

304.9-020 Definitions for subtitle.

As used in this subtitle:

- (1) "Agent" means a person who sells, solicits, or negotiates insurance or annuity contracts;
- (2) "Appointment" means a notification filed with the insurance department that an insurer has established an agency relationship with a producer;
- (3) "Appointment renewal" means continuation of an insurer's existing appointment based on payment of the required fee without submission of an appointment form;
- (4) "Apprentice adjuster" means an individual who meets the qualification requirements to hold a license as an independent, staff, or public adjuster, except for the experience, education, and training requirements;
- (5) "Business entity" means a corporation, association, partnership, limited liability company, limited liability partnership, employer group, professional employer organization, or other legal entity;
- (6) "Catastrophe" means an event that results in a declaration of emergency by the Governor pursuant to KRS 39A.100 and:
 - (a) A large number of deaths or injuries;
 - (b) Extensive damage or destruction of facilities that provide and sustain human needs;
 - (c) An overwhelming demand on state and local response resources and mechanisms;
 - (d) A severe long-term effect on general economic activity; or
 - (e) A severe effect on state, local, and private sector capabilities to begin and sustain response activities;
- (7) "Crop insurance" means insurance providing protection against damage to crops from unfavorable weather conditions, fire or lightning, flood, hail, insect infestation, disease, or other yield-reducing conditions or perils provided by the private insurance market or that is subsidized by the Federal Crop Insurance Corporation, including multi-peril crop insurance;
- (8) "Home state" means the District of Columbia and any state or territory of the United States in which a licensee maintains his or her principal place of residence or principal place of business and is licensed by that state;
- (9) "Independent adjuster" means a person who:
 - (a) Is an independent contractor, an employee of an independent contractor, or for tax purposes is treated as an independent contractor under Subtitle C of the Internal Revenue Code, 26 U.S.C. secs. 3101 et seq.;
 - (b) Is compensated by an insurer or self-insurer; and
 - (c) Investigates, negotiates, or settles property, casualty, or workers' compensation claims for insurers or self-insurers;
- (10) "Insurance producer" means an individual or business entity required to be licensed under the laws of Kentucky to sell, solicit, or negotiate insurance or annuity

contracts. "Insurance producer" includes agent, managing general agent, surplus lines broker, reinsurance intermediary broker and manager, rental vehicle agent and rental vehicle agent managing employee, and consultant;

- (11) "Limited line credit insurance" includes credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed automobile protection insurance, and any other form of insurance offered in connection with an extension of credit that is limited to partially or wholly extinguishing that credit obligation that the commissioner determines should be designated a form of limited line credit insurance;
- (12) "Limited line credit insurance agent" means an individual or business entity who sells, solicits, or negotiates one (1) or more forms of limited line credit insurance coverage to individuals through a master, corporate, group, or individual policy;
- (13) "Limited lines insurance" means the lines of insurance defined in subsections (7), (11), (21), (26), and (28) of this section and any other line of insurance that the commissioner identifies in accordance with KRS 304.9-230(1)(f) or recognizes for the purpose of complying with KRS 304.9-140(5);
- (14) "Negotiate" means the act of conferring directly with, or offering advice directly to, a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract, provided that the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers. "Negotiate" does not include negotiating a claims settlement;
- (15) "Portable electronics" means electronic devices that are portable and the accessories and services related to the use of the device;
- (16) (a) "Portable electronics insurance" means insurance providing coverage for the repair or replacement of portable electronics for any one (1) or more of the following:
 1. Loss;
 2. Theft;
 3. Inoperability due to mechanical failure;
 4. Malfunction;
 5. Damage; or
 6. Other similar causes of loss.
- (b) "Portable electronics insurance" does not mean:
 1. A service contract governed by KRS 304.5-070;
 2. A policy of insurance covering a seller's or manufacturer's obligations under a warranty; or
 3. A homeowner's, renter's, private passenger automobile, commercial multi-peril, or similar policy;
- (17) "Portable electronics insurance supervising entity" means a business entity that is a licensed insurer or insurance agent that is appointed by an insurer to supervise the

- administration of a portable electronics insurance program;
- (18) "Portable electronics retailer" means a licensed business entity that offers and sells portable electronic devices and offers and disseminates portable electronics insurance on behalf and under the direction of a portable electronics insurance supervising entity;
- (19) "Public adjuster" means any person who, for compensation or anything of value:
- (a) Acts on behalf of an insured or aids an insured, solely in relation to first-party claims arising under insurance contracts that insure the real or personal property of the insured, in negotiating for, or effecting the settlement of, a claim for loss or damage covered by an insurance contract;
 - (b) Advertises for employment as a public adjuster of insurance claims, solicits business or represents himself, herself, or itself to the public as a public adjuster of first-party insurance claims for losses or damages arising out of policies of insurance that insure real or personal property; or
 - (c) Directly or indirectly solicits business, investigates or adjusts losses, advises an insured about first-party claims for losses or damages arising out of policies of insurance that insure real or personal property for another person, or engages in the business of adjusting losses or damages covered by an insurance policy for the insured;
- (20) "Rental vehicle agent" means a business entity with a rental vehicle agent managing employee that is licensed to sell, solicit, or negotiate insurance offered, sold, or solicited in connection with, and incidental to, the rental of rental cars, whether at the rental office or by preselection of coverage in master, corporate, or group agreements that:
- (a) Are nontransferable;
 - (b) Apply only to the rental car that is the subject of the rental agreement; and
 - (c) Are limited to the following kinds of insurance:
 - 1. Personal accident insurance for renters and other rental car occupants for accidental death or dismemberment and for medical expenses resulting from an accident that occurs with the rental car during the rental period;
 - 2. Liability insurance that provides protection to the renters and other authorized drivers of a rental car for liability arising from the operation or use of the rental car during the rental period;
 - 3. Personal effects insurance that provides coverage to renters and other vehicle occupants for loss of or damage to personal effects in the rental vehicle during the rental period;
 - 4. Roadside assistance insurance;
 - 5. Emergency sickness protection insurance; or
 - 6. Any other coverage designated by the commissioner;
- (21) "Rental vehicle insurance" means insurance underwritten by an insurer authorized to transact business in Kentucky that is sold in connection with, and incidental to, a rental vehicle agreement;

- (22) "Rental vehicle agent managing employee" means an individual who:
- (a) Is a salaried full-time employee of a licensed rental vehicle agent business entity that holds a license under KRS 304.9-505; and
 - (b) Is responsible for the supervision of the other employees engaged in the placement of insurance;
- (23) "Sell" means to exchange a contract of insurance by any means, for money or other valuable consideration, on behalf of an insurer;
- (24) "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular insurer;
- (25) "Staff adjuster" means an individual who is an employee of an insurer who investigates, negotiates, or settles property, casualty, or workers' compensation claims on behalf of his or her employer;
- (26) "Surety" means insurance or bond that covers obligation to pay the debts of, or answer for the default of another, including faithlessness in a position of public or private trust. Surety also includes surety insurance as defined in KRS 304.5-060;
- (27) "Terminate" means the cancellation of the relationship between an insurance producer and the insurer or the termination of an insurance producer's authority to transact insurance;
- (28) (a) "Travel insurance" means insurance coverage for personal risks incident to planned travel, including but not limited to:
- 1. Interruption or cancellation of a trip or event;
 - 2. Loss of baggage or personal effects;
 - 3. Damages to accommodations or rental vehicles; and
 - 4. Sickness, accident, disability, or death occurring during travel.
- (b) "Travel insurance" does not include insurance coverage that provides comprehensive medical protection for travelers with trips lasting six (6) months or longer, including those working overseas as an expatriate or military personnel being deployed;
- (29) "Uniform business entity application" means the current version of the uniform business entity application for resident and nonresident business entities; and
- (30) "Uniform individual application" means the current version of the uniform individual application for resident and nonresident individuals.

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History: Amended 2012 Ky. Acts ch. 92, sec. 1, effective July 12, 2012. -- Amended 2010 Ky. Acts ch. 24, sec. 1041, effective July 15, 2010; and ch. 83, sec. 1, effective July 15, 2010. -- Amended 2005 Ky. Acts ch. 143, sec. 2, effective June 20, 2005. -- Amended 2002 Ky. Acts ch. 273, sec. 4, effective July 15, 2002. -- Amended 2000 Ky. Acts ch. 393, sec. 1, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 341, sec. 43, effective July 15, 1998. -- Created 1970 Ky. Acts ch. 301, subtit. 9, sec. 2, effective June 18, 1970.

Legislative Research Commission Note (7/15/2010). A reference to the "executive director" of insurance in subsection (16) of this section, as amended by 2010 Ky.

Acts ch. 83, sec. 1, has been changed in codification to the "commissioner" of insurance to reflect the reorganization of certain parts of the Executive Branch, as set forth in Executive Order 2009-535 and confirmed by the General Assembly in 2010 Ky. Acts ch. 24. This change was made by the Reviser of Statutes pursuant to 2010 Ky. Acts ch. 24, sec. 1938.