

**CHAPTER 157****( SB 114 )**

AN ACT relating to required minimum tort liability coverage for motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 304.39-110 is amended to read as follows:

- (1) The requirement of security for payment of tort liabilities is fulfilled by providing:
  - (a) Either:
    1. Split limits liability coverage of not less than twenty-five thousand dollars (\$25,000) for all damages arising out of bodily injury sustained by any one (1) person, and not less than fifty thousand dollars (\$50,000) for all damages arising out of bodily injury sustained by all persons injured as a result of any one (1) accident, plus liability coverage of not less than ~~twenty-five~~<sup>ten</sup> thousand dollars (~~\$25,000~~<sup>\$10,000</sup>) for all damages arising out of damage to or destruction of property, including the loss of use thereof, as a result of any one (1) accident arising out of ownership, maintenance, use, loading, or unloading, of the secured vehicle; or
    2. Single limits liability coverage of not less than sixty thousand dollars (\$60,000) for all damages whether arising out of bodily injury or damage to property as a result of any one (1) accident arising out of ownership, maintenance, use, loading, or unloading, of the secured vehicle;
  - (b) That the liability coverages apply to accidents during the contract period in a territorial area not less than the United States of America, its territories and possessions, and Canada; and
  - (c) Basic reparation benefits as defined in KRS 304.39-020(2).
- (2) Subject to the provisions on approval of terms and forms, the requirement of security for payment of tort liabilities may be met by a contract the coverage of which is secondary or excess to other applicable valid and collectible liability insurance. To the extent the secondary or excess coverage applies to liability within the minimum security required by this subtitle it must be subject to conditions consistent with the system of required liability insurance established by this subtitle.
- (3) Security for a motorcycle is fulfilled by providing only the coverages set forth in subsections (1)(a) and (b) of this section.

➔Section 2. KRS 187.290 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

- (1) "Cabinet" means the Transportation Cabinet.
- (2) "Highways" means every way or place of whatever nature when any part of it is open to the use of the public, as a matter of right, license or privilege, for purpose of vehicular traffic.
- (3) "Judgment" means any judgment which has become final by expiration without appeal of the time within which an appeal might have been perfected, or by final affirmation on appeal, rendered by a court of competent jurisdiction of any state or of the United States, upon a cause of action arising out of the ownership, maintenance or use of any motor vehicle, for damages, including damages for care and loss of services, because of bodily injury to or death of any person, or for damages because of injury to or destruction of property, including the loss of use thereof, or upon a cause of action on an agreement of settlement for such damages.
- (4) "Motor vehicle" means every self-propelled vehicle which is designed for use upon a highway, including trailers designed for use with such vehicles (except traction engines, road rollers, farm tractors, tractor cranes, power shovels, mopeds, and well drillers) and every vehicle which is propelled by electric power obtained from overhead wires but not operated upon rails.
- (5) "Moped" means either a motorized bicycle whose frame design may include one (1) or more horizontal crossbars supporting a fuel tank so long as it also has pedals, or a motorized bicycle with a step-through type frame which may or may not have pedals rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the

operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour;

- (6) "License" means any operator's license, temporary instruction permit or temporary license issued under the laws of this state pertaining to the licensing of operators.
- (7) "Nonresident" means every person who is not a resident of this state.
- (8) "Nonresident's operating privilege" means the privilege conferred upon a nonresident by the laws of this state pertaining to the operation by him of a motor vehicle, or the use of a motor vehicle owned by him, in this state.
- (9) "Operator" means every person who is in actual physical control of a motor vehicle.
- (10) "Owner" means a person who holds the legal title of a motor vehicle, or in the event a motor vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee or in the event a mortgagor of a vehicle is entitled to possession, then such conditional vendee or lessee or mortgagor shall be deemed the owner for the purposes of this chapter.
- (11) "Proof of financial responsibility" means proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of said proof, arising out of the ownership, maintenance or use of a motor vehicle in ***amounts meeting the requirements of Section 1 of this Act***~~{the amount of twenty-five thousand dollars (\$25,000) because of bodily injury to or death of one (1) person in any one (1) accident, and, subject to said limit for one (1) person, in the amount of fifty thousand dollars (\$50,000) because of bodily injury to or death of two (2) or more persons in any one (1) accident, and in the amount of ten thousand dollars (\$10,000) because of injury to or destruction of property of others in any one (1) accident}~~.
- (12) "Registration" means registration certificates and registration plates issued under the laws of this state pertaining to the registration of motor vehicles.
- (13) "State" means any state, territory or possession of the United States, the District of Columbia, or any province of the Dominion of Canada.

➔Section 3. Section 1 of this Act shall apply to policies issued or renewed on or after January 1, 2018.

**Signed by Governor April 10, 2017.**