

304.10-030 Definitions for Subtitle 10.

As used in this subtitle:

- (1) "Admitted insurer" means an insurer that is licensed or authorized to transact the business of insurance in Kentucky.
- (2) "Affiliate" means, with respect to an insured, any entity that controls, is controlled by, or is under common control with the insured.
- (3) "Broker" means a surplus lines broker duly licensed as such under this subtitle.
- (4) "Exempt commercial purchaser" means any person purchasing commercial insurance that, at the time of placement, meets the following requirements:
 - (a) The person employs or retains a qualified risk manager to negotiate insurance coverage;
 - (b) The person has paid aggregate nationwide commercial property and casualty insurance premium in excess of one hundred thousand dollars (\$100,000) in the immediately preceding twelve (12) months;
 - (c)
 1. The person meets at least one (1) of the following criteria:
 - a. The person possesses a net worth in excess of twenty million dollars (\$20,000,000), adjusted pursuant to subparagraph 2. of this paragraph;
 - b. The person generates annual revenues in excess of fifty million dollars (\$50,000,000), as adjusted pursuant to subparagraph 2. of this paragraph;
 - c. The person employs more than five hundred (500) full-time or full-time equivalent employees per individual insured or is a member of an affiliated group employing more than one thousand (1,000) employees in the aggregate;
 - d. The person is a not-for-profit organization or public entity generating annual budgeted expenditures of at least thirty million dollars (\$30,000,000), adjusted pursuant to subparagraph 2. of this paragraph; or
 - e. The person is a municipality with a population in excess of fifty thousand (50,000) persons.
 2. Effective on the fifth January 1 occurring after July 12, 2012, and each fifth January 1 occurring thereafter, the amounts in subparagraph 1.a., b., and d. of this paragraph shall be adjusted to reflect the percentage change for the five (5) year period in the consumer price index for all urban consumers published by the Bureau of Labor Statistics of the Department of Labor.
- (5) To "export" means to place in an unauthorized insurer under this Surplus Lines Law insurance covering a subject of insurance resident, located or to be performed in Kentucky.
- (6) "Home state" means:

- (a)
 - 1. The state in which an insured maintains its principal place of business or, in the case of an individual, the individual's principal residence; or
 - 2. If one hundred percent (100%) of the insured risk is located out of the state referred to in subparagraph 1. of this paragraph, the state to which the greatest percentage of the insured's taxable premium for that insurance contract is allocated; or
- (b) If more than one (1) insureds from an affiliated group are named insureds on a single nonadmitted insurance contract, the home state, as determined pursuant to paragraph (a) of this section, of the member of the affiliated group that has the largest percentage of premium attributed to it under the insurance contract.
- (7) "Nonadmitted insurance" means any property and casualty insurance permitted to be placed directly or through a surplus lines broker with a nonadmitted insurer eligible to accept the insurance.
- (8) "Nonadmitted insurer" means an insurer that is not authorized or admitted to transact the business of insurance in Kentucky.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 74, sec. 6, effective July 12, 2012. -- Created 1970 Ky. Acts ch. 301, subtit. 10, sec. 3, effective June 18, 1970.