

281.655 Bonds or insurance policies.

- (1) Before any certificate will be issued or renewed, the applicant or holder of the certificate shall file or shall have on file with the department one (1) or more approved indemnifying bonds or insurance policies issued by some surety company or insurance carrier authorized to transact business within the Commonwealth of Kentucky. The term of each bond or policy shall be continuous and shall remain in full force until canceled under proper notice. Each bond or policy shall have attached thereto the state insurance endorsement. All bonds or policies required under this section shall be issued in the name of the holder of the certificate. In lieu of the bonds or policies, the department, under appropriate regulations, may require the filing of one (1) or more approved certificates of insurance, the terms of which shall be continuous and shall remain in force and effect until canceled under proper notice.
- (2) The bonds or policies required of a U-Drive-It or automobile utility trailer lessor shall provide public liability and property damage coverage when operated either by the lessee or lessor thereof or agents, servants, or employees of either.
- (3) All bonds or policies shall provide blanket coverage for all equipment operated pursuant to the certificate or permit.
- (4) The types and minimum amounts of insurance to be carried on each vehicle shall be as follows:

MOTOR VEHICLES FOR THE TRANSPORTATION OF PERSONS,
INCLUDING U-DRIVE-ITS

	Death of or Injury to Any One Person	Total Liability for Death of or Injury to Persons	Property Damage
Capacity			
7 regular seats	\$100,000.00	\$300,000.00	\$50,000.00
8 or more regular seats	\$100,000.00	\$600,000.00	\$50,000.00

MOTOR VEHICLES FOR THE TRANSPORTATION OF PROPERTY,
INCLUDING U-DRIVE-ITS AND AUTOMOBILE UTILITY

TRAILERS

	Death of or Injury to Any One Person	Total Liability for Death of or Injury to Persons	Property Damage
Gross Weight			
18,000 lbs. or less	\$100,000.00	\$300,000.00	\$50,000.00
More than 18,000 lbs.	\$100,000.00	\$600,000.00	\$50,000.00

- (5) Any person, firm, or corporation operating or causing to be operated any vehicle for the transportation of petroleum or petroleum products in bulk in amounts less than ten thousand (10,000) pounds shall have the following types and minimum amount of insurance carried on each vehicle:

	Death of or Injury to Any One	Total Liability for Death of or Injury to	Property

Person	Persons	Damage
\$100,000.00	\$300,000.00	\$50,000.00

- (6) Any person, firm, or corporation operating or causing to be operated any vehicle for the transportation of hazardous material as defined in KRS 174.405, except petroleum or petroleum products in bulk in amounts less than ten thousand (10,000) pounds, shall have on each vehicle single limits liability insurance coverage of not less than one million dollars (\$1,000,000) for all damages whether arising out of bodily injury or damage to property as a result of any one (1) accident or occurrence.
- (7) Before any household goods certificate shall be issued or renewed, the applicant or certificate holder shall file or have on file with the department an approved insurance policy or bond compensating shippers or consignees for loss or damage to property belonging to shippers or consignees and coming into possession of the carrier in connection with its transportation service in the amounts required by 49 C.F.R. sec. 387.303(c) for interstate household goods motor carriers. The policy or bond shall have attached thereto the Kentucky cargo policy endorsement and shall be issued by some insurance or surety company authorized to transact business within the Commonwealth of Kentucky. The term of the bond or policy shall be continuous and shall remain in full force until canceled under proper notice. In lieu of the bond or policy, the department, under appropriate regulations, may require the filing of an approved certificate of insurance, the term of which shall be continuous and shall remain in force and effect until canceled under proper notice.
- (8) No insurance company or insurance carrier issuing any policy filed with the department, and no surety or obligor on any bond or contract filed with the department, shall be relieved from liability under the policy, bond, or contract until after the expiration of thirty (30) days' notice to the department of an intention to cancel the policy, bond, or contract. A prior cancellation may be allowed in cases where one (1) policy, bond, or contract is substituted for another policy, bond, or contract if the substituted policy, bond, or contract is of force and effect at a time prior to the expiration of thirty (30) days' notice to the department of an intention to cancel the policy, bond, or contract for which the additional policy, bond, or contract is being substituted. The acceptance of any notice of an intention to cancel any policy, bond, or contract or the cancellation of any policy, bond, or contract by the department, unless under the circumstances set forth, shall not relieve the insurance company, insurance carrier, surety, or obligor of any liability that accrued prior to the effective date of the cancellation.
- (9) Upon the cancellation of any bond or insurance policy required by this section, all operating rights granted by the certificate for which the bond or policy was filed, shall immediately cease, and the department may immediately require the cessation of all operations conducted under authority of the certificate, and may require the immediate surrender of all certificates, licenses, and other evidence of a right to act as a motor carrier.
- (10) The department may exempt in whole or in part from the requirements of this section any person who applies for the exemption and shows to the satisfaction of the department that, by reason of the financial ability of the person applying, there is due assurance of the payment of all damages for which he or she may become

liable as a result of the operation of any vehicle owned by him or her or operated under authority of his or her certificate.

- (11) The provisions of this section notwithstanding, the Secretary of Transportation may adopt, incorporate by reference, or set forth in its entirety the provisions of Title 49, United States Code of Federal Regulations, Part 387, relating to the levels of financial responsibility for motor carriers, in effect as of June 24, 2015, or as amended after that date, with respect to any motor carrier operating in Kentucky.
- (12) The cabinet shall promulgate administrative regulations to set standards for pre-trip acceptance liability policies and prearranged ride liability insurance policies for transportation network company vehicles. The minimum amount of insurance for pre-trip acceptance liability policies shall be fifty thousand dollars (\$50,000) for death and personal injury to one (1) person, one hundred thousand dollars (\$100,000) for death and personal injury resulting from one (1) incident, and twenty-five thousand dollars (\$25,000) for property damage. The minimum amount of insurance for prearranged ride liability policies shall be the same as for motor vehicles for the transportation of persons under subsection (4) of this section. Pre-trip acceptance liability policies and prearranged ride liability policies may be issued by an eligible surplus lines insurer.
- (13) Notwithstanding any other provision of this section, any fully autonomous vehicle operating under a certificate issued under this chapter shall have on file with the department indemnifying bonds or insurance policies in the minimum amounts of:
 - (a) One million dollars (\$1,000,000) of total liability for death of or injury to persons resulting from any one (1) accident; and
 - (b) One million dollars (\$1,000,000) for property damage.

Effective: July 15, 2024

History: Amended 2024 Ky. Acts ch. 176, sec. 15, effective July 15, 2024. -- Amended 2015 Ky. Acts ch. 19, sec. 15, effective June 24, 2015. -- Amended 1996 Ky. Acts ch. 174, sec. 9, effective July 15, 1996. -- Amended 1990 Ky. Acts ch. 80, sec. 1, effective July 13, 1990; and ch. 466, sec. 4, effective July 13, 1990. -- Amended 1988 Ky. Acts ch. 4, sec. 1, effective July 15, 1988; and ch. 73, sec. 1, effective July 15, 1988. -- Amended 1980 Ky. Acts ch. 384, sec. 8, effective July 15, 1980. -- Amended 1978 Ky. Acts ch. 317, sec. 1, effective June 17, 1978. -- Amended 1974 Ky. Acts ch. 74, Art. IV, sec. 20(2). -- Amended 1966 Ky. Acts ch. 139, sec. 27. -- Amended 1960 Ky. Acts ch. 139, sec. 7. -- Amended 1956 (2nd Extra. Sess.) Ky. Acts ch. 7, sec. 5. -- Amended 1954 Ky. Acts ch. 63, sec. 1. -- Amended 1952 Ky. Acts ch. 19, sec. 2. -- Created 1950 Ky. Acts ch. 63, sec. 18, effective June 15, 1950.