

815 KAR 30:010. LP gas license; financial responsibility required.

RELATES TO: KRS 234.120

STATUTORY AUTHORITY: KRS 234.120(3)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 234.120 requires the Executive Director to promulgate reasonable administrative regulations requiring proof of financial responsibility. This administrative regulation is made to assure persons injured by LP Gas dealers have some assets against which to recoup some of their loss. This amendment is necessary to incorporate the 1994 legislative changes set forth in KRS 234.120.

Section 1. Proof of Financial Responsibility, Amount.

(1) Prior to the issuance or renewal of a license to engage in the LP gas business as required by KRS 234.120, the applicant shall submit a certificate of insurance certifying that the applicant has a valid commercial general liability insurance policy which includes coverage for completed operations and for damages because of injuries to persons, damage to their property and any other damage or loss resulting from or arising out of the LP gas dealer's business, trade, products, services, premises or operations in the minimum amount of \$100,000 for licenses set forth in KRS 234.120(1)(d), and \$500,000 for licenses set forth in KRS 234.120(1)(b), (c) and (e) and for the business license set forth in KRS 234.120(1)(a) in the minimum amount of \$1,000,000.

(2) The insurer shall be an authorized insurer as defined by the Kentucky Department of Insurance.

(3) The certificate of insurance shall be executed by a Kentucky licensed agent as follows:

(a) Form LPG-1, Certificate information. LPG-1 CERTIFICATE OF INSURANCE LP GAS DEALERS Policy Period: Name of Insured: Address: Name of Insurer: Address: Name of Agent/Broker: Address: Policy Coverage: Commercial General Liability, including products and completed operations for LP Gas Dealer Business, in the following amounts: (Check one) Aggregate minimum limits per incident or occurrence: ___ \$1,000,000 ___ \$500,000 ___ \$100,000 Type of Company: (Check one) Authorized/Admitted Carrier ___ The undersigned hereby certifies that the above mentioned insurance protection has been issued in the amounts indicated. Signature: (KY Licensed Agent)

(b) Alternate certificate. In lieu of Form LPG-1, a standard company certificate of insurance may be used; but, only if all the information listed on the State Fire Marshal's Form LPG-1 is included.

(4) Failure to maintain the required insurance shall void the license.

(1 Ky.R. 96; eff. 11-13-1974; Recodified from 806 KAR 50:060, 7-5-78; Am. 15 Ky.R. 2300; eff. 7-7-89; 19 Ky.R. 825; eff. 11-9-92; 20 Ky.R. 1700; 2354; eff. 3-14-94; 21 Ky.R. 1792; eff. 3-6-95; TAm eff. 8-9-2007.)