

The Kentucky Automobile Insurance Plan (KAIP) and the Kentucky FAIR Plan are designed to provide insurance coverage to individuals who struggle to obtain homeowners, property, or automobile insurance through the standard market. KAIP assists Kentucky residents who have been denied motor vehicle insurance in the competitive market by connecting them with licensed auto insurance companies. To qualify for KAIP, applicants must certify that they have been refused coverage within the last 60 days, provide a premium deposit, be a licensed driver, maintain a principal residence in Kentucky, and insure a vehicle registered in the state. Coverage available through KAIP includes bodily injury, property damage, personal injury protection, and uninsured motorist coverage, but does not include physical damage coverage. Claims are handled directly by the assigned insurance company, and if a better deal is found elsewhere, insured individuals can switch plans and receive a refund for the unused premium.

The Kentucky FAIR Plan, established in 1968, operates similarly as an insurer of last resort for homeowners and property insurance. It provides coverage for various hazards, including fire, lightning, and vandalism, with limits up to \$200,000 for private dwellings and \$1,000,000 for commercial properties. To obtain coverage, properties must meet basic safety standards, and an inspection may be required. Claims must be reported to the agent or the FAIR Plan directly, and policyholders can cancel their coverage without penalty if they find a better option elsewhere. Both plans are supported by all licensed property and casualty insurance companies in Kentucky, and applications must be submitted through licensed agents. The plans aim to ensure access to essential insurance coverage for residents who may otherwise be unable to secure it.