIP is optional for such risks.

B. **Guest Personal Injury Protection Coverage**

Guest PIP is applicable only when the named insured and all regular operators of the insured's autos have rejected the tort limitation contained in the Kentucky No-Fault Law and none have purchased PIP under the buyback provision. In all other cases the full personal injury protection applies.

C. **Added Personal Injury Protection**

Every insurer providing PIP shall also provide added PIP at the request of the named insured.

Added PIP is not available on a policy that provides guest PIP only.

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D. **Deductibles**

In those cases where the PIP rate is applicable, the assigned insurer shall, upon request of the applicant or insured, provide aggregate deductibles, per accident, for the personal injury protection coverage of $250, $500, or $1,000 applicable to the named insured and family members.

E. **Rates**

1. Motorcycles Used for Commercial Purposes

   a. Pedestrian PIP—The rate is $18 per auto.

   b. Full PIP—The rate is $793 per auto.

   c. Added PIP—Refer to Plan for rates.

2. All Other Risks

   a. PIP—Charge the full PIP rate on the rate schedules per auto.

   b. Guest PIP—Charge the guest PIP rate on the rate schedules per auto.

   c. Deductibles—Multiply the PIP rate on the rate schedules by the following applicable factor:

Deductibles	Factors
$ 250	.85
500	.75
1,000	.65

   d. Added PIP—Multiply the applicable PIP rates on the rate schedules by the following applicable factors:

Option	Maximum Limit of Liability for the Total of all Added PIP Benefits	Maximum Weekly Limit for Added Work Loss, Replacement Services Loss, Survivor's Economic Loss, and Survivor's Replacement Services Loss	Factor per Auto
1	$10,000	$ 50	.25
2	20,000	100	.40
3	30,000	200	.50

Note: The maximum limit of liability for the total of all added PIP benefits in each option applies in addition to the $10,000 maximum limit of liability for basic PIP benefits. This $10,000 maximum limit is not subject to stacking. The maximum limit of liability for the total of all added PIP benefits is subject to stacking.

F. Attach applicable endorsement.

Rule 60. AUDIT

Annual Premium Adjustment

On policies that provide that the earned premium be determined by audit at the end of the policy period, the initial premium shall be the full premium, calculated at authorized rates, on the estimated exposure for the policy period, or the minimum premium for the policy, whichever is greater.

Rule 61. ACCIDENT PREVENTION DISCOUNT

A. Multiply the applicable single limit of liability, PIP, and added PIP coverages by a factor of .98 if the principal operator of a specific vehicle is:

1. age 55 or older and has a completion certificate dated within the most recent 60 months certifying that he or she has successfully completed a motor vehicle accident prevention course approved by the Kentucky Transportation Cabinet; or

2. a member of the United States Armed Forces and has a completion certificate dated within the most recent 60 months certifying that he or she has successfully completed a defensive driving course provided by the United States Armed Forces, regardless of age.

B. If the policy insures two or more vehicles, the discount shall apply only to the auto principally operated by a person with the course completion certificate.

C. The discount shall apply to new and renewal policies with inception dates occurring within a period of five years following the course completion date.

D. The discount shall apply only once to each vehicle regardless of the number of operators with course completion certificates.

E. The discount shall not apply if the course was self-instructed or was completed under a court order as a result of a motor vehicle conviction.

Rule 62. WAIVER OF SUBROGATION/ PRIMARY AND NONCONTRIBUTORY—OTHER INSURANCE CONDITION

Applicable to Bodily Injury and Property Damage Liability Coverages Only

If the insured requests, in writing, either a waiver(s) of subrogation or a primary and noncontributory—other insurance condition or both to comply with contractual requirements, increase the bodily injury and property damage total policy premium by 3%.

Attach the applicable endorsement(s).

Rules 63–70. RESERVED FOR FUTURE USE

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EXPERIENCE RATING EXAMPLE

EXPERIENCE USED

	Latest Full Policy Year	Second Latest Full Policy Year	Third Latest Full Policy Year
	BI and PD	BI and PD	BI and PD
a. Current annual Manual $100,000 CSL premium	$98,250	$98,250	$98,250
b. Detrend factors	.952	.929	.906
c. Detrended premium (a x b)	$93,534	$91,274	$89,015
d. Adjusted expected loss ratio†	.446	.446	.446
e. Expected losses (c x d)	$41,716	$40,708	$39,701
f. Loss development factor	.133	.059	.028
g. Expected ultimate losses (e x f)	$5,548	$2,402	$1,112
h. Losses (paid, outstanding, and allocated claim expense)*	$85,694	$58,530	$49,960
i. Total adjusted losses (g + h)	$91,242	$60,932	$51,072

* For any one occurrence, limit the indemnity amount to $100,000 CSL; and limit the sum of the indemnity and allocated claim expense to the maximum single loss†.

DETERMINATION OF EXPERIENCE MODIFICATION

	Latest Full Policy Year	Second Latest Full Policy Year	Third Latest Full Policy Year	Total
(1) Detrended premium BI and PD (from c)	$93,534	$91,274	$89,015	$273,823
(2) Total adjusted losses BI and PD (from i)	$91,242	$60,932	$51,072	$203,246
(3) Actual loss ratio (2) ÷ (1)				0.742
(4) Adjusted expected loss ratio†				0.446
USE SIGNS – FOR CREDIT AND + FOR DEBIT				
(5) Credit [(4) – (3)] ÷ (4) OR Debit [(3) – (4)] ÷ (4)				+0.664
(6) Credibility factor†				0.320
(7) Experience modification (5) x (6) stated as a percentage (DEBIT)				+21%
(8) Experience Modification Factor ((7) + 1.00)				1.21

† Refer to the Credibility and Maximum Single Loss Table to determine the applicable adjusted expected loss ratio, maximum single loss, and credibility factor corresponding to the detrended premium determined in (1).

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EXPERIENCE RATING WORKSHEET

EXPERIENCE USED

	Latest Full Policy Year	Second Latest Full Policy Year	Third Latest Full Policy Year
	BI and PD	BI and PD	BI and PD
a. Current annual Manual $100,000 CSL premium			
b. Detrend factors			
c. Detrended premium (a x b)			
d. Adjusted expected loss ratio†			
e. Expected losses (c x d)			
f. Loss development factor			
g. Expected ultimate losses (e x f)			
h. Losses (paid, outstanding, and allocated claim expense)*			
i. Total adjusted losses (g + h)			

* For any one occurrence, limit the indemnity amount to $100,000 CSL; and limit the sum of the indemnity and allocated claim expense to the maximum single loss†.

DETERMINATION OF EXPERIENCE MODIFICATION

	Latest Full Policy Year	Second Latest Full Policy Year	Third Latest Full Policy Year	Total
(1) Detrended premium BI and PD (from c)				
(2) Total adjusted losses BI and PD (from i)				
(3) Actual loss ratio (2) ÷ (1)				
(4) Adjusted expected loss ratio†				
USE SIGNS – FOR CREDIT AND + FOR DEBIT				
(5) Credit [(4) – (3)] ÷ (4) OR Debit [(3) – (4)] ÷ (4)				
(6) Credibility factor†				
(7) Experience modification (5) x (6) stated as a percentage (DEBIT or CREDIT)				%
(8) Experience Modification Factor ((7) + 1.00)				

† Refer to the Credibility and Maximum Single Loss Table to determine the applicable adjusted expected loss ratio, maximum single loss, and credibility factor corresponding to the detrended premium determined in (1).

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***For the purposes of this Chapter, the words "regular" and "regularly" mean that the operations are contemplated, planned, or expected.**

Rule 71. ELIGIBILITY

This Chapter applies to trucks, truck-tractors, trailers, and semitrailers including pickups and vans (other than those rated under the provisions of the Private Passenger Chapter of this Manual) and not specifically treated in the Public, Auto Dealers, or Special Types and Operations Chapters of this Manual.

Rule 72. PREMIUM DEVELOPMENT—OTHER THAN ZONE RATED AUTOS

A. This Rule applies to

1. all light trucks and trailers used with light trucks;
2. all other trucks, tractors, and trailers that regularly operate within a 200-mile radius from the street address of principal garaging. For those autos regularly operating beyond a 200-mile radius, refer to Rule 73. Premium Development—Zone Rated Autos.

B. Determine the classification rating factors as follows:

1. Determine whether the risk is classified as fleet or nonfleet according to the Trucks, Tractors, and Trailers Classifications Rule (Rule 74).
2. Determine the primary rating factor from the Trucks, Tractors, and Trailers Classifications Rule (Rule 74) based on size class, business use class, and radius class.
3. Determine the secondary rating factor, if any, from the Trucks, Tractors, and Trailers Classifications Rule (Rule 74) based on the special industry classifications.
4. Determine the combined rating factor by adding the secondary rating factor to or subtracting it from the primary rating factor.
5. For trailers used with light trucks that regularly operate beyond a 200-mile radius, use the rating factor for the intermediate rating class.

C. **Premium Development**

1. Rating Territory

   Determine the rating territory from the territory definitions based on the street address of principal garaging.

   Note: For all light trucks where there is an unmarried male operator under age 25 and such autos is also used for private passenger purposes, use the highest premium developed by either the subparagraphs below or the Premium Development Rule (Rule 21) in the Private Passenger Chapter of this Manual.

2. Bodily injury and Property Damage Liability Coverage

   a. Determine the base rate from the rate schedules according to the following criteria:

      (1) Vehicles not eligible for PIP

      (2) 0–49% of regular operators have accepted tort limitations

      (3) 50–99% of regular operators have accepted the tort limitations

      (4) All regular operators have accepted the tort limitations

   b. Multiply the base rate by the combined rating factor.

3. No-Fault Coverage

   a. Determine the base rate from the rate schedules according to the following criteria:

      (1) Not covered by workers' compensation

      (2) Covered by workers' compensation

      (3) Guest PIP

      Note: Guest PIP for persons other than the named insured and resident relatives applies only when the named insured and all regular operators of the insured's autos have rejected the tort limitation.

   b. Trucks and Tractors

      Primary and secondary rating factors do not apply.

   c. Trailers

      (1) Multiply the base rate determined above by the primary rating factor.

      (2) Secondary rating factors do not apply.

D. Refer to the special provisions in Rule 74.D for applicability.

E. Refer to Rule 51 in the Commercial General Rules Chapter of this Manual for further development of the total premium.

Rule 73. PREMIUM DEVELOPMENT—ZONE RATED AUTOS

A. Except for light trucks and trailers used with light trucks, this Rule applies to trucks, tractors, and trailers regularly operated beyond a 200-mile radius from the street address of principal garaging.

B. Determine the zone combination for each auto as follows:

The zone combination is the zone of principal garaging and the highest rated zone in which or through which the auto is operated.

C. **Premium Development—Bodily Injury and Property Damage Liability and No-Fault Coverages**

1. Determine whether the auto is classified as fleet or nonfleet according to the Trucks, Tractors, and Trailers Classifications Rule (Rule 74).

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2. Determine the primary rating factor from the Trucks, Tractors, and Trailers Classifications Rule (Rule 74).
3. Determine the bodily injury and property damage liability base rate for the zone combination from the zone rating table.
4. Multiply the base rate by the primary rating factor.
5. For zone rated risks subject to the Kentucky No-Fault Law, the rates shall be determined as follows:
   a. Bodily Injury and Property Damage Liability Coverage
      (1) Multiply the rate as determined in 4 above by .87 for risks where the insured and 50–99% of the regular operators of the insured's motor vehicle have accepted the tort limitation.
      (2) Multiply the rate as determined in 4 above by .85 where the insured and all regular operators of the insured's motor vehicle have accepted the tort limitation.
   b. No-Fault Coverage
      (1) PIP—Multiply the rate determined in 4 above by .07.
      (2) Guest PIP—Multiply the PIP rate determined in (1) above by .15.
6. Refer to the special provisions in Rule 74.D for applicability.
7. Refer to Rule 51 in the Commercial General Rules Chapter of this Manual for further development of the total premium.

D. **Long Distance Zone Definitions**

1. Metropolitan Zones
   a. ATLANTA Zone—01

      Includes Clayton and Cobb Counties and Atlanta, Georgia territories.

   b. BALTIMORE/WASHINGTON Zone—02

      Includes Baltimore, Baltimore Suburban and Outer Suburban, Montgomery County Suburban and Outer Suburban, and Prince Georges County Suburban and Outer Suburban, Maryland territories; the entire District of Columbia; and Alexandria City, Arlington, Falls Church City, and Arlington—Alexandria Suburban, Virginia territories.

   c. BOSTON Zone—03

      Includes all of Essex, Middlesex, Norfolk, and Suffolk, Massachusetts Counties.

   d. BUFFALO Zone—04

      Includes Erie County (Balance), Buffalo, Buffalo Semisuburban, Buffalo Suburban, Niagara Falls, and Niagara Falls Suburban, New York territories.

   e. CHARLOTTE Zone—05

      Includes Charlotte and all of Mecklenburg County, North Carolina territories.

   f. CHICAGO Zone—06

      Includes all of Cook and Du Page County territories, Lake County (Balance), Waukegan—North Chicago, and all Chicago territories; and East Chicago, Indiana territory.

   g. CINCINNATI Zone—07

      Includes Cincinnati, Dayton, and Hamilton—Middletown, Ohio; and Covington—Newport, Kentucky territories.

   h. CLEVELAND Zone—08

      Includes all of Geauga, Lorain, and Medina County territories, Portage County (excluding the village of Mogadore), all Cleveland and Painesville, Ohio territories.

   i. DALLAS/FORT WORTH Zone—09

      Includes all of Dallas and Tarrant, Texas Counties.

   j. DENVER Zone—10

      Includes Denver and North Central, Colorado territories.

   k. DETROIT Zone—11

      Includes all Detroit, Dearborn, and Pontiac, Michigan territories.

   l. HARTFORD Zone—12

      Includes all of Hartford and New Haven Counties and Bridgeport and Fairfield—Stratford, Connecticut territories.

   m. HOUSTON Zone—13

      Includes all of Chambers, Galveston, and Harris, Texas Counties.

   n. INDIANAPOLIS Zone—14

      Includes all of Marion County, Indiana territory.

   o. JACKSONVILLE Zone—15

      Includes all of Jacksonville, Florida territory.

   p. KANSAS CITY Zone—16

      Includes all of Kansas City, Kansas; and Independence and all Kansas City, Missouri territories.

   q. LITTLE ROCK Zone—17

      Includes all of Pulaski County, Arkansas territory.

   r. LOS ANGELES Zone—18

      Includes all of Los Angeles and Orange Counties and also Riverside and San Bernardino, California territories.

   s. LOUISVILLE Zone—19

      Includes all of Jefferson County, Kentucky; and New Albany and Jeffersonville, Indiana territories.

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t. MEMPHIS Zone—20

Includes all of Shelby County, Tennessee territory.

u. MIAMI Zone—21

Includes Miami and Miami Beach, Florida territories.

v. MILWAUKEE Zone—22

Includes Kenosha, Milwaukee Metropolitan, Semisuburban, and Suburban, and Racine, Wisconsin territories.

w. MINNEAPOLIS/ST. PAUL Zone—23

Includes Minneapolis Metropolitan and Suburban; and St. Paul Metropolitan and Suburban, Minnesota territories.

x. NASHVILLE Zone—24

Includes all of Davidson County, Tennessee territory.

y. NEW ORLEANS Zone—25

Includes all of New Orleans, Louisiana territory.

z. NEW YORK CITY Zone—26

Includes all of New York City, Nassau, and Westchester, New York Counties; all of Bergen, Essex, and Hudson Counties, Elizabeth, New Brunswick, Perth Amboy, and Plainfield, New Jersey territories; and Darien—Greenwich and Stamford, Connecticut territories.

aa. OKLAHOMA CITY Zone—27

Includes all of Oklahoma County, Oklahoma territory.

bb. OMAHA Zone—28

Includes all of Douglas and Sarpy, Nebraska Counties; and Council Bluffs, Iowa territory.

cc. PHOENIX Zone—29

Includes Mesa—Tempe and Phoenix, Arizona territories.

dd. PHILADELPHIA Zone—30

Includes Bucks County (Balance), Chester County (Balance), Delaware County (Balance), Montgomery County (Balance), Allentown—Bethlehem, and all Philadelphia, Pennsylvania territories; Wilmington, Delaware; and Camden, Camden Suburban, and Trenton, New Jersey territories.

ee. PITTSBURGH Zone—31

Includes all of Allegheny and Beaver Counties, Pennsylvania territories.

ff. PORTLAND Zone—32

Includes all of Portland, Portland Semisuburban, and Portland Suburban, Oregon; and Vancouver, Washington territories.

gg. RICHMOND Zone—33

Includes all of Richmond, Virginia territory.

hh. ST. LOUIS Zone—34

Includes all of St. Louis County Missouri; and East St. Louis, Illinois territories.

ii. SALT LAKE CITY Zone—35

Includes all of Salt Lake City County, Utah territory.

jj. SAN FRANCISCO Zone—36

Includes all of Alameda, Contra Costa, Marin, San Francisco, San Mateo, and Santa Clara, California Counties.

kk. TULSA Zone—37

Includes all of Tulsa, Oklahoma territory.

2. Regional Zones

a. PACIFIC COAST Zone—40

Includes the states of California (excluding Los Angeles and San Francisco Zones), Oregon (excluding Portland Zone), and Washington (excluding Portland Zone).

b. MOUNTAIN Zone—41

Includes the states of Arizona, (excluding Phoenix Zone), Colorado (excluding Denver Zone), Idaho, Montana, Nevada, New Mexico, Utah (excluding Salt Lake City Zone), and Wyoming.

c. MIDWEST Zone—42

Includes the states of Iowa (excluding Omaha Zone), Kansas (excluding Kansas City Zone), Missouri (excluding Kansas City and St. Louis Zones), Minnesota (excluding Minneapolis/St. Paul Zone), Nebraska (excluding Omaha Zone), North Dakota, South Dakota, and Wisconsin (excluding Milwaukee Zone).

d. SOUTHWEST Zone—43

Includes the states of Arkansas (excluding Little Rock Zone), Oklahoma (excluding Oklahoma City and Tulsa Zones), and Texas (excluding Dallas/Fort Worth and Houston Zones).

e. NORTH CENTRAL Zone—44

Includes the states of Illinois (excluding Chicago and St. Louis Zones), Indiana (excluding Chicago, Indianapolis, and Louisville Zones), Ohio (excluding Cincinnati and Cleveland Zones), and Michigan (excluding Detroit Zone).

f. MIDEAST Zone—45

Includes the states of Kentucky (excluding Cincinnati and Louisville Zones), Tennessee (excluding Memphis and Nashville Zones), and West Virginia.

g. GULF Zone—46

Includes the states of Alabama, Louisiana (excluding New Orleans Zone), and Mississippi.

h. SOUTHEAST Zone—47

Includes the states of Florida (excluding Jacksonville and Miami Zones), Georgia (excluding

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TRUCKS, TRACTORS, AND TRAILERS

Atlanta Zone), North Carolina (excluding Charlotte Zone), South Carolina, and Virginia (excluding Baltimore/Washington and Richmond Zones).

i. EASTERN Zone—48

Includes the states of Delaware (excluding Philadelphia Zone), Maryland (excluding Baltimore/Washington Zone), New York (excluding Buffalo and New York City Zones), New Jersey (excluding New York City and Philadelphia Zones), and Pennsylvania (excluding Philadelphia and Pittsburgh Zones).

j. NEW ENGLAND Zone—49

Includes the states of Connecticut (excluding Hartford and New York City Zones), Maine, Massachusetts (excluding Boston Zone), New Hampshire, Rhode Island, and Vermont.

k. ALASKA Zone—50

Includes all of the state of Alaska.

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COMMERCIAL AUTO LIABILITY RATES
$60,000 SINGLE LIMIT—ZONE RATES
ZONE 07 (CINCINNATI) COMBINATIONS

★

ZONE	DESCRIPTION	CODE	NONFLEET	FLEET
01	Atlanta	201	$16,417	$11,492
02	Baltimore/Washington	202	15,782	11,047
03	Boston	203	13,925	9,748
04	Buffalo	204	15,782	11,047
05	Charlotte	205	16,417	11,492
06	Chicago	206	14,536	10,175
07	Cincinnati	207	14,536	10,175
08	Cleveland	208	14,536	10,175
09	Dallas/Ft. Worth	209	13,745	9,622
10	Denver	210	16,205	11,344
11	Detroit	211	14,536	10,175
12	Hartford	212	13,925	9,748
13	Houston	213	13,745	9,622
14	Indianapolis	214	14,536	10,175
15	Jacksonville	215	16,417	11,492
16	Kansas City	216	13,557	9,490
17	Little Rock	217	13,745	9,622
18	Los Angeles	218	14,453	10,117
19	Louisville	219	16,509	11,556
20	Memphis	220	16,509	11,556
21	Miami	221	16,417	11,492
22	Milwaukee	222	13,557	9,490
23	Minneapolis/St. Paul	223	13,557	9,490
24	Nashville	224	16,509	11,556
25	New Orleans	225	15,700	10,990
26	New York City	226	15,782	11,047
27	Oklahoma City	227	13,745	9,622
28	Omaha	228	13,557	9,490
29	Phoenix	229	16,205	11,344
30	Philadelphia	230	15,782	11,047
31	Pittsburgh	231	15,782	11,047
32	Portland	232	14,453	10,117
33	Richmond	233	16,417	11,492
34	St. Louis	234	13,557	9,490
35	Salt Lake City	235	16,205	11,344
36	San Francisco	236	14,453	10,117
37	Tulsa	237	13,745	9,622
40	Pacific	240	14,743	10,320
41	Mountain	241	16,532	11,572
42	Midwest	242	13,828	9,680
43	Southwest	243	14,026	9,818
44	North Central	244	14,830	10,381
45	Mideast	245	16,845	11,792
46	Gulf	246	16,017	11,212
47	Southeast	247	16,748	11,724
48	Eastern	248	16,104	11,273
49	New England	249	14,205	9,944

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TRUCKS, TRACTORS, AND TRAILERS

COMMERCIAL AUTO LIABILITY RATES
$60,000 SINGLE LIMIT—ZONE RATES
ZONE 19 (LOUISVILLE) COMBINATIONS

ZONE	DESCRIPTION	CODE	NONFLEET	FLEET
01	Atlanta	401	$16,417	$11,492
02	Baltimore/Washington	402	15,782	11,047
03	Boston	403	13,925	9,748
04	Buffalo	404	15,782	11,047
05	Charlotte	405	16,417	11,492
06	Chicago	406	14,536	10,175
07	Cincinnati	407	14,536	10,175
08	Cleveland	408	14,536	10,175
09	Dallas/Ft. Worth	409	13,745	9,622
10	Denver	410	16,205	11,344
11	Detroit	411	14,536	10,175
12	Hartford	412	13,925	9,748
13	Houston	413	13,745	9,622
14	Indianapolis	414	14,536	10,175
15	Jacksonville	415	16,417	11,492
16	Kansas City	416	13,557	9,490
17	Little Rock	417	13,745	9,622
18	Los Angeles	418	14,453	10,117
19	Louisville	419	16,509	11,556
20	Memphis	420	16,509	11,556
21	Miami	421	16,417	11,492
22	Milwaukee	422	13,557	9,490
23	Minneapolis/St. Paul	423	13,557	9,490
24	Nashville	424	16,509	11,556
25	New Orleans	425	15,700	10,990
26	New York City	426	15,782	11,047
27	Oklahoma City	427	13,745	9,622
28	Omaha	428	13,557	9,490
29	Phoenix	429	16,205	11,344
30	Philadelphia	430	15,782	11,047
31	Pittsburgh	431	15,782	11,047
32	Portland	432	14,453	10,117
33	Richmond	433	16,417	11,492
34	St. Louis	434	13,557	9,490
35	Salt Lake City	435	16,205	11,344
36	San Francisco	436	14,453	10,117
37	Tulsa	437	13,745	9,622
40	Pacific	440	14,743	10,320
41	Mountain	441	16,532	11,572
42	Midwest	442	13,828	9,680
43	Southwest	443	14,026	9,818
44	North Central	444	14,830	10,381
45	Mideast	445	16,845	11,792
46	Gulf	446	16,017	11,212
47	Southeast	447	16,748	11,724
48	Eastern	448	16,104	11,273
49	New England	449	14,205	9,944

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COMMERCIAL AUTO LIABILITY RATES
$60,000 SINGLE LIMIT—ZONE RATES
ZONE 45 (MIDEAST) COMBINATIONS

ZONE	DESCRIPTION	CODE	NONFLEET	FLEET
01	Atlanta	901	$16,748	$11,724
02	Baltimore/Washington	902	16,104	11,273
03	Boston	903	14,205	9,944
04	Buffalo	904	16,104	11,273
05	Charlotte	905	16,748	11,724
06	Chicago	906	14,830	10,381
07	Cincinnati	907	14,830	10,381
08	Cleveland	908	14,830	10,381
09	Dallas/Ft. Worth	909	14,026	9,818
10	Denver	910	16,532	11,572
11	Detroit	911	14,830	10,381
12	Hartford	912	14,205	9,944
13	Houston	913	14,026	9,818
14	Indianapolis	914	14,830	10,381
15	Jacksonville	915	16,748	11,724
16	Kansas City	916	13,828	9,680
17	Little Rock	917	14,026	9,818
18	Los Angeles	918	14,743	10,320
19	Louisville	919	16,845	11,792
20	Memphis	920	16,845	11,792
21	Miami	921	16,748	11,724
22	Milwaukee	922	13,828	9,680
23	Minneapolis/St. Paul	923	13,828	9,680
24	Nashville	924	16,845	11,792
25	New Orleans	925	16,017	11,212
26	New York City	926	16,104	11,273
27	Oklahoma City	927	14,026	9,818
28	Omaha	928	13,828	9,680
29	Phoenix	929	16,532	11,572
30	Philadelphia	930	16,104	11,273
31	Pittsburgh	931	16,104	11,273
32	Portland	932	14,743	10,320
33	Richmond	933	16,748	11,724
34	St. Louis	934	13,828	9,680
35	Salt Lake City	935	16,532	11,572
36	San Francisco	936	14,743	10,320
37	Tulsa	937	14,026	9,818
40	Pacific	940	15,424	10,797
41	Mountain	941	17,295	12,107
42	Midwest	942	14,467	10,127
43	Southwest	943	14,669	10,268
44	North Central	944	15,516	10,861
45	Mideast	945	17,622	12,335
46	Gulf	946	16,753	11,727
47	Southeast	947	17,521	12,265
48	Eastern	948	16,845	11,792
49	New England	949	14,863	10,404

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Rule 74. TRUCKS, TRACTORS, AND TRAILERS CLASSIFICATIONS

Classify trucks, tractors, and trailers as follows:

A. **Fleet—Nonfleet Classifications**

1. Classify as fleet the autos of any risk that has five or more self-propelled autos of any type that are under one ownership.
2. Do not include trailers in determining if the risk is a fleet, but apply the fleet classification to the trailers if the risk otherwise is classified as a fleet.
3. Classify the autos of any other risk as nonfleet.
4. Do not change the fleet or nonfleet classification because of midterm changes in the number of owned autos except at the request of the insured. The policy must be cancelled and rewritten in accordance with the Cancellations Rule (Rule 9).

B. **Primary Classifications**

1. Gross vehicle weight rating (GVWR) and gross combination weight (GCW) mean the following:
   a. GVWR—The maximum loaded weight for which a single auto is designed as specified by the manufacturer.
   b. GCW—The maximum loaded weight for a combination truck-tractor and semitrailer or trailer for which the truck-tractor is designed, as specified by the manufacturer.
2. Size Class
   a. Light Trucks—Trucks that have a GVWR of 10,000 pounds or less.
   b. Medium Trucks—Trucks that have a GVWR of 10,001–20,000 pounds.
   c. Heavy Trucks—Trucks that have a GVWR of 20,001–45,000 pounds.
   d. Extra Heavy Trucks—Trucks that have a GVWR over 45,000 pounds.
   e. Truck-Tractors—A truck-tractor is a motorized auto with or without body for carrying commodities or materials, equipped with a fifth-wheel coupling device for semitrailers.
      (1) Heavy Truck-Tractors—Truck-tractors that have a GCW of 45,000 pounds or less.
      (2) Extra Heavy Truck-Tractors—Truck-tractors that have a GCW over 45,000 pounds.
   f. Semitrailers—A semitrailer is a trailer equipped with a fifth-wheel coupling device for use with a truck-tractor with a GVWR over 3,000 pounds. This includes bogies used to convert containers into semitrailers.
   g. Trailers—Any unregistered trailer or any trailer with a GVWR over 3,000 pounds, other than semitrailer.
   h. Service or Utility Trailer—Any trailer or semitrailer with a registered GVWR of 3,000 pounds or less.
3. Business Use Class

   If a truck, tractor, or trailer has more than one use, use the highest rated classification unless 80% of the use is in a lower rated activity. In that case, use the lower rated classification.
   a. Service Use—For transporting the insured's personnel, tools, equipment, and incidental supplies to or from a job location.

      This classification is confined to autos principally parked at job locations for the majority of the working day or used to transport supervisory personnel between job locations. This classification applies to autos that have reduced exposure because their use is closely associated with the installation or service of appliances, fixtures, equipment, and other products. It includes autos used by artisan-type risks, such as carpenters, plumbers, and contractors. The delivery of a product to be installed or that has been repaired does not disqualify the auto from this classification.
   b. Retail Use—Autos used to pick up property from or deliver property to individual households. Deliveries of heating fuel, milk, groceries, drugs, and laundry are examples of the exposures in this classification. This class also includes parcel post and mail delivery where deliveries are primarily to private households.
   c. Commercial Use—Autos used for transporting property other than those autos defined as service or retail and all truckers.
4. Radius Class

   Determine radius on a straight line from the street address of principal garaging.
   a. Local—up to 50 Miles—The auto is not regularly operated beyond a radius of 50 miles from the street address where such auto is principally garaged.
   b. Intermediate—51 to 200 Miles—The auto is operated beyond a radius of 50 miles but not regularly beyond a radius of 200 miles from the street address where such auto is principally garaged.
   c. Long Distance—over 200 Miles—The auto is operated regularly beyond a 200-mile radius from the street address where such auto is principally garaged. Apply zone rates for other than light trucks and trailers used with light trucks.
5. Primary Classifications—Rating Factors—See the following tables.

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FLEET
PRIMARY CLASSIFICATIONS—RATING FACTORS AND CLASSIFICATION DESIGNATORS

Size Class	Business Use Class		Radius Class: Local Up to 50 Miles BI and PD	Radius Class: Intermediate 51 to 200 Miles BI and PD	Radius Class: Long Distance Over 200 Miles BI and PD
Light Trucks (0–10,000 lbs GVWR)	**Service**	**Factor** / **CD**	1.00 / 014– –	1.20 / 015– –	1.30 / 016– –
	Retail	**Factor** / **CD**	1.50 / 024– –	1.80 / 025– –	1.80 / 026– –
	Commercial	**Factor** / **CD**	1.35 / 034– –	1.65 / 035– –	1.75 / 036– –
					ZONE RATED
Medium Trucks (10,001–20,000 lbs GVWR)	**Service**	**Factor** / **CD**	1.05 / 214– –	1.25 / 215– –	.85 / 216– –
	Retail	**Factor** / **CD**	1.55 / 224– –	1.85 / 225– –	.85 / 226– –
	Commercial	**Factor** / **CD**	1.40 / 234– –	1.70 / 235– –	.85 / 236– –
Heavy Trucks (20,001–45,000 lbs GVWR)	**Service**	**Factor** / **CD**	1.10 / 314– –	1.40 / 315– –	1.00 / 316– –
	Retail	**Factor** / **CD**	1.65 / 324– –	2.05 / 325– –	1.00 / 326– –
	Commercial	**Factor** / **CD**	1.50 / 334– –	1.90 / 335– –	1.00 / 336– –
Extra Heavy Trucks (Over 45,000 lbs GVWR)		**Factor** / **CD**	2.10 / 404– –	2.70 / 405– –	1.45 / 406– –
Heavy Truck-Tractors (0–45,000 lbs GCW)	**Service**	**Factor** / **CD**	1.35 / 344– –	1.65 / 345– –	1.00 / 346– –
	Retail	**Factor** / **CD**	2.00 / 354– –	2.45 / 355– –	1.00 / 356– –
	Commercial	**Factor** / **CD**	1.85 / 364– –	2.30 / 365– –	1.00 / 366– –
Extra Heavy Truck-Tractors (Over 45,000 lbs GCW)		**Factor** / **CD**	2.35 / 504– –	3.00 / 505– –	1.45 / 506– –
Trailer Types					
Semitrailers		**Factor** / **CD**	.10 / 674– –	.15 / 675– –	.15 / 676– –
Trailers		**Factor** / **CD**	.10 / 684– –	.15 / 685– –	.15 / 686– –
Service or Utility Trailer (Registered GVWR of 3,000 lbs. or less)		**Factor** / **CD**	.00 / 694– –	.00 / 695– –	.00 / 696– –

Note: For statistical coding information, refer to statistical plan in use by company.

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TRUCKS, TRACTORS, AND TRAILERS

NONFLEET
PRIMARY CLASSIFICATIONS—RATING FACTORS AND CLASSIFICATION DESIGNATORS

Size Class	Business Use Class		Radius Class: Local Up to 50 Miles BI and PD	Radius Class: Intermediate 51 to 200 Miles BI and PD	Radius Class: Long Distance Over 200 Miles BI and PD
Light Trucks (0–10,000 lbs GVWR)	Service	Factor CD	1.00 011– –	1.20 012 –	1.30 013– –
	Retail	Factor CD	1.50 021– –	1.80 022– –	1.80 023– –
	Commercial	Factor CD	1.35 031 –	1.65 032– –	1.75 033– –
					ZONE RATED
Medium Trucks (10,001–20,000 lbs GVWR)	Service	Factor CD	1.05 211– –	1.25 212– –	.85 213– –
	Retail	Factor CD	1.55 221– –	1.85 222– –	.85 223– –
	Commercial	Factor CD	1.40 231– –	1.70 232– –	.85 233– –
Heavy Trucks (20,001–45,000 lbs GVWR)	Service	Factor CD	1.10 311– –	1.40 312– –	1.00 313– –
	Retail	Factor CD	1.65 321– –	2.05 322– –	1.00 323– –
	Commercial	Factor CD	1.50 331– –	1.90 332– –	1.00 333– –
Extra Heavy Trucks (Over 45,000 lbs GVWR)		Factor CD	2.10 401– –	2.70 402– –	1.45 403– –
Heavy Truck-Tractors (0–45,000 lbs GCW)	Service	Factor CD	1.35 341– –	1.65 342– –	1.00 343– –
	Retail	Factor CD	2.00 351– –	2.45 352– –	1.00 353– –
	Commercial	Factor CD	1.85 361– –	2.30 362– –	1.00 363– –
Extra Heavy Truck-Tractors (Over 45,000 lbs GCW)		Factor CD	2.35 501– –	3.00 502– –	1.45 503– –
Trailer Types					
Semitrailers		Factor CD	.10 671– –	.15 672– –	.15 673– –
Trailers		Factor CD	.10 681– –	.15 682– –	.15 683– –
Service or Utility Trailer (Registered GVWR of 3,000 lbs. or less)		Factor CD	.00 691– –	.00 692– –	.00 693– –

Note: For statistical coding information, refer to statistical plan in use by company.

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C. **Secondary Classification—Special Industry Class**

1. These rating factors do not apply to trailer types, light trucks other than farmers, and zone rated autos.

2. Where more than one secondary rating factor applies, use the highest rated classification unless 80% of the use is in a lower rated activity. In that case, use the lower rated classification.

Class Designator	Classification	Secondary Factor to Be Combined with Primary Factor
2—	Truckers—Autos used to haul or transport goods, materials, or commodities for another (other than autos used in moving operations) including tow trucks for hire	+0.65
3—	Food Delivery—Autos used by food manufacturers to transport raw and finished products or used in wholesale distribution of food	+0.40
4—	Specialized Delivery—Autos used in deliveries subject to time and similar constraints, such as but not limited to armored cars, film delivery, magazines or newspapers, and mail and parcel post	+0.65
5—	Waste Disposal—Autos transporting salvage and waste material for disposal or resale, such as but not limited to ash and garbage removal, autos dismantlers, building wrecking operations, and junk, metal, and scrap dealers	+0.25
6—	Farmers—Autos owned by a farmer, used in connection with the operation of his own farm and occasionally used to haul commodities for other farmers.	–0.50
7—	Dump and Transit Mix—(IMPORTANT: Use these factors only when no other secondary classification applies including the truckers secondary classification)	–0.20
9—	All Other—Not secondary rated, including all zone rated risks other than truckers. For zone rated truckmen use the applicable classification designator for truckers	0.00

D. **Special Provisions for Certain Risks**

1. Truckers. If the business of the insured involves transporting materials or commodities for another, the Truckers Rule (Rule 75) also applies.

2. Transporters of Liquid Products. A policy that covers an auto used for the bulk transportation of liquid products must exclude accidents resulting from the erroneous delivery of one liquid product for another, or the delivery of any liquid product into the wrong receptacle if the accident occurs after the operations have been completed. Attach the applicable Wrong Delivery of Liquid Products endorsement.

3. Amusement Devices. A policy that covers an auto with an amusement device mounted on it must cover the operation of the amusement device. Develop the additional premium by multiplying the trucks, tractors, and trailers bodily injury and property damage liability base premium by 1.60. The premium is for the period of coverage and not subject to any return.

4. Transporters of Explosives. A policy that covers an auto used for transporting explosives must exclude coverage for the explosion hazard. Attach the applicable Explosives endorsement. For coverage including the explosion hazard, refer to Rule 2.

5. Rolling Stores. A policy that covers autos equipped as a rolling store must exclude product liability. Attach the applicable Rolling Stores endorsement.

6. Trailers or Semitrailers Used as Showrooms. Multiply the trailer or semitrailer primary rating factor by 2.00. The policy must exclude product liability. Attach the applicable Rolling Stores endorsement.

7. Farmer's Wagons and Implements. The liability coverage on a policy that covers trucks, tractors, and trailers owned by a farmer used in the operation of his own farm and occasionally used to haul commodities for other farmers must apply at no additional charge to farm wagons and farm implements used with such autos. The coverage does not apply to home, office, store, display, or passenger trailers or to the operation of farm machinery.

8. Trucks Used for Out-Of-State Emergency Clean-Up Operations

A policy that covers an auto for bodily injury and property damage liability coverage shall be endorsed to provide the additional auto coverage for out-of-state operations. The request for such coverage must be in writing. For bodily injury and property damage liability coverage, charge the following:

a. Coverage for 60 days or less

Charge an additional premium of $3,000 per truck. This additional premium is fully earned and is due at the time of the request.

b. Coverage for 61 days or more

The policy shall be endorsed and rated in accordance with the territory where the clean-up operations are being conducted.

9. Trucks with Extended Weight Decals

The premium for a policy that covers an auto in excess of the maximum legal weight limit of 80,000 lbs. shall be increased as follows.

Multiply the bodily injury and property damage base premium by the following applicable factor:

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a. Tandem axle—1.03

b. Tridem axle—1.05

c. Tractor-semitrailer—1.07

Rule 75. TRUCKERS

A. **Eligibility**

A trucker is a person, firm, or corporation in the business of transporting goods, materials, or commodities for another. Such a risk is still in the truckers classification even if it calls itself or advertises as a contractor, building contractor, building material dealer, sand and gravel hauler, coal hauler, or some other similar name. Autos used in moving operations are also truckers, even though they are not subject to the truckers secondary rating factors.

B. **Premium Development—Bodily Injury and Property Damage Liability Coverage**

1. All Others

For all other persons, firms, or corporations transporting property for others

a. classify and rate owned and long term leased (i.e., six months or more and exclusive lease) autos for bodily injury and property damage liability coverage on a specified auto basis;

b. classify and rate short term leased (i.e., less than six months or nonexclusive lease) autos for bodily injury and property damage liability coverage on a cost of hire basis as follows:

(1) For autos not used in trucking operations, refer to Rule 123. Hired Autos.

(2) Autos Used in Trucking Operations

(a) Determine the radius of the risk's operation.

(b) Calculate a specified auto premium for the highest rated auto or combined tractor-trailer unit for the highest rated territory or zone to which it operates ("operates to" means from the garage location to the unloading location).

(c) Multiply the specified auto premium determined in (b) above by the following factor:

Factor
.0020

(d) Compute the advance premium by multiplying each $100 of the estimated total annual cost of hire by the cost of hire rate.

(e) Unless there is a change in exposure during the policy period, the advance premium computed at the beginning of the policy term is the earned premium.

(f) Compute the earned premium at the rates in force at the inception of the policy, in the same manner as was used to compute the advance premium.

(g) ★The minimum premium shall be $107 for $60,000 bodily injury and property damage liability combined single limits coverage, provided coverage for the hired autos of the risk is afforded by the same company that is insuring the owned autos of the risk; otherwise the minimum premium shall be the applicable specified auto premium calculated in accordance with paragraph B.1.b.(2)(b) above.✣

2. Refer to Rule 51 in the Commercial General Rules Chapter of this Manual for further development of the total premium.

C. **Definition of Cost of Hire**

1. Cost of hire means

a. the total dollar amount of costs incurred for the hire of autos (including trailers and semitrailers) and if not included therein;

b. the total remuneration of all operators' and drivers' helpers of hired autos whether hired with a driver or lessor or an employee of the lessee, or any other third party;

c. the total dollar amount of any other costs (i.e., repair, maintenance, fuel, etc.) directly associated with operating the hired autos whether such costs are absorbed by the insured, paid to the lessor or owner, or paid to others.

2. Cost of hire does not include the total dollar amount of costs incurred by the insured for hire or lease of autos specifically described in the policy as owned autos for which the premium has been established on a specified auto basis.

3. The cost of hire amount is subject to the following minimum:

a. Long Distance (as defined in Rule 74) Tractors or Tractor/Trailer Rigs

$$\text{Minimum Cost of Hire Per Hired Auto} = \frac{\$60{,}000}{365} \times \begin{pmatrix} \text{Number of Days} \\ \text{Auto is Hired} \end{pmatrix}$$

b. All Other Vehicles

A fair market value that encompasses the definition of cost of hire as detailed above. If the insured can demonstrate that a reasonable amount has been paid, the servicing carrier shall accept that amount as the fair market value, if the amount is supported by receipts or other appropriate documentation of costs which are reasonable and customary for the class of vehicle hired.

4. Reduction in Cost of Hire Expenses

All (100% of) estimated and actual cost of hire expenses must be reported to the servicing carrier. The servicing carrier will reduce any cost of hire expenses incurred for transportation by 85% if the requirements included in paragraphs a through c below are met. This reduction in the cost of hire expenses is only to be granted on hired auto expo-

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sures for which the owner maintains liability insurance with limits of liability at least equal to the Limit of Insurance for Liability Coverage shown on the insured's Declarations.

The insured must produce the following documentation:

a. Copies of any and all agreements between the insured and owner;

b. Freight bills/bills of lading in the owner's name alone (not acting as an agent or representative of the insured); and

c. Certificates of insurance issued by the owner's insurer confirming liability coverage in effect for the period of hire for at least the same limits of liability as the insured.

Rules 76–90. RESERVED FOR FUTURE USE

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TRUCKS, TRACTORS, AND TRAILERS

TRUCKS, TRACTORS, AND TRAILERS OTHER THAN ZONE RATED WORKSHEET

Rule 19—TERRITORY:	LIABILITY LIMITS: $
CODE:	UM AND UIM LIMITS: $
Rule 74—SIZE CLASS: L M H (Circle One)	PERSONAL INJURY PROTECTION: $
Rule 74—BUSINESS USE: S R C (Circle One)	
Rule 74—RADIUS CLASS: 50 200 (Circle One)	
SPECIAL INDUSTRY CLASS:	

COVERAGE	BASE RATE (Rate Schedules and Rule 58 and Rule 59)		PRIMARY RATING FACTOR (Rule 74)		SECONDARY RATING FACTOR (Rule 74)		INCREASED LIMITS FACTOR AND DEDUCTIBLES (Rule 52 and Rule 59)		POLLUTION LIABILITY FACTOR (Rule 53)		ACCIDENT PREVENTION DISCOUNT (Rule 61)		EXPERIENCE RATING MODIFICATION OR ADDITIONAL CHARGE (Rule 54 or Rule 3)		WHOLE DOLLAR PREMIUM
Liability		x(		+/-		)x		x		x		x		=	
UM			NA		NA		NA		NA		NA		NA	=	
UIM			NA		NA		NA		NA		NA		NA	=	
PIP		x	Trailers only		NA	x		x	NA	x		x		=	
Added PIP			NA		NA		NA		NA	x		x		=	
Guest PIP*			NA		NA		NA		NA		NA		NA	=	

TOTAL

*Guest PIP coverage applies when the named insured and all regular operators of the insured's auto have rejected the tort limitation.

Note: Does not include any applicable municipal/county taxes and the Kentucky premium surcharge.

Refer to Rule 4. Certified Risks—Financial Responsibility Filings;
Rule 56. Motor Carrier Filings.

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ZONE RATED TRUCKS, TRACTORS, AND TRAILERS WORKSHEET

Rule 73—ZONE:_____and_____	LIABILITY LIMITS: $
Rule 74—SIZE CLASS: L M H (Circle One)	UM AND UIM LIMITS: $
Rule 74—BUSINESS USE: S R C (Circle One)	PERSONAL INJURY PROTECTION: $
SPECIAL INDUSTRY CLASS:	

COVERAGE	BASE RATE (Rate Schedules and Rules 58, 59, and 73)		PRIMARY RATING FACTOR (Rule 74)		INCREASED LIMITS FACTOR AND DEDUCTIBLES (Rule 52 and Rule 59)		POLLUTION LIABILITY FACTOR (Rule 53)		ACCIDENT PREVENTION DISCOUNT (Rule 61)		EXPERIENCE RATING MODIFICATION OR ADDITIONAL CHARGE (Rule 54 or Rule 3)		WHOLE DOLLAR PREMIUM
Liability		x		x		x		x		x		=	
UM			NA		NA		NA		NA		NA	=	
UIM			NA		NA		NA		NA		NA	=	
PIP		x		x			NA	x		x		=	
Added PIP			NA		NA		NA	x		x		=	
Guest PIP*			NA		NA		NA		NA		NA	=	

TOTAL

*Guest PIP coverage applies when the named insured and all regular operators of the insured's auto have rejected the tort limitation.

Note: Does not include any applicable municipal/county taxes and the Kentucky premium surcharge.

Refer to Rule 4. Certified Risks—Financial Responsibility Filings;
Rule 56. Motor Carrier Filings.

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NOTES

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PUBLIC TRANSPORTATION CHAPTER

For the purposes of this Chapter, the words "regular" and "regularly" mean that operations are contemplated, planned, or expected

Rule 91. ELIGIBILITY

This Chapter applies to autos registered or used for the transportation of members of the public.

Rule 92. PREMIUM DEVELOPMENT—OTHER THAN ZONE RATED AUTOS

A. This Rule applies to

1. all taxis, limousines, school, church, and urban buses, and van pools;
2. all other public autos that regularly operate within a 200-mile radius from the street address of principal garaging. For those autos regularly operated beyond a 200-mile radius, refer to the Premium Development—Zone Rated Autos Rule (Rule 93).

B. **Premium Development—Bodily Injury and Property Damage Liability and No-Fault Coverages**

1. Determine the territory from the territory definitions based on the highest rated territory in the U.S.A. where the public auto is operated.
2. Determine the classification rating factor as follows:
   a. Determine whether the risk is classified as fleet or nonfleet according to the Public Auto Classifications Rule (Rule 94).
   b. Determine the primary rating factor from the Public Auto Classifications Rule (Rule 94) based on use class and radius class. For van pools, the rating factor is based on seating capacity.
   c. Determine the secondary rating factor, if any, from the Public Auto Classifications Rule (Rule 94) based on the seating capacity.
   d. Determine the combined rating factor by adding the secondary rating factor to, or subtracting it from, the primary rating factor.
3. Determine the base rate from the rate schedules according to the following criteria:
   a. Bodily Injury and Property Damage Liability Coverage
      (1) Vehicles not eligible for PIP
      (2) 0–49% of regular operators have accepted tort limitations
      (3) 50–99% of regular operators have accepted the tort limitations
      (4) All regular operators have accepted the tort limitation
   b. Multiply the base rate by the combined rating factor.
4. No-Fault Coverage
   a. Determine the base rate from the rate schedules according to the following criteria:
      (1) Taxicabs and limousines—owner operated or other than owner operated
      (2) Van pools—employer furnished or all other
      (3) School and church buses—PIP
      (4) Other buses—PIP
      (5) Guest PIP

      Note: Guest PIP for persons other than the named insured and resident relatives applies only when the named insured and all regular operators of the insured's autos have rejected the tort limitation.
   b. Multiply the base rate by the combined rating factor.

C. Refer to Rule 51 in the Commercial General Rules Chapter of this Manual for further development of the total premium.

Rule 93. PREMIUM DEVELOPMENT—ZONE RATED AUTOS

A. This Rule applies to all public autos, other than taxis, limousines, school, church, and urban buses, or van pools, that regularly operate beyond a 200-mile radius from the street address of principal garaging.

B. Determine the zone combination for each auto as follows:

1. Use the long distance zone definitions in the Trucks, Tractors, and Trailers Chapter.
2. The zone combination is the zone of principal garaging and the highest rated zone in which or through which the auto is operated.

C. **Premium Development—Bodily Injury and Property Damage Liability and No-Fault Coverages**

1. Determine the classification rating factor as follows:
   a. Determine whether the auto is classified as fleet or nonfleet according to the Public Auto Classifications Rule (Rule 94).
   b. Determine the primary rating factor from the Public Auto Classifications Rule (Rule 94).
   c. Secondary rating factors do not apply.
2. Determine the base rate for the zone combination from the Zone Rating Table in the Trucks, Tractors, and Trailers Chapter.
3. Multiply the base rate by the primary rating factor.
4. For zone rated risks subject to the Kentucky No-Fault Law, the rates shall be determined as follows:
   a. Bodily Injury and Property Damage Liability
      (1) Multiply the rate as determined in 3 above by .87 for risks where the insured and 50–

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99% of the regular operators of the insured's motor vehicle have accepted the tort limitation.

(2) Multiply the rate as determined in 3 above by .85 where the insured and all regular operators of the insured's motor vehicle have accepted the tort limitation.

b. No-Fault Coverage

(1) PIP—Multiply the rate determined in 3 above by .07.

(2) Guest PIP—Multiply the PIP rate determined in (1) above by .15.

5. Refer to Rule 51 in the Commercial General Rules Chapter of this Manual for further development of the total premium.

Rule 94. PUBLIC AUTO CLASSIFICATIONS

Classify public autos as follows:

A. If an auto has more than one use, use the highest rated classification unless 80% of the use is in a lower rated activity. In such cases, use the lower rated classification. This does not apply to autos hired under contract by social service agencies as defined in paragraph C.2.m.(2)(c) below.

B. **Fleet—Nonfleet Classification**

1. Classify as fleet the autos of any risk that has five or more self-propelled autos of any type that are under one ownership.

2. Do not include trailers in determining if the risk is a fleet, but apply the fleet classification to the trailers if the risk otherwise is classified as a fleet.

3. Classify the autos of any other risk as nonfleet.

4. Do not change the fleet or nonfleet classification because of midterm changes in the number of owned autos except at the request of the insured. The policy must be canceled and rewritten in accordance with the Cancellations Rule (Rule 9).

C. **Primary Classifications**

1. Radius Class—Determine radius on a straight line from the street address of principal garaging.

a. Local—up to 50 Miles—The auto is not regularly operated beyond a radius of 50 miles from the street address where such auto is principally garaged.

b. Intermediate—51 to 200 Miles—The auto is operated beyond a radius of 50 miles but not regularly beyond a radius of 200 miles from the street address where such auto is principally garaged.

c. Long Distance—over 200 Miles—The auto is operated regularly beyond a 200-mile radius from the street address where such auto is principally garaged. Apply zone rates for all autos other than taxis, limousines, school, church, and urban buses, and van pools.

2. Use Class

a. Taxicab or Similar Passenger Carrying Service. A metered or unmetered auto with a seating capacity of eight or less that is operated for hire by the named insured or an employee, but does not pick up, transport, or discharge passengers along a route.

b. Limousine. An unmarked auto that meets all of the following criteria:

(1) Is hired for a minimum of three hours on a prearranged basis for special or business functions, weddings, funerals, or similar purposes.

(2) Is operated by the named insured or an employee of the named insured in attendance as a chauffeur at the beginning and ending of the function.

(3) Is licensed by the appropriate licensing authority, if any.

c. School Bus. An auto that carries students or other persons to and from school, or in any school activity, including games, outings, and similar school trips.

(1) Separate rating factors apply to

(a) school buses owned by political subdivisions or school districts;

(b) all others including independent contractors, private schools, and church owned buses.

(2) A policy covering a school bus may be written on an annual term for liability coverages with premium prorated to reflect the actual school term if the auto is inactive during the summer. However, do not give credit for Saturdays, Sundays, or holidays or for any other periods of lay-up during the school term.

(3) If a publicly owned school bus is used for special trips unrelated to school activities, refer to Rule 2 for the additional charge.

d. Church Bus. An auto used by a church to transport persons to or from services and other church related activities. This classification does not apply to public autos used primarily for daily school activities.

e. Intercity Bus. An auto that picks up and transports passengers on a published schedule of stops between stations located in two or more towns or cities.

f. Urban Bus. An auto that picks up, transports, and discharges passengers at frequent local stops along a prescribed route. This classification applies only to autos operated principally within the limits of a city or town and communities contiguous to such city or town, and includes scheduled express service between points on that route.

g. Airport Bus or Airport Limousine. An auto for hire that transports passengers between airports and other passenger stations or motels.

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h. Charter Bus. An auto chartered for special trips, touring, picnics, outings, games, and similar uses.

i. Sightseeing Bus. An auto accepting individual passengers for a fare for sightseeing or guided tours, making occasional stops at certain points of interest and returning the passengers to the point of origin.

j. Transportation of Athletes and Entertainers. An auto owned by a group, firm, or organization that transports its own professional athletes, musicians, or other entertainers.

EXCEPTIONS:

(1) An auto owned by a group, firm, or organization to transport its own nonprofessional athletes, musicians, or entertainers, rate as a public auto not otherwise classified.

(2) If it is used to transport other professional athletes or entertainers, rate as a charter bus.

k. Van Pools. An auto of the station wagon, van, truck, or bus type used to provide prearranged commuter transportation for employees to and from work and not otherwise used to transport passengers for a charge.

(1) Employer Furnished Transportation. Transportation is held out by the employer as an inducement to employment, a condition of employment, or is incident to employment.

(a) Employer Owned Autos. Autos owned or leased for one year or more by an employer and used to provide transportation only for his or her employees.

(b) Employee Owned Autos. Autos owned or leased for one year or more by an individual employee and used to provide transportation only for fellow employees of his or her employer.

(2) All Other. Autos that do not meet the eligibility requirements of paragraph (1) above.

l. Transportation of Employees—Other than Van Pools. Autos of any type used to transport employees other than in van pools.

(1) Autos owned, or leased for one year or more, by an employer and used to transport only his or her own employees.

(a) Private Passenger Autos

Bodily Injury and Property Damage Liability Coverage—Charge Private Passenger Class 3 rates shown on the rate schedules in the Private Passenger Chapter of this Manual.

(b) All Other Autos. Rate as a van pool.

(2) Autos owned or leased for one year or more by a person or organization who is in the business of transporting employees of one or more employers. Rate as public auto not otherwise classified.

m. Social Service Agency Auto

An auto used by a government entity, civic, charitable, or social service organization to provide transportation to clients incident to the social services sponsored by the organization, including special trips and outings.

(1) This classification includes, for example, autos used to transport

(a) senior citizens or other clients to congregate meal centers, medical facilities, social functions, shopping centers;

(b) handicapped persons to work or rehabilitative programs;

(c) children to day care centers and Head Start programs;

(d) Boy Scout or Girl Scout groups to planned activities.

(2) The following autos are eligible for this classification:

(a) Autos owned or leased for one year or more by the social service agency

(b) Autos donated to the social service agency, without a driver

(c) Autos hired under contract and used 100% for social service agencies

(3) If an auto has more than one use, use the highest rated classification unless 80% of the use is in a lower rated activity. In that case, use the lower rated classification. This does not apply to autos hired under contract by social service agencies.

(4) Separate codes and rating factors apply to

(a) employee-operated autos. Autos operated by employees of the social service agency. If a social service auto is also operated by volunteer drivers or other nonagency employees, use the all other classification unless 80% of the use is by agency employees;

(b) all other. Autos that do not meet the requirements of paragraph (a).

n. Public Auto Not Otherwise Classified. This classification includes, but is not limited to, autos such as country club buses, cemetery buses, real estate development buses.

o. Primary Classifications—Rating Factors and Classification Designators—See the following tables.

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PUBLIC TRANSPORTATION

FLEET
PRIMARY CLASSIFICATIONS—RATING FACTORS AND CLASSIFICATION DESIGNATORS

Taxicabs and Limousines		Radius		
		Local Up to 50 Miles	Intermediate 51 to 200 Miles	Long Distance Over 200 Miles
		BI and PD	BI and PD	BI and PD
Taxicab or Similar Passenger Carrying Service	**Factor**	1.00	1.15	1.25
	CD	4189	4199	4109
Limousine	**Factor**	.40	.45	.50
	CD	4289	4299	4209

School Buses and Church Buses				
School Bus Owned by Political Subdivision or School District	**Factor**	1.20	1.40	1.50
	CD	618	619	610
Other School Bus	**Factor**	1.50	1.75	1.90
	CD	628	629	620
Church Bus	**Factor**	1.00	1.15	1.25
	CD	638	639	630

Other Buses				
Urban Bus	**Factor**	.80	.90	
	CD	518	519	
				ZONE RATED
Airport Bus or Airport Limousine	**Factor**	.70	.80	1.10
	CD	528	529	5209
Intercity Bus	**Factor**	1.05	1.20	1.85
	CD	538	539	5309
Charter Bus	**Factor**	1.00	1.15	1.85
	CD	548	549	5409
Sightseeing Bus	**Factor**	.75	.85	1.65
	CD	558	559	5509
Trans. of Athletes and Entertainers	**Factor**	.45	.50	1.00
	CD	568	569	5609
Social Service Auto Employee-Operated	**Factor**	.55	.65	.95
	CD	648	649	6409
Social Service Auto All Other	**Factor**	.50	.60	.95
	CD	658	659	6509
Public Auto NOC	**Factor**	.55	.65	.95
	CD	588	589	5809

Van Pools		Seating Capacity			
		1 to 8	9 to 20	21 to 60	Over 60
		BI and PD	BI and PD	BI and PD	BI and PD
Employer Furnished	**Factor**	1.00	1.05	1.10	1.50
	CD	4111	4112	4113	4114
All Other	**Factor**	1.10	1.15	1.35	1.75
	CD	4121	4122	4123	4124

Note: For statistical coding information, refer to statistical plan in use by company.

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NONFLEET
PRIMARY CLASSIFICATIONS—RATING FACTORS AND CLASSIFICATION DESIGNATORS

Taxicabs and Limousines		Radius		
		Local Up to 50 Miles	Intermediate 51 to 200 Miles	Long Distance Over 200 Miles
		BI and PD	BI and PD	BI and PD
Taxicab or Similar Passenger Carrying Service	**Factor**	1.00	1.15	1.25
	CD	4159	4169	4179
Limousine	**Factor**	.40	.45	.50
	CD	4259	4269	4279

School Buses and Church Buses				
School Bus Owned by Political Subdivision or School District	**Factor**	1.20	1.40	1.50
	CD	615	616	617
Other School Bus	**Factor**	1.50	1.75	1.90
	CD	625	626	627
Church Bus	**Factor**	1.00	1.15	1.25
	CD	635	636	637

Other Buses				
Urban Bus	**Factor**	.80	.90	
	CD	515	516	
				ZONE RATED
Airport Bus or Airport Limousine	**Factor**	.70	.80	1.10
	CD	525	526	5279
Intercity Bus	**Factor**	1.05	1.20	1.85
	CD	535	536	5379
Charter Bus	**Factor**	1.00	1.15	1.85
	CD	545	546	5479
Sightseeing Bus	**Factor**	.75	.85	1.65
	CD	555	556	5579
Trans. of Athletes and Entertainers	**Factor**	.45	.50	1.00
	CD	565	566	5679
Social Service Auto Employee-Operated	**Factor**	.55	.65	.95
	CD	645	646	6479
Social Service Auto All Other	**Factor**	.50	.60	.95
	CD	655	656	6579
Public Auto NOC	**Factor**	.55	.65	.95
	CD	585	586	5879

Van Pools		Seating Capacity			
		1 to 8	9 to 20	21 to 60	Over 60
		BI and PD	BI and PD	BI and PD	BI and PD
Employer Furnished	**Factor**	1.00	1.05	1.10	1.50
	CD	4111	4112	4113	4114
All Other	**Factor**	1.10	1.15	1.35	1.75
	CD	4121	4122	4123	4124

Note: For statistical coding information, refer to statistical plan in use by company.

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PUBLIC TRANSPORTATION

D. **Secondary Classifications—Seating Capacity**

1. Use the seating capacity specified by the manufacturer of the auto unless a public authority rules otherwise.

2. Do not include the driver's seat when determining seating capacity.

These classifications do not apply to taxicabs, limousines (except airport limousines), van pools, and zone rated autos.

Class Designator	Seating Capacity	Secondary Factor to Be Combined with Primary Factor Liability Factor: School Buses and Church Buses	Secondary Factor to Be Combined with Primary Factor Liability Factor: Other Buses
1	1 to 8	.00	–.20
2	9 to 20	+.10	–.15
3	21 to 60	+.25	+.15
4	Over 60	+.50	+.40
9	All Other—Not Secondary Rated		

Rule 95. TRANSPORTATION OF SEASONAL OR MIGRANT FARM WORKERS

A. **Eligibility**

This Rule applies only to liability coverage for autos used to transport seasonal or migrant agricultural workers in accordance with the Migrant and Seasonal Agricultural Worker Protection Act.

B. **Premium Development**

1. Multiply the Other Bus base rate on the rate schedules for the highest rated territory in which or through which the auto will be customarily operated by the following factor:

Truck Types	.60
All Other Autos	.50

These rates contemplate the passenger hazard. The passenger hazard may not be excluded.

2. No secondary factors apply.

3. Refer to Rule 51 in the Commercial General Rules Chapter of this Manual for further development of the total premium.

C. Attach the Transportation of Seasonal or Migrant Agricultural Workers endorsement.

Rules 96–100. RESERVED FOR FUTURE USE

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PUBLIC TRANSPORTATION AUTOS OTHER THAN ZONE RATED WORKSHEET

COVERAGE	BASE RATE (Rate Schedules and Rule 58 and Rule 59)		PRIMARY RATING FACTOR (Rule 94)		SECONDARY RATING FACTOR (Rule 94)		INCREASED LIMITS FACTOR AND DEDUCTIBLES (Rule 52 and Rule 59)		ACCIDENT PREVENTION DISCOUNT (Rule 61)		EXPERIENCE RATING MODIFICATION OR ADDITIONAL CHARGE (Rule 54 or Rule 3)		WHOLE DOLLAR PREMIUM
Liability		x(		+/-		)x		x		x		=	
UM			NA		NA		NA		NA		NA	=	
UIM			NA		NA		NA		NA		NA	=	
PIP		x(		+/-		)x		x		x		=	
Added PIP			NA		NA		NA	x		x		=	
Guest PIP*			NA		NA		NA		NA		NA	=	

TOTAL

*Guest PIP coverage applies when the named insured and all regular operators of the insured's auto have rejected the tort limitation.

Note: Does not include any applicable municipal/county taxes and the Kentucky premium surcharge.

Refer to Rule 4. Certified Risks—Financial Responsibility Filings;
Rule 56. Motor Carrier Filings.

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PUBLIC TRANSPORTATION

ZONE RATED PUBLIC TRANSPORTATION AUTOS WORKSHEET

COVERAGE	BASE RATE (Rate Schedules and Rules 58, 59, and 73)		PRIMARY RATING FACTOR (Rule 94)		INCREASED LIMITS FACTOR AND DEDUCTIBLES (Rule 52 and Rule 59)		ACCIDENT PREVENTION DISCOUNT (Rule 61)		EXPERIENCE RATING MODIFICATION OR ADDITIONAL CHARGE (Rule 54 or Rule 3)		WHOLE DOLLAR PREMIUM
Liability		x		x		x		x		=	
UM			NA		NA		NA		NA	=	
UIM			NA		NA		NA		NA	=	
PIP		x		x		x		x		=	
Added PIP			NA		NA	x		x		=	
Guest PIP*			NA		NA		NA		NA	=	

TOTAL

*Guest PIP coverage applies when the named insured and all regular operators of the insured's auto have rejected the tort limitation.

Note: Does not include any applicable municipal/county taxes and the Kentucky premium surcharge.

Refer to Rule 4. Certified Risks—Financial Responsibility Filings;
Rule 56. Motor Carrier Filings.

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Rule 101. ELIGIBILITY

A. This Chapter applies only to risks whose business is primarily that of franchised and nonfranchised auto dealers and trailer dealers.

B. This section does not apply to the following operations:

1. Sale of auto parts unless incidental to an otherwise eligible operation
2. Auto sales without an owned or leased commercial premises for office and display of autos, etc. as required by the Motor Vehicle Commission
3. Restrictive/auto recycling dealer unless the risk is also an auto dealer and complies with the requirements of the Motor Vehicle Commission for auto dealers

C. **Classifications**

Only one of the following classifications applies to a risk for liability coverages.

1. Franchised private passenger auto dealer (with or without any other type of franchise)
2. Franchised truck or truck-tractor dealer (with or without any other type of franchise except private passenger auto franchise)
3. Franchised motorcycle dealer (no private passenger or truck franchise)
4. Franchised recreational vehicle dealer (no private passenger, snowmobile, or residence type mobile home trailer franchise)
5. Other franchised self-propelled land motor vehicle dealer
6. Nonfranchised dealer (any risk described above that is not a franchised dealer)
7. Franchised and nonfranchised residence trailer dealers
8. Franchised and nonfranchised commercial trailer dealers
9. Other franchised and nonfranchised trailer dealers

D. Operations not incidental to the above classifications may be excluded by use of Endorsement CA 25 07.

E. Refer to the Rate Determination Section (Section 47) of the Plan if the hazard of the risk is greater than that contemplated by the rates.

Rule 102. PREMIUM DEVELOPMENT

A. For each location, determine the rating territory from the territory definitions based on street address.

B. Compute the advance premium at inception and the earned premium as developed by audit separately for each location according to the following procedures.

C. **Without Full Covered Autos Liability and No-Fault Limit for Customers**

1. Determine the base rate from the rate schedules according to the following criteria:

a. Bodily Injury and Property Damage Liability Coverage

(1) Vehicles not eligible for PIP

(2) 0–49% of regular operators have accepted the tort limitation

(3) 50–99% of the regular operators have accepted the tort limitation

(4) All regular operators have accepted the tort limitation

b. No-Fault Coverage

Determine the base rate from the rate schedules according to the following criteria:

(1) PIP

(2) Guest PIP

Note: Guest PIP for persons other than the named insured and resident relatives applies only when the named insured and all regular operators of the insured's autos have rejected the tort limitation.

2. Franchised and Nonfranchised Trailer Dealers

a. Determine the number of rating units by multiplying the total number of employees by the following factor:

Factor
0.45

b. Multiply the number of rating units determined above by the Auto Dealer's rate shown on the rate schedules.

3. All Other Auto Dealer Risks

a. Determine the total rating units as follows:

(1) Class I—Employees

(a) Determine the number of the following employees:

- Proprietors, partners, and officers active in the business
- Sales persons, general managers, service managers
- Any employee whose principal duty involves the operation of autos or who is furnished a covered auto

Multiply the number of each type employee listed below by the appropriate factor:

	Factor
Full-time employees working 20 hours or more per week	1.00
Part-time employees working less than 20 hours per week	.50

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AUTO DEALERS

(b) Determine the number of all other employees not included in paragraph (a).

Multiply the number of each type employee listed below by the appropriate factor:

	Factor
All other full-time employees working an average of at least 20 hours per week	.40
All other part-time employees	.20

(c) Add the results of (a) and (b) to determine the number of Class I rating units.

(2) Class II—Nonemployees

(a) Determine the number of the following persons who are regularly furnished with a covered auto:

- Proprietors, partners, and officers who are not active in the business
- Family members of an employee
- Family members of an inactive proprietor, partner, and officer

(b) Multiply each individual listed above by the appropriate factor in the following table, based on the age of each individual, and add the results to determine the number of Class II risks. If more than one person has use of the same furnished auto, use only the factor for the highest rated operator in determining rating units.

Age of Individual	Factor
Under Age 25	1.15
Age 25 or Over	.50

(3) Autos Held for Sale (at any one time)

Determine the number of rating units as follows:

Number of Autos for Sale at Any One Time	Rating Units
1– 5	.05
6– 15	.15
16– 25	.25
26– 50	.50
51– 75	.75
76–100	1.00
101–250	1.50
251–500	2.00
Over 500	Refer to Plan

b. Add the number of Class I rating units in 3.a.(1)(c) to the number of Class II rating units in 3.a.(2)(b) and to the number of rating units in 3.a.(3) to determine the total number of rating units.

c. Multiply the Auto Dealer rates shown on the rate schedules by the total rating units.

d. The minimum liability premium is the Auto Dealer rate shown on the rate schedule for the highest rated location multiplied by the following factor:

Factor
2.00

This rating factor is to be increased by the number of rating units determined in paragraph a.(3) above.

4. Specifically Registered Autos, Including, but not Limited to, Private Passenger Autos, Tow Trucks, Vans, Flatbeds, etc.

Rate on a specified car basis in accordance with their appropriate classification.

5. Autos Furnished for Regular Use to Other than Class I or Class II Operators

Compute the premiums for all coverages by using the rating territory where the dealer is located for each owned auto as follows:

a. Private Passenger Autos. Multiply the Private Passenger base rates by the Class 3 factor determined from the Private Passenger Auto Rate Chapter.

b. Trucks, Tractors, and Trailers. Charge the premiums developed by the applicable trucks, tractors, and trailers classification.

6. Pick Up or Delivery of Autos

a. If the exposure for nonfranchised dealer includes the pick up or delivery of autos beyond a 50-mile radius of the limits of the city or town where operations are conducted, rate each driver per trip for such pick up or delivery operations as follows:

Mileage	Per Driver per Trip Liability Rates $60,000 Combined Single Limit
51–200 miles	$46
Over 200 miles	★65✣

b. To determine the minimum premium, multiply the Private Passenger base rates by the Class 3 factor determined from the Private Passenger Auto Rate Chapter for the rating territory where the auto dealer is located.

D. Refer to Rule 51 in the Commercial General Rules Chapter of this Manual for further development of the total premium.

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Rule 103. ADDITIONAL PROVISIONS FOR AUTO DEALERS AND TRAILER DEALERS

A. **Elevators**

1. Coverage for elevators is included. Make a charge for legally required inspections made by or for the company.

2. Rates

Elevator Inspection Charges

The following flat charges apply per elevator, per year, to all risks with an elevator exposure for legally required inspections made by or on behalf of the company:

	★ Passenger	All Other
Elevators with 3 landings or less; hoists, manlifts, and inclinators	$ 83	$41
4 to 10 landings	95	50
11 to 25 landings	124	62
Over 25 landings	162	83

✣

These charges are not subject to adjustment.

B. **Escalators**

Coverage for escalators used for raising or lowering passengers may be added.

1. Escalator Bodily Injury and Property Damage Liability Rates

★For bodily injury and property damage at a $60,000 limit, charge $5,507.

2. Inspection Charge

A flat charge of $149 per landing per year applies for legally required inspections of escalators made by or on behalf of the company.✣

This charge is not subject to adjustment and is added to the total limits escalator bodily injury and property damage liability rate, referred to in paragraph 1 above.

Rules 104–120. RESERVED FOR FUTURE USE

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AUTO DEALERS

AUTO DEALER RATING WORKSHEET

I. Operators with and without accidents and convictions based on the following categories:

Class I	**Rating Unit Factors**		**Penalty Point Values (Rule 3)**		**Rating Units**
Each proprietor, partner, and officer active in the business, sales person, general manager, service manager, and any employee whose principal duty involves the operation of autos or who is furnished a covered auto					
Full Time					
_____	1.00	X	_____	=	_____
_____	1.00	X	_____	=	_____
_____	1.00	X	_____	=	_____
Part Time					
_____	0.50	X	_____	=	_____
_____	0.50	X	_____	=	_____
_____	0.50	X	_____	=	_____
All other employees					
Full Time					
_____	0.40	X	_____	=	_____
_____	0.40	X	_____	=	_____
_____	0.40	X	_____	=	_____
Part Time					
_____	0.20	X	_____	=	_____
_____	0.20	X	_____	=	_____
_____	0.20	X	_____	=	_____
Class II					
All other people who are regularly furnished a covered auto					
Under Age 25					
_____	1.15	X	_____	=	_____
_____	1.15	X	_____	=	_____
_____	1.15	X	_____	=	_____
Age 25 and Over					
_____	0.50	X	_____	=	_____
_____	0.50	X	_____	=	_____
_____	0.50	X	_____	=	_____

Subtotal Rating Units _____ (minimum of 2.00)

II. Number of autos held for sale at any one time

Number of Autos Held For Sale at Any One Time _____

Autos Held for Sale Rating Units _____
(1–5 = .05, 6–15 = .15, 16–25 = .25, 26–50 = .50, 51–75 = .75, 76–100=1.00, 101–250 = 1.50, 251–500 = 2.00)

Total Rating Units _____

III. Number of dealer plates _____

Refer to Rule 102 for rating of minimum premium; autos furnished for regular use to other than Class I or Class II operators; specifically registered autos; and the exposure for nonfranchised auto dealer of the pick up or delivery of autos beyond a 50-mile radius of the location where operations are conducted.

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AUTO DEALER RATING WORKSHEET

COVERAGE	BASE RATE (Rate Schedules and Rule 58 and Rule 59)		PIP DEDUCTIBLE PERCENTAGE (Rule 59)		RATING UNITS		NO. OF DEALER PLATES		INCREASED LIMITS FACTOR (Rule 52)		ACCIDENT PREVENTION DISCOUNT (Rule 61)		EXPERIENCE RATING MODIFICATION (Rule 54)		WHOLE DOLLAR PREMIUM
Liability			NA	x			NA	x		x		x		=	
UM			NA		NA	x			NA		NA		NA	=	
UIM			NA		NA	x			NA		NA		NA	=	
PIP		x		x			NA		NA	x		x		=	
Added PIP			NA	x			NA		NA	x		x		=	
Guest PIP*			NA	x			NA		NA		NA		NA	=	

TOTAL

*Guest PIP coverage applies when the named insured and all regular operators of the insured's auto have rejected the tort limitation.

Note: Does not include any applicable municipal/county taxes and the Kentucky premium surcharge.

Refer to Rule 4. Certified Risks–Financial Responsibility Filings.

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NOTES

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Rule 121. PREMIUM DEVELOPMENT

A. This Chapter contains the rules governing the writing of insurance for the operation of autos not owned by the insured.

B. The bodily injury and property damage liability premiums for commercial nonowned auto exposures shall be determined as follows:

1. Follow the rating instructions from the applicable rule.

2. Refer to Rule 51 in the Commercial General Rules Chapter of this Manual for further development of the total premium.

Rule 122. DRIVE OTHER CAR COVERAGE

A. A policy may be extended to provide drive other car coverage to the following individuals for their liability arising out of the use of any other auto by them or by others:

1. The named insured, if an individual and the owner or rentee of an auto covered by the policy, or if a married couple either or both of whom own or rent such auto

2. The spouse of such individual if a resident of the same household

3. One or more named coowners or partners, if the auto covered by the policy is owned jointly by two or more individuals, other than a married couple, or owned by a partnership

B. ★Rates per Individual—$56 for $60,000 bodily injury and property damage limit.✣

C. Attach the appropriate Drive Other Car Coverage endorsement.

Rule 123. HIRED AUTOS

A. This Rule applies to risks other than truckers hiring autos for use in their trucking operations and public transportation autos.

For truckers hiring autos for use in their trucking operations, refer to Rule 75. Truckers.

For moving van associations and freight forwarding operations, refer to Rule 2 for rating.

Note: This is a supplementary coverage. This coverage should be written on the same policy that provides coverage for the applicant's/insured's owned or long-term leased autos. When such autos are insured in the voluntary market (i.e., other than through the Plan), excess coverage for nonowned autos is NOT available through the Plan. When there are no owned or long-term leased autos, excess coverage for nonowned autos is available through the Plan.

B. **Premium Development—Bodily Injury and Property Damage Liability Coverage**

1. Specified Auto Basis

a. Provide coverage for hired autos on a specified auto basis if

(1) an insured lessee or renter is providing primary liability coverage on the auto; and

(2) the term of the lease or agreement is for six months or more.

b. Rate and classify each auto as though owned by the insured lessee or renter according to the applicable rules in this manual.

c. If the policy is extended to cover the owner of the auto as an additional insured, multiply the otherwise applicable liability premium for each auto leased or rented by the additional insured by the following factor:

Factor
1.04

d. Attach the appropriate Lessor—Additional Insured And Loss Payee endorsement.

2. Cost of Hire Basis

a. Provide coverage for hired autos on a cost of hire basis if the term of the lease or agreement is

(1) less than six months; or

(2) six months or more, when the owner of the auto is providing primary liability coverage.

b. Cost of hire is the total amount incurred by the insured for the leasing and hiring of autos the insured does not own. Cost of hire does not include charges for autos that are leased, hired, rented or borrowed from any of the insured's employees, partners, members (if the insured is a limited liability company) or members of their households.

c. For each state where the insured is expected to hire autos, separately estimate the annual cost of hire for each of the following, if applicable:

(1) Autos for which primary liability coverage is provided by the insured

(2) Autos for which excess liability coverage is provided by the insured

d. Determine the advance premium as follows:

(1) For each state where the insured is expected to hire autos, divide the estimated annual cost of hire by 100 for each category of risk described in B.2.c.

(a) Public Autos

Multiply the result developed in paragraph B.2.d.(1) by the following:

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	Primary Liability Coverage	Excess Liability Coverage
Taxicabs and Limousines	2% of the specified auto rates for the taxicab or limousine determined in accordance with the applicable Manual rule	Hired Auto rate on the Rate Schedules
All Buses	1% of the specified auto rate for the bus determined in accordance with the applicable Manual rule	

(b) Other than Public Autos

(i) Multiply the result developed in paragraph B.2.d.(1) by the Hired Auto rate on the rate schedules.

(ii) Multiply the result by the appropriate factor in the following table based on whether the insured provides primary or excess liability coverage:

Primary Liability Coverage	Excess Liability Coverage
6.00	1.00

(2) Add the total cost of hire premium for all states.

e. Unless there is substantial change in exposures during the policy period, the advance premium is the earned premium.

f. ★The minmum premium shall be $75 for bodily injury and property damage at a $60,000 limit.✣

3. Attach the appropriate Hired Autos Specified as Covered Autos You Own endorsement.

C. **Contractual Liability**

The insured is covered on a primary basis for liability assumed by contract for the rental or lease of any auto by the insured or by any of his or her employees except for

1. any auto rented with a driver; or

2. any truckers' hold harmless agreements.

If an employee rents or hires an auto in his or her own name for the purpose of performing duties related to the insured's business, use the applicable Employee Hired Autos endorsement.

Such coverage does not provide physical damage coverage for any auto rented or leased by the insured.

Rule 124. NONOWNED AUTO LIABILITY COVERAGE

A. This Rule does not apply to auto dealer risks. Premium for liability coverage for nonowned autos for auto dealers is included in the premium developed for auto dealer risks under Rule 102.

B. This is a supplementary coverage. This coverage should be written on the same policy that provides coverage for the applicant's/insured's owned or long-term leased autos.

When such autos are insured in the voluntary market (i.e., other than through the Plan), nonowned auto liability coverage is NOT available through the Plan.

When there are no owned or long-term leased autos, nonowned auto liability coverage is available through the Plan.

C. **Prepared Food Delivery Services**

1. For prepared food delivery services, determine the average number of employees per day that operate their autos in the insured's business.

2. Multiply the Private Passenger base rates by the Class 3 factor determined from the Private Passenger Rate Chapter for the territory in which the risk is located.

3. Multiply the rate determined above by the average number of employees.

D. **Service Operations**

1. The term "service operations" as used in this Rule means auto repair shops, service stations, storage garages, public parking places, and tow truck operators.

2. For each location, determine the rating territory from territory definitions based on street address.

3. Multiply the Private Passenger base rates by the Class 3 factor determined from the Private Passenger Auto Rate Chapter.

4. Multiply the rate determined above for each employee involved in the operation of autos by the following factor:

Factor
.35

E. **All Other Risks**

1. Determine the total number of employees of the insured at all locations and select the advance premium from the following table:

Total Number of Employees	★ Bodily Injury and Property Damage $60,000 Limit
0– 25	$ 430
26– 100	1,644
101– 500	4,296
501–1,000	9,881
Over 1,000	20,817

✣

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2. If more than 50% of the insured's employees regularly operate their autos in the insured's business, multiply the otherwise applicable premium by 3.00.

F. Unless there is substantial change in exposures during the policy period, the advance premium is the earned premium.

Rule 125. PARTNERSHIP AS THE NAMED INSURED NONOWNERSHIP LIABILITY

Bodily Injury and Property Damage Liability Coverage

A. When nonowned auto liability coverage is afforded, coverage is provided to a partnership for the use of an auto that an individual partner owns and that is used in the business of the partnership.

B. For each active or inactive partner

1. Multiply the Private Passenger base rates by the Class 3 factor determined from the Private Passenger Auto Rate Chapter, regardless of the type of auto being used, for the territory in which the partnership is located;

2. Multiply the rates determined above by the following factor:

Factor
.10

Rules 126–130. RESERVED FOR FUTURE USE

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Rule 131. ELIGIBILITY

This Chapter applies to all autos that are not classified and rated in other chapters.

Rule 132. PREMIUM DEVELOPMENT

The bodily injury and property damage liability and no-fault premiums for autos and equipment shall be determined as follows:

A. Refer to the territory definitions to determine the rating territory in which the auto will be principally garaged.

B. Follow the rating instructions from the applicable rule.

C. Guest PIP coverage for persons other than the named insured and resident relatives applies only when the named insured and all regular operators of the insured's autos have rejected the tort limitation. In all other cases the full PIP applies.

D. Refer to Rule 51 in the Commercial General Rules Chapter of this Manual for further development of the total premium.

Note: Autos rated under this Chapter are subject to the all other risks increased limits factors in Rule 52 irrespective of the base rate used in developing the premium.

Rule 133. AMBULANCE SERVICES

A. **Eligibility**

This Rule applies to autos used for rescue squad or ambulance corps operations.

B. The policy must exclude coverage for bodily injury to any volunteer workers of the insured and bodily injury to any fellow volunteer workers of the insured while such volunteers are engaged in volunteer firefighting, rescue squad, or ambulance corps operations. Attach the appropriate Emergency Services—Volunteer Firefighters' and Workers' Injuries Excluded endorsement.

C. The policy must exclude coverage for bodily injury or property damage that results from providing or failing to provide any professional service. Attach the appropriate Professional Services Not Covered endorsement.

D. **Premium Development—Bodily Injury and Property Damage Liability and No-Fault Coverages**

Multiply the Trucks, Tractors, and Trailers base rates on the rate schedules by the following factor:

Factor
1.75

Rule 134. DRIVER TRAINING PROGRAMS—EDUCATIONAL INSTITUTIONS AND COMMERCIAL DRIVING SCHOOLS

A. **Educational Institutions**

1. Eligibility

This section applies to owned private passenger types used for driver training as part of a school curriculum.

2. Premium Development—Bodily Injury and Property Damage Liability and No-Fault Coverages

a. Multiply the Private Passenger base rates by the Class 3 factor determined from the Private Passenger Auto Rate Chapter.

b. Multiply the rates determined above by the appropriate factor:

Equipped With Dual Controls	Not Equipped With Dual Controls
.50	1.00

There must be dual brakes to qualify as dual controls.

3. A policy covering autos used by schools in driver training programs may be written on an annual term for liability coverage with premium prorated to reflect the actual school term. However, do not give credit for Saturdays, Sundays, or holidays or for any other periods of lay-up during the school term.

B. **Commercial Driving Schools**

1. Eligibility

This section applies to owned autos used by driving schools to give driving instruction.

2. Premium Development—Bodily Injury and Property Damage Liability and No-Fault Coverages

a. Private Passenger Types

(1) Multiply the Private Passenger base rates by the Class 3 factor determined from the Private Passenger Auto Rate Chapter.

(2) Multiply the rates determined above by the appropriate factor:

Equipped With Dual Controls	Not Equipped With Dual Controls
1.00	2.00

There must be dual brakes to qualify as dual controls.

b. All Other Types

Refer to Rule 2 for rating.

C. **Nonowned Coverages**

1. The policy may provide excess liability coverage for driving instructors and their students while using nonowned autos for driver training.

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2. Premium Development

   a. Determine the number of driving instructors and the number of owned autos used in driver training.

   b. Use the address of the named insured to determine the rating territory.

   c. If the number of driving instructors exceeds the number of owned autos used in driver training

      (1) Multiply the Private Passenger base rates by the Class 3 factor determined from the Private Passenger Auto Rate Chapter.

      (2) Multiply the rates determined above by the following factor for each driving instructor in excess of the number of owned autos used in driver training:

Educational Institutions	Commercial Driving Schools
Refer to Rule 2.	1.00

   d. If the number of driving instructors does not exceed the number of owned autos used in driver training, refer to Rule 2.

   e. When a policy also affords coverage for nonowned autos under the Nonowned Auto Liability Coverage Rule (Rule 124), do not include driving instructors in the total number of employees when determining the liability premium under that Rule.

   f. Attach the Driving Schools—Nonowned Autos endorsement.

Rule 135. FIRE DEPARTMENTS

A. **Eligibility**

1. This Rule applies to autos used for firefighting purposes.

2. The policy must exclude coverage for bodily injury to any volunteer workers of the insured and bodily injury to any fellow volunteer workers of the insured while such volunteers are engaged in volunteer firefighting, rescue squad, or ambulance corps operations. Attach the appropriate Emergency Services—Volunteer Firefighters' and Workers' Injuries Excluded endorsement.

3. The policy must exclude coverage for bodily injury or property damage that results from providing or failing to provide any professional service. Attach the appropriate Professional Services Not Covered endorsement.

B. **Premium Development—Bodily Injury and Property Damage Liability and No-Fault Coverages**

~~1.~~ Private Passenger Types

   a. Multiply the Private Passenger by the Class 3 factor determined from the Private Passenger Auto Rate Chapter.

   b. Multiply the rates determined above by the following factor:

Factor
.80

2. All Other Types

   Multiply the Trucks, Tractors, and Trailers base rate on the rate schedules by the following factor:

Factor
.90

Rule 136. FUNERAL DIRECTORS

A. **Eligibility**

1. This Rule applies to autos owned or used by a funeral director.

2. The policy must exclude coverage for bodily injury or property damage that results from providing or failing to provide any professional service. Attach the appropriate Professional Services Not Covered endorsement.

B. **Premium Development—Bodily Injury and Property Damage Liability and No-Fault Coverages**

1. Limousines

   a. Multiply the Private Passenger base rates by the Class 3 factor determined from the Private Passenger Auto Rate Chapter.

   b. Multiply the rates determined above by the following factor:

Factor
.70

2. Hearses and Flower Cars

   Multiply the Trucks, Tractors, and Trailers base rate on the rate schedules by the following factor:

Factor
.55

3. Combination Hearses and Ambulances

   Classify and rate the auto according to the Ambulance Services Rule (Rule 133).

4. Autos Used for Other Purposes

   Classify and rate the auto according to its regular use.

Rule 137. LAW ENFORCEMENT AGENCIES

A. **Eligibility**

1. This Rule applies to autos used by government agencies, or by public or private police or security services.

2. The policy must exclude coverage for bodily injury to any volunteer workers of the insured and bodily injury to any fellow volunteer workers of the insured while such volunteers are engaged in rescue squad

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or ambulance corps operations. Attach the appropriate Emergency Services—Volunteer Firefighters' and Workers' Injuries Excluded endorsement.

3. The policy must exclude coverage for bodily injury or property damage that results from providing or failing to provide any professional service. Attach the appropriate Professional Services Not Covered endorsement.

B. **Premium Development—Bodily Injury and Property Damage Liability and No-Fault Coverages**

1. Private Passenger Types

   a. Multiply the Private Passenger base rates by the Class 3 factor determined from the Private Passenger Auto Rate Chapter.

   b. Multiply the rates determined above by the following factor:

Factor
1.15

2. Motorcycles

   Rate according to the Motorcycles Rule (Rule 141) in the Special Types Chapter.

3. All Other Types

   Multiply the Trucks, Tractors and Trailers base rate on the rate schedules by the following factor:

Factor
1.40

Rule 138. LEASING OR RENTAL CONCERNS

A. **Eligibility**

1. Autos Leased or Rented to Others with Drivers

   Classify and rate trucks, tractors, and trailers under the Truckers Rule (Rule 75). Classify and rate all other autos according to the Public Transportation Chapter.

2. Autos Leased or Rented to Others Without Drivers

   Classify autos leased by the insured that are to be rented to others as owned and rate under the provisions of this Rule.

3. For public autos leased or rented to bus or other public transportation operations, refer to Rule 2.

4. This Rule does not apply to personal vehicle-sharing program facilitators.

B. **Premium Development—Bodily Injury and Property Damage Liability and No–Fault Coverages**

1. Determine the territory based on the street address of principal garaging.

2. Autos Leased for Six Months or More—Coverage for Owner and Lessee

   a. Rate autos and trailers as though owned by the lessee.

   b. Autos and Trailers For Which Lessees Are Required To Provide Primary Insurance For The Leasing or Rental Concern

      Refer to Rule 2.

      Attach the applicable Leasing or Rental Concerns—Exclusion of Certain Leased Autos endorsement if any lessees or rentees are required to provide primary insurance for the leasing or rental concern.

3. Autos Rented by the Hour, Day, or Week—Coverage for Owner and Rentee

   Rate each auto as follows:

   a. Private Passenger

      (1) Multiply the Private Passenger base rates by the Class 3 factor determined from the Private Passenger Auto Rate Chapter.

      (2) Multiply the rates determined above by the following factor:

Factor
3.50

   b. Trucks, Tractors, and Trailers—Multiply the Trucks, Tractors, and Trailers base rate on the rate schedules by the following factors:

(1)	Trucks	2.50
(2)	Tractors	2.75
(3)	Trailers	.10
(4)	Semitrailers	.10
(5)	Service Trailers	.10

   c. Motor Homes—Multiply the Trucks, Tractors, and Trailers base rates shown on the rate schedules by the following factors:

Overall Length In Feet	
Up to 22 Feet	More than 22 Feet
1.20	1.50

   d. Motorcycles—Multiply the rate developed in the Motorcycles Rule (Rule 141) by 3.00.

Rule 139. REGISTRATION PLATES NOT ISSUED FOR A SPECIFIC AUTO

A. **Eligibility**

1. This Rule applies to risks other than those rated in the Auto Dealers Chapter and drive-away contractors that possess registration plates not issued for attachment to a specific auto. Attach the appropriate Registration Plates Not Issued for a Specific Auto endorsement.

   Note: Risks with registration plates are not to be written on an auto dealers policy unless they are eligible for coverage under the Auto Dealers Chapter of this Manual.

2. A set of plates is the number of plates required to legally operate an auto on public roads.

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SPECIAL TYPES

B. **Premium Development—Bodily Injury and Property Damage Liability and No-Fault Coverages**

1. Determine the territory from the territory definitions (Rule 19) based on the street address of the named insured.
2. For each set of plates not assigned by the insured for exclusive use with a specific auto, multiply the Private Passenger base rates by the Class 3 factor determined from the Private Passenger Auto Rate Chapter.
3. Multiply the rates determined above by the following factor:

Factor
1.50

4. Classify and rate each set of plates assigned by the insured for exclusive use with a specific auto according to the applicable rules in this manual, based on regular use of the auto.

Rule 140. MOBILE OR FARM EQUIPMENT

A. **Eligibility**

1. Coverage is only provided for mobile equipment and farm equipment that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where the vehicle is licensed or principally garaged.
2. Operations coverage is not provided for any equipment except equipment described in B.1.f.(1) below.

B. **Definitions**

1. Mobile Equipment

Mobile equipment includes the following vehicles:

a. Bulldozers, forklifts, and other vehicles designed for use principally off public roads

b. Vehicles maintained for use solely on or next to premises the insured owns or rents

c. Vehicles that travel on crawler treads

d. Vehicles maintained primarily to provide mobility to permanently mounted

(1) power cranes, shovels, loaders, diggers, or drills; or

(2) road construction or resurfacing equipment such as graders, scrapers, or rollers.

e. Vehicles that are not self-propelled and are maintained primarily to provide mobility to permanently mounted

(1) air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment; or

(2) cherry pickers and similar devices used to raise or lower workers.

f. Self-propelled vehicles not described above with the following types of permanently attached equipment:

(1) Equipment designed primarily for

(a) snow removal;

(b) road maintenance, but not construction or resurfacing;

(c) street cleaning.

(2) Cherry pickers and similar devices mounted on auto or truck chassis and used to raise or lower workers

(3) Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment

g. Other commercial vehicles maintained primarily for purposes other than the transportation of persons or cargo

2. Farm Equipment

Farm equipment includes farm tractors, harvesting combines, power driven lawn mowers, and other self-propelled farm equipment used for farming purposes.

C. **Premium Development—Bodily Injury and Property Damage Liability and No-Fault Coverages**

1. Equipment Owned and Leased for Six Months or Longer

Multiply the Trucks, Tractors, and Trailers base rates displayed on the rate schedules by the following factor:

Mobile Equipment	Farm Equipment
1.000	0.150

2. Equipment Leased for Less than Six Months

Refer to Rule 2.

Rule 141. MOTORCYCLES

A. For the purposes of this Rule, motorcycles refers to motorcycles, mopeds, motorscooters, motorbikes, and other similar motorized autos used for commercial purposes.

B. **Motorcycles Used for Private Passenger Purposes**

Refer to the Private Passenger Chapter.

C. **Motorcycles Used for Commercial Purposes**

1. Bodily Injury and Property Damage Liability and No-Fault Coverages

a. Multiply the Private Passenger base rates by the Class 3 factor determined from the Private Passenger Auto Rate Chapter.

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b. Multiply the rates determined above by the following applicable factor:

Engine Size	Factor
0–100cc	.29
101–200	.38
201–360	.59
361–500	.65
501–800	.76
Over 800	.85

The above rates contemplate the passenger hazard.

2. No-Fault Coverages

   Refer to Rule 59.

3. Uninsured and Underinsured Motorists Coverage

   Refer to Rule 58.

Rules 142–150. RESERVED FOR FUTURE USE

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KENTUCKY AUTOMOBILE INSURANCE PLAN MANUAL

COMMERCIAL AUTO LIABILITY AND PERSONAL INJURY PROTECTION RATES

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COMMERCIAL AUTO LIABILITY RATES

For Limits of $60,000 Single Limit Bodily Injury and Property Damage

TRUCKS, TRACTORS, AND TRAILERS

(a) For vehicles NOT eligible for personal injury protection as well as for those risks where the insured and 0–49% of the regular operators of the insured's motor vehicles have accepted the tort limitation.

Territory	Nonfleet	Fleet
01	$3,747	$4,122
02	2,161	2,377
03	2,835	3,119
04	1,797	1,977
05	1,961	2,157
06	2,216	2,438
07	2,023	2,225
09	1,865	2,052
10	2,222	2,444
12	1,462	1,608
13	2,743	3,017
14	2,084	2,292
15	2,042	2,246
16	2,386	2,625
17	2,292	2,521
18	1,666	1,833

(b) For risks where the insured and 50–99% of the regular operators of the insured's motor vehicles have accepted the tort limitation.

Territory	Nonfleet	Fleet
01	$3,421	$3,763
02	1,973	2,170
03	2,588	2,847
04	1,641	1,805
05	1,790	1,969
06	2,023	2,225
07	1,847	2,032
09	1,703	1,873
10	2,029	2,232
12	1,335	1,469
13	2,504	2,754
14	1,903	2,093
15	1,865	2,052
16	2,179	2,397
17	2,093	2,302
18	1,521	1,673

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COMMERCIAL AUTO LIABILITY RATES

For Limits of $60,000 Single Limit Bodily Injury and Property Damage

TRUCKS, TRACTORS, AND TRAILERS

(c) For risks where the insured and all regular operators of the insured's motor vehicles have accepted the tort limitation.

Territory	Nonfleet	Fleet
01	$3,258	$3,584
02	1,879	2,067
03	2,465	2,712
04	1,563	1,719
05	1,705	1,876
06	1,927	2,120
07	1,759	1,935
09	1,622	1,784
10	1,932	2,125
12	1,271	1,398
13	2,385	2,624
14	1,812	1,993
15	1,776	1,954
16	2,075	2,283
17	1,993	2,192
18	1,449	1,594

Personal Injury Protection			
Territory	Not Covered by Workers Compensation	Covered by Workers Compensation	Guest PIP
01	$149	$89	$37
02	75	45	19
03	112	67	28
04	75	45	19
05	100	60	25
06	118	71	29
07	75	45	19
09	93	56	23
10	94	56	23
12	75	45	19
13	111	67	28
14	87	52	22
15	95	57	24
16	81	49	20
17	112	67	28
18	94	56	23

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COMMERCIAL AUTO LIABILITY RATES

For Limits of $60,000 Single Limit Bodily Injury and Property Damage

PUBLIC AUTOS—TAXICABS AND LIMOUSINES

(a) For vehicles NOT eligible for personal injury protection as well as for those risks where the insured and 0–49% of the regular operators of the insured's motor vehicles have accepted the tort limitation.

Territory	Nonfleet	Fleet
01	$22,759	$25,035
02	13,124	14,436
03	17,219	18,941
04	10,916	12,008
05	11,906	13,097
06	13,464	14,810
07	12,287	13,516
09	11,330	12,463
10	13,499	14,849
12	8,877	9,765
13	16,659	18,325
14	12,652	13,917
15	12,404	13,644
16	14,495	15,945
17	13,921	15,313
18	10,125	11,138

(b) For risks where the insured and 50–99% of the regular operators of the insured's motor vehicles have accepted the tort limitation.

Territory	Nonfleet	Fleet
01	$20,780	$22,858
02	11,983	13,181
03	15,722	17,294
04	9,967	10,964
05	10,871	11,958
06	12,293	13,522
07	11,218	12,340
09	10,345	11,380
10	12,325	13,558
12	8,105	8,916
13	15,210	16,731
14	11,552	12,707
15	11,325	12,458
16	13,234	14,557
17	12,710	13,981
18	9,244	10,168

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COMMERCIAL AUTO LIABILITY RATES

For Limits of $60,000 Single Limit Bodily Injury and Property Damage

PUBLIC AUTOS—TAXICABS AND LIMOUSINES

(c) For risks where the insured and all regular operators of the insured's motor vehicles have accepted the tort limitation.

Territory	Nonfleet	Fleet
01	$19,790	$21,769
02	11,412	12,553
03	14,973	16,470
04	9,492	10,441
05	10,353	11,388
06	11,708	12,879
07	10,684	11,752
09	9,852	10,837
10	11,738	12,912
12	7,719	8,491
13	14,486	15,935
14	11,002	12,102
15	10,786	11,865
16	12,604	13,864
17	12,105	13,316
18	8,804	9,684

Personal Injury Protection			
Territory	Owner Operated	Other than Owner Operated	Guest PIP
01	$903	$515	$497
02	454	259	250
03	683	389	376
04	453	258	249
05	605	345	333
06	718	409	395
07	453	258	249
09	567	323	312
10	569	324	313
12	453	258	249
13	676	385	372
14	532	303	293
15	579	330	318
16	495	282	272
17	681	388	375
18	567	323	312

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COMMERCIAL AUTO LIABILITY RATES

For Limits of $60,000 Single Limit Bodily Injury and Property Damage

PUBLIC AUTOS—VAN POOLS

(a) For vehicles NOT eligible for personal injury protection as well as for those risks where the insured and 0–49% of the regular operators of the insured's motor vehicles have accepted the tort limitation.

Territory	Nonfleet	Fleet
01	$5,688	$5,688
02	3,280	3,280
03	4,307	4,307
04	2,731	2,731
05	2,979	2,979
06	3,365	3,365
07	3,071	3,071
09	2,831	2,831
10	3,373	3,373
12	2,220	2,220
13	4,165	4,165
14	3,163	3,163
15	3,103	3,103
16	3,621	3,621
17	3,482	3,482
18	2,530	2,530

(b) For risks where the insured and 50–99% of the regular operators of the insured's motor vehicles have accepted the tort limitation.

Territory	Nonfleet	Fleet
01	$5,193	$5,193
02	2,995	2,995
03	3,932	3,932
04	2,494	2,494
05	2,720	2,720
06	3,072	3,072
07	2,804	2,804
09	2,585	2,585
10	3,080	3,080
12	2,027	2,027
13	3,803	3,803
14	2,888	2,888
15	2,833	2,833
16	3,306	3,306
17	3,179	3,179
18	2,310	2,310

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COMMERCIAL AUTO LIABILITY RATES

For Limits of $60,000 Single Limit Bodily Injury and Property Damage

PUBLIC AUTOS—VAN POOLS

(c) For risks where the insured and all regular operators of the insured's motor vehicles have accepted the tort limitation.

Territory	Nonfleet	Fleet
01	$4,946	$4,946
02	2,852	2,852
03	3,745	3,745
04	2,375	2,375
05	2,590	2,590
06	2,926	2,926
07	2,670	2,670
09	2,462	2,462
10	2,933	2,933
12	1,930	1,930
13	3,622	3,622
14	2,750	2,750
15	2,698	2,698
16	3,149	3,149
17	3,028	3,028
18	2,200	2,200

Personal Injury Protection			
Territory	Employer Furnished	All Other	Guest PIP
01	$54	$124	$25
02	27	63	13
03	41	94	19
04	27	62	12
05	35	81	16
06	44	100	20
07	27	62	12
09	35	81	16
10	35	81	16
12	27	62	12
13	40	92	18
14	33	75	15
15	36	83	17
16	30	69	14
17	40	93	19
18	35	81	16

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COMMERCIAL AUTO LIABILITY RATES

For Limits of $60,000 Single Limit Bodily Injury and Property Damage

SCHOOL AND CHURCH BUSES

(a) For vehicles NOT eligible for personal injury protection as well as for those risks where the insured and 0–49% of the regular operators of the insured's motor vehicles have accepted the tort limitation.

Territory	Nonfleet	Fleet
01	$2,605	$3,126
02	1,504	1,648
03	1,972	2,161
04	1,247	1,366
05	1,366	1,496
06	1,539	1,686
07	1,409	1,543
09	1,302	1,427
10	1,543	1,691
12	1,017	1,114
13	1,907	2,089
14	1,447	1,585
15	1,421	1,558
16	1,661	1,819
17	1,599	1,752
18	1,162	1,273

(b) For risks where the insured and 50–99% of the regular operators of the insured's motor vehicles have accepted the tort limitation.

Territory	Nonfleet	Fleet
01	$2,378	$2,854
02	1,373	1,648
03	1,801	2,161
04	1,138	1,366
05	1,247	1,496
06	1,405	1,686
07	1,286	1,543
09	1,189	1,427
10	1,409	1,691
12	928	1,114
13	1,741	2,089
14	1,321	1,585
15	1,298	1,558
16	1,516	1,819
17	1,460	1,752
18	1,061	1,273

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COMMERCIAL AUTO LIABILITY RATES

For Limits of $60,000 Single Limit Bodily Injury and Property Damage

SCHOOL AND CHURCH BUSES

(c) For risks where the insured and all regular operators of the insured's motor vehicles have accepted the tort limitation.

Territory	Nonfleet	Fleet
01	$2,265	$2,718
02	1,308	1,570
03	1,715	2,058
04	1,084	1,301
05	1,188	1,426
06	1,338	1,606
07	1,225	1,470
09	1,132	1,358
10	1,342	1,610
12	884	1,061
13	1,658	1,990
14	1,258	1,510
15	1,236	1,483
16	1,444	1,733
17	1,390	1,668
18	1,010	1,212

Personal Injury Protection		
Territory	**PIP**	**Guest PIP**
01	$140	$133
02	70	62
03	109	101
04	70	62
05	94	86
06	109	101
07	70	62
09	86	78
10	86	78
12	70	62
13	106	94
14	86	78
15	88	78
16	78	70
17	109	101
18	86	78

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COMMERCIAL AUTO LIABILITY RATES

For Limits of $60,000 Single Limit Bodily Injury and Property Damage

OTHER BUSES

(a) For vehicles NOT eligible for personal injury protection as well as for those risks where the insured and 0–49% of the regular operators of the insured's motor vehicles have accepted the tort limitation.

Territory	Nonfleet	Fleet
01	$18,009	$18,009
02	10,381	10,381
03	13,630	13,630
04	8,637	8,637
05	9,423	9,423
06	10,651	10,651
07	9,727	9,727
09	8,967	8,967
10	10,679	10,679
12	7,030	7,030
13	13,179	13,179
14	10,015	10,015
15	9,814	9,814
16	11,466	11,466
17	11,019	11,019
18	8,010	8,010

(b) For risks where the insured and 50–99% of the regular operators of the insured's motor vehicles have accepted the tort limitation.

Territory	Nonfleet	Fleet
01	$16,443	$16,443
02	9,478	9,478
03	12,445	12,445
04	7,886	7,886
05	8,604	8,604
06	9,725	9,725
07	8,881	8,881
09	8,187	8,187
10	9,750	9,750
12	6,419	6,419
13	12,033	12,033
14	9,144	9,144
15	8,961	8,961
16	10,469	10,469
17	10,061	10,061
18	7,313	7,313

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COMMERCIAL AUTO LIABILITY RATES

For Limits of $60,000 Single Limit Bodily Injury and Property Damage

OTHER BUSES

(c) For risks where the insured and all regular operators of the insured's motor vehicles have accepted the tort limitation.

Territory	Nonfleet	Fleet
01	$15,660	$15,660
02	9,027	9,027
03	11,852	11,852
04	7,510	7,510
05	8,194	8,194
06	9,262	9,262
07	8,458	8,458
09	7,797	7,797
10	9,286	9,286
12	6,113	6,113
13	11,460	11,460
14	8,709	8,709
15	8,534	8,534
16	9,970	9,970
17	9,582	9,582
18	6,965	6,965

Personal Injury Protection		
Territory	**PIP**	**Guest PIP**
01	$1,360	$1,357
02	687	679
03	1,030	1,022
04	686	679
05	914	905
06	1,083	1,076
07	686	679
09	856	850
10	860	850
12	686	679
13	1,013	959
14	796	788
15	875	850
16	740	733
17	1,027	1,022
18	857	718

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COMMERCIAL AUTO LIABILITY RATES

For Limits of $60,000 Single Limit Bodily Injury and Property Damage

AUTO DEALERS

Territory	(a) For vehicles NOT eligible for personal injury protection as well as for those risks where the insured and 0–49% of the regular operators of the insured's motor vehicles have accepted the tort limitation.	(b) For risks where the insured and 50–99% of the regular operators of the insured's motor vehicles have accepted the tort limitation.	(c) For risks where the insured and all regular operators of the insured's motor vehicles have accepted the tort limitation.
01	$3,729	$3,405	$3,243
02	2,014	1,839	1,751
03	2,755	2,516	2,396
04	1,840	1,680	1,600
05	1,933	1,765	1,681
06	2,292	2,093	1,993
07	1,911	1,745	1,662
09	1,826	1,667	1,588
10	2,095	1,913	1,822
12	1,438	1,313	1,250
13	2,663	2,432	2,316
14	1,927	1,760	1,676
15	2,486	2,270	2,162
16	2,298	2,098	1,998
17	2,291	2,092	1,992
18	1,599	1,460	1,390

General liability losses are subject to an aggregate limit equal to three times the displayed liability limit.

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COMMERCIAL AUTO LIABILITY RATES

For Limits of $60,000 Single Limit Bodily Injury and Property Damage

AUTO DEALERS

Personal Injury Protection		
Territory	**PIP**	**Guest PIP**
01	$165	$33
02	94	19
03	170	34
04	106	21
05	88	18
06	200	40
07	95	19
09	124	25
10	136	27
12	106	21
13	160	32
14	100	20
15	137	27
16	118	24
17	141	28
18	113	23

HIRED AUTO

$60,000 Single Limit
$5.30

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EFFECTIVE DATES

PLAN OF OPERATION

DEFINITIONS December 1, 2025

PERSONAL PROVISIONS
Sec. 1. December 1, 2025
Sec. 2. December 1, 2025
Sec. 3. December 1, 2025
Sec. 4. Reserved for Future Use
Sec. 5. December 1, 2025
Sec. 6. December 1, 2025
Sec. 7. December 1, 2025
Sec. 8. Reserved for Future Use
Sec. 9. December 1, 2025
Sec. 10. Reserved for Future Use
Sec. 11. Reserved for Future Use
Sec. 12. December 1, 2025
Sec. 13. December 1, 2025
Sec. 14. December 1, 2025
Sec. 15. December 1, 2025
Sec. 16. Reserved for Future Use

COMMERCIAL PROVISIONS
Sec. 17. December 1, 2025
Sec. 18. December 1, 2025
Sec. 19. December 1, 2025
Sec. 20. Reserved for Future Use
Sec. 21. December 1, 2025
Sec. 22. December 1, 2025
Sec. 23. December 1, 2025
Sec. 24. Reserved for Future Use
Sec. 25. December 1, 2025
Sec. 26. December 1, 2025
Sec. 27. Reserved for Future Use
Sec. 28. December 1, 2025
Sec. 29. December 1, 2025
Sec. 30. December 1, 2025
Sec. 31. December 1, 2025
Sec. 32. Reserved for Future Use
Sec. 33. December 1, 2025

COMMON PROVISIONS
Sec. 34. December 1, 2025
Sec. 35. October 1, 2022
Sec. 36. December 10, 2020
Sec. 37. December 1, 2025
Sec. 38. December 1, 2025
Sec. 39. December 1, 2025
Sec. 40. December 1, 2025
Sec. 41. Reserved for Future Use
Sec. 42. December 1, 2025
Sec. 43. December 1, 2025
Sec. 44. Reserved for Future Use
Sec. 45. December 1, 2025
Sec. 46. December 1, 2025
Sec. 47. Reserved for Future Use
Sec. 48. December 1, 2025Use
Sec. 49. December 1, 2025
Sec. 50. December 1, 2025
Sec. 51. Reserved for Future Use
Sec. 52. Reserved for Future Use

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MANUAL OF RULES AND RATES

GENERAL RULES CHAPTER
Rule 1. April 1, 1999
Rule 2. May 16, 2005
Rule 3. October 1, 2019
Rule 4. February 1, 2021
Rule 5. June 1, 2005
Rule 6. April 1, 1999
Rule 7. April 1, 1999
Rule 8. April 1, 1999
Rule 9. April 1, 1999
Rule 10. Reserved for Future Use
Rule 11. Reserved for Future Use
Rule 12. Reserved for Future Use
Rule 13. Reserved for Future Use
Rule 14. Reserved for Future Use
Rule 15. Reserved for Future Use
Rule 16. Reserved for Future Use
Rule 17. Reserved for Future Use
Rule 18. Reserved for Future Use
Rule 19. April 1, 1999

PRIVATE PASSENGER CHAPTER
Rule 20. January 1, 2025
Rule 21. February 1, 2021
Rule 22. February 1, 2016
Rule 23. August 1, 2026
Rule 24. November 1, 2011
Rule 25. February 1, 2021
Rule 26. February 1, 2021
Rule 27. April 1, 2018
Rule 28. September 1, 2026
Rule 29. February 1, 2021
Rule 30. August 1, 2019
Rule 31. November 1, 2011
Rule 32. August 1, 2019
Rule 33. February 1, 2021
Rule 34. Reserved for Future Use
Rule 35. Reserved for Future Use
Rule 36. Reserved for Future Use
Rule 37. Reserved for Future Use
Rule 38. Reserved for Future Use
Rule 39. Reserved for Future Use
Rule 40. Reserved for Future Use
Rule 41. Reserved for Future Use
Rule 42. Reserved for Future Use
Rule 43. Reserved for Future Use
Rule 44. Reserved for Future Use
Rule 45. Reserved for Future Use
Rule 46. Reserved for Future Use
Rule 47. Reserved for Future Use
Rule 48. Reserved for Future Use
Rule 49. Reserved for Future Use
Rule 50. Reserved for Future Use

COMMERCIAL GENERAL RULES CHAPTER
Rule 51. February 1, 2025
Rule 52. August 1, 2026
Rule 53. October 1, 2015
Rule 54. August 1, 2019
Rule 55. Reserved for Future Use
Rule 56. April 1, 1999
Rule 57. April 1, 1999
Rule 58. January 1, 2026
Rule 59. September 1, 2026
Rule 60. April 1, 1999
Rule 61. January 1, 2007
Rule 62. August 1, 2019
Rule 63. Reserved for Future Use
Rule 64. Reserved for Future Use
Rule 65. Reserved for Future Use
Rule 66. Reserved for Future Use
Rule 67. Reserved for Future Use
Rule 68. Reserved for Future Use
Rule 69. Reserved for Future Use
Rule 70. Reserved for Future Use

TRUCKS, TRACTORS, AND TRAILERS CHAPTER
Rule 71. January 1, 2018
Rule 72. April 1, 1999
Rule 73. January 1, 2007
Rule 74. September 1, 2022
Rule 75. January 1, 2026
Rule 76. Reserved for Future Use
Rule 77. Reserved for Future Use
Rule 78. Reserved for Future Use
Rule 79. Reserved for Future Use
Rule 80. Reserved for Future Use
Rule 81. Reserved for Future Use
Rule 82. Reserved for Future Use
Rule 83. Reserved for Future Use
Rule 84. Reserved for Future Use
Rule 85. Reserved for Future Use
Rule 86. Reserved for Future Use
Rule 87. Reserved for Future Use
Rule 88. Reserved for Future Use
Rule 89. Reserved for Future Use
Rule 90. Reserved for Future Use

PUBLIC TRANSPORTATION CHAPTER
Rule 91. April 1, 1999
Rule 92. April 1, 1999
Rule 93. January 1, 2007
Rule 94. January 1, 2018
Rule 95. October 1, 2015
Rule 96. Reserved for Future Use
Rule 97. Reserved for Future Use
Rule 98. Reserved for Future Use
Rule 99. Reserved for Future Use
Rule 100. Reserved for Future Use

AUTO DEALERS CHAPTER
Rule 101. April 1, 2018
Rule 102. January 1, 2026
Rule 103. January 1, 2026
Rule 104. Reserved for Future Use
Rule 105. Reserved for Future Use
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Rule 109. Reserved for Future Use
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Rule 112. Reserved for Future Use
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Rule 114. Reserved for Future Use
Rule 115. Reserved for Future Use
Rule 116. Reserved for Future Use
Rule 117. Reserved for Future Use
Rule 118. Reserved for Future Use
Rule 119. Reserved for Future Use
Rule 120. Reserved for Future Use

NONOWNED AUTO CHAPTER
Rule 121. April 1, 1999
Rule 122. January 1, 2026
Rule 123. January 1, 2026
Rule 124. January 1, 2026
Rule 125. October 1, 2015
Rule 126. Reserved for Future Use
Rule 127. Reserved for Future Use
Rule 128. Reserved for Future Use
Rule 129. Reserved for Future Use
Rule 130. Reserved for Future Use

SPECIAL TYPES AND OPERATIONS CHAPTER
Rule 131. April 1, 1999
Rule 132. April 1, 1999
Rule 133. October 1, 2015
Rule 134. October 1, 2015
Rule 135. October 1, 2015
Rule 136. October 1, 2015
Rule 137. October 1, 2015
Rule 138. May 1, 2018
Rule 139 January 1, 2018
Rule 140. November 1, 2005
Rule 141. April 1, 2018
Rule 142. April 1, 1999
Rule 143. Reserved for Future Use
Rule 144. Reserved for Future Use
Rule 145. Reserved for Future Use
Rule 146. Reserved for Future Use
Rule 147. Reserved for Future Use
Rule 148. Reserved for Future Use
Rule 149. Reserved for Future Use
Rule 150. Reserved for Future Use

WORKSHEETS

Experience Rating Worksheet	January 1, 2016
Trucks, Tractors, and Trailers Other than Zone Rated Worksheet	October 1, 2010
Zone Rated Trucks, Tractors, and Trailers Worksheet	October 1, 2010
Public Transportation Autos Other than Zone Rated Worksheet	October 1, 2010
Zone Rated Public Transportation Autos Worksheet	October 1, 2010
Auto Dealer Rating Worksheet	January 1, 2018

PRIVATE PASSENGER AUTO RATE CHAPTER

Private Passenger Auto Rating Worksheet	February 1, 2021
PAIP Risks (Application Effective 1/1/2019 or Later)	
Liability, Personal Injury Protection, Medical Payments Base Rates, and Uninsured and Underinsured Motorists Coverage	January 1, 2026
Direct Assigned Risks (Application Effective Prior to 1/1/2019)	
Liability, Personal Injury Protection, Medical Payments Base Rates, and Uninsured and Underinsured Motorists Coverage	January 1, 2019
Class Factors	November 1, 2011

RATES

Zone Rates	January 1, 2026
Commercial Auto Liability and Personal Injury Protection Rates	January 1, 2026

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