

Laws for Property & Casualty Insurance Candidates

Unit 20 contains laws specific to Kentucky

Remember the best way to study the laws is to
memorize them.

(There is no video for the laws since they need to be memorized).

UNIT 20

Definitions

General Terms

A **Commissioner** is the Executive Director of Insurance of Kentucky.

The **Department** is the office of Insurance of Kentucky (unless context indicates otherwise).

A **Person** includes an individual, insurer, company, association, organization, Lloyd's insurer, society, reciprocal insurer or inter-insurance exchange, partnership, syndicate, business trust or corporation, and every other related legal entity. (304.1-020, 050)

Types of Insurer Authority

A **domestic insurer** is an insurer formed under the laws of Kentucky.

A **foreign insurer** is an insurer formed under the laws of any state other than Kentucky.

An **alien insurer** is an insurer formed under the laws of any country other than a state in the United States. (304.1-070)

Classifications of Insurers and Licensees

A **certificate of authority** is a certificate issued by the Executive Director evidencing the authority of an insurer to transact insurance in Kentucky.

An **authorized insurer** is an insurer who holds a current certificate of authority issued by the Executive Director. Any insurer without such an authorization is known as an **unauthorized insurer**. (304.1-070)

Kinds of Insurance

Casualty insurance includes insurance of the following descriptions.

- **Vehicle insurance** is insurance against loss of or damage to any land vehicle or aircraft or any draft or riding animal or to property while contained therein or thereon or being loaded or unloaded therein or therefrom, from any hazard or cause, and against any loss, liability or expense resulting from or incidental to ownership, maintenance or use of such vehicle, aircraft or animal; together with insurance against accidental injury to individuals, irrespective of legal liability of the insured, including the named insured, while in, entering, alighting from, adjusting, repairing, cranking, or caused by being struck by a vehicle, aircraft or draft or riding animal, if such insurance is issued as an incidental part of insurance on the vehicle, aircraft or draft or riding animal.
- **Liability insurance** is insurance against legal liability for the death, injury or disability of any human being, or for damage to property; and provision of medical, hospital, surgical, disability benefits to injured persons and funeral and death benefits to dependents, beneficiaries or personal representatives of persons killed, irrespective of legal liability of the insured, when issued as an incidental coverage with or supplemental to liability insurance.
- **Workmen's compensation and employers liability** is insurance of the obligations accepted by, imposed upon, or assumed by employers under law for death, disablement, or injury of employees.
- **Boiler and machinery insurance** is insurance against any liability and loss or damage to property or interest resulting from accidents to, or explosions of, boilers, pipes, pressure containers, machinery, or apparatus, and the inspection of and issuance of certificates of inspection upon boilers, machinery, and apparatus of any kind, whether or not insured.

Reinsurance is a contract under which an originating insurer (called the "ceding" insurer) procures insurance for itself in another insurer (called the "assuming" insurer or the "reinsurer") with respect to part or all of an insurance risk of the originating insurer. (304.5-020; 304.5-130)

INSURANCE COMMISSIONER

The Commissioner is the head of the Kentucky Office of Insurance. The Commissioner is appointed by the **Governor** with the consent of the Senate, for a term

not to exceed **four years** on the basis of his or her merit and fitness to perform the duties of the office. (304.2-020)

Address Change

Licensees must inform the Commissioner in writing of any changes in addresses or legal name within 30 days of the change. (Subject to up to \$1,000 fine). [Sec. 304.2-120]

Penalties for Code Violations

Any person who willfully violates any rule, regulation, subpoena, or order of the Commissioner or any provision of the Insurance Code is subject to suspension or revocation of certificate of authority or license, an administrative fine, or both. (Cannot imprison). [Sec. 304.2-140]

AGENTS, PRODUCERS, AND LINES OF AUTHORITY

Definitions

An **agent** is an individual or business entity appointed by an insurer to sell or solicit applications for insurance or annuity contracts or to negotiate insurance or annuity contracts on its behalf.

An **insurance producer** is an individual or business entity required to be licensed under Kentucky law to sell, solicit, or negotiate insurance or annuity contracts. [Sec. 304.9-020]

Qualifications for Agent License

- Is at least **18 years of age**;
- **Has fulfilled the residence requirements** or is a nonresident who is not eligible for a nonresident license based on reciprocity;
- Has not committed any act that is a ground for denial, suspension, or revocation;
- Is **trustworthy, reliable, and of good reputation**, evidence of which will be determined through an investigation by the Commissioner;
- Is competent to exercise the license and has:

- **Completed a 20-hour prelicensing course** of study for the lines of authority for which the individual has applied;
- Successfully passed the examinations required by the Commissioner for the lines of authority for which the individual has applied; and
- Paid the fees;
- Is financially responsible to exercise the license and has:
 - Filed with the Commissioner the certificate of an insurer authorized to write legal liability insurance in this state, that the insurer has and will keep in effect on behalf of the person a policy of insurance covering the legal liability of the licensed person as the result of erroneous acts or failure to act in his capacity as an insurance agent, **and enduring to the benefit of any aggrieved party as the result of any single occurrence in the sum of not less than \$20,000 and \$100,000 in the aggregate for all occurrences within one (1) year**, and that the policy may not be terminated unless at least 30 days' prior written notice will have been given to the Commissioner; or
 - **Deposited with the Commissioner cash, or a cash surety bond** executed by an insurer authorized to write business in this Commonwealth, in the sum of **\$20,000**, which will be subject to lawful levy of execution by any party to whom the licensee has been found to be legally liable as the result of erroneous acts or failure to act in his capacity as an agent. [Sec. 304.9-105, 120]

INSURANCE CONSULTANTS

Rate Quotes – Policy Refusals

A **consultant** is an individual who, as an independent contractor in relation to his client, for fee or compensation other than from an insurer, in any manner advises any person. [Sec. 304.9-040]

Qualifications for Consultant License

- Must be an individual of 25 or more years of age

- Must have had not less than five years of actual experience as a licensed agent with respect to the kinds of insurance and contracts to be covered by the license
- Must have a thorough knowledge of insurance and annuity contracts of the kinds proposed to be covered under license
- Must satisfy the Commissioner by written examination or otherwise of his qualifications for the license
- Must be competent, trustworthy under highest fiduciary standards, financially responsible, and of good personal and business reputation.
- Must have filed the bond required by Section 304.9-330. [Sec. 304.9-320]

Consultant's Compensation Prohibited; Exception

A consultant who is also licensed as an agent shall not, directly or indirectly, receive or share in both a fee and other compensation paid. [Secs. 304.9-350-360]

LAWS AND REGULATIONS GOVERNING LICENSEES

Controlled Business

The Commissioner will not grant, renew, continue, or permit to exist any license of an insurance producer if he finds that the license has been or is being or will probably be used by the applicant or licensee principally for the purpose of writing **controlled business** – that is:

- Insurance on his own interest or those of his family or of his employer; or
- Insurance or annuity contracts covering himself or members of his family, or the officers, directors, stockholders, partners, employees, or debtors of a partnership, association, or corporation of which he or a member of his family is an officer, director, stockholder, partner, associate, or employee. [Sec. 304.9-100]

Written Examination

An individual applying for any license under this section requiring an examination must pass a written examination unless exempt. [Sec. 304.9-160; Reg. 806.9-070]

Exemptions from Prelicensing Education and Examination Requirements

The prelicensing education requirement and the written examination requirement do not apply to the following persons:

- **An individual licensee who allows his license to lapse if the license renewal fee is paid within 12 months from the due date of the license renewal fee.** However, a penalty in the amount of double the unpaid renewal fee will be imposed, and the department will issue a license with the same lines of authority as the lapsed license.
- Any applicant for license covering any line of authority to which the applicant was licensed under a similar license in Kentucky, other than a temporary license, within the 12 months next preceding date of application.

[Sec. 304.9-170]

Contents of License – Number Required

The license of an agent may not specify the name of any particular insurer by which the licensee is appointed as agent. The licensee may represent as an agent under the one license as many insurers as may appoint the agent in accordance with this section. [Sec. 304.9-210]

Continuing Education for Agents

Continuing Educations and license renewal are due by the end of the agent's birth month and odd or even year of birth.

Only continuing education courses approved by the Commissioner will be used to satisfy the continuing education requirement of this section.

CE Requirements:

- **24 hours total**
- **6 of 24** must be in **ANY** one active line of authority (Ex. Life or Health or Property or Casualty)
- **3 of 24** must be in ethics

[Sec. 304.9-295]

Temporary Licenses

The Commissioner may issue a temporary license for a period not to exceed 180 days without requiring an examination or prelicensing course of study if the Commissioner deems that a temporary license is necessary for the servicing of an insurance business in the following cases:

- **To the surviving spouse** or court-appointed personal representative of a licensed agent who dies or becomes mentally or physically disabled, to allow adequate time for the:
 - Sale of the insurance business owner by the agent;
 - Recovery or return of the agent to the business; or
 - Training and licensing of new personnel to operate the agent's business.
- To a member or employee of a business entity licensed as an agent, upon the death or disability of the sole individual designated in the business entity application or the license.
- To the designee of a licensed agent entering upon active service in the armed forces of the United States. [Sec. 304.9-300]

Record Retention

The licenses of the licensee must be conspicuously displayed in a part of the place of business customarily open to the public.

The licensee must keep at his place of business complete records of transactions under his license.

The records must be kept available for inspection by the Commissioner for a period of at least five (5) years after completion of the respective transactions. [Sec. 304.9-390]

Accounting for Premiums

The portion of all premiums or moneys which an insurance producer collects from an insured and which is to be paid to an insurer, its agents, its managing general agents, or his principal because of the assumption of liability through the issuance of policies or contracts for insurance, **shall be held by the insurance producer in a**

fiduciary capacity and shall not be misappropriated or converted to his own use or illegally withheld by the insurance producer. [Sec. 304.9-400]

Commissions – Splitting Prohibited

No agent, consultant, adjuster, or surplus lines broker shall directly or indirectly share his commission or other compensation received or to be received on account of a transaction under his license with any person not also licensed as agent, consultant, adjuster, or surplus lines broker under this subtitle as to the kinds of insurance involved in the transaction. [Secs. 304.9-421, 425]

Revocation or Suspension of License

The Commissioner may place on probation, suspend, or may impose conditions upon the continuance of a license for not more than 12 months, revoke, or refuse to issue or renew any license issued under this section or any surplus lines broker license, or may levy a civil penalty, or any combination of actions for any one or more of the following causes:

- Providing incorrect, misleading, incomplete, or materially untrue information in the license application
- Obtaining or attempting to obtain a license through misrepresentation or fraud
- Having been convicted of any felony
- Cheating on an examination for an insurance license

[Sec. 304.9-465]

Actions Following License Suspension or Revocation

Upon suspension or revocation of any license, the Commissioner will immediately notify the licensee either in person or by mail addressed to the licensee at his last address of record. Notice by mail will be considered to be effective when mailed. The Commissioner will also give notice to the insurer represented by the agent, in the case of an agent's license.

A person whose license has been revoked twice is not eligible for any license under this code under any circumstance. [Sec. 304.9-450]

UNAUTHORIZED INSURERS

Prohibition of Unauthorized Insurance Business

In the event of failure of any unauthorized insurer to pay any claim or loss within the provisions of an insurance contract, any person who assisted or in any manner aided directly or indirectly in the procurement of such insurance contract shall be liable to the insured for the full amount of the claim or loss in the manner provided by the provisions of the insurance contract. **Does not include the person covered by the policy.** [Sec. 304.11-030]

Premium Tax

Every unauthorized insurer must pay a premium tax of 2% of gross premiums charged for insurance on subjects resident, located, or to be performed in this state. [Sec. 304.11-050]

TRADE PRACTICES AND FRAUDS

Unlawful Advertising

No person shall make or disseminate orally or in other manner any advertisement, information, matter, statement, or things:

- Misrepresenting the terms of any policy
- Using any name or title of any policy or class of policies misrepresenting the true nature thereof;
- Setting forth any misleading representation or any misrepresentation as to the financial condition of an insurer [Sec. 304.12-020]

Advertising Files; Reporting Requirements

All advertisements must be maintained in the file for at least three (3) years. [Regs. 806.12-010.18 and .19]

Defamation

No person shall make, publish, disseminate, or circulate directly or indirectly, or aid, abet, or encourage the making, publishing, disseminating, or circulating of any **oral or written statement** or any pamphlet, circular, article, or literature that is false or maliciously critical of or derogatory to the financial condition of an insurer or of an organization proposing to become an insurer, and which is calculated to injure any person engaged or proposing to engage in the business of insurance. [Sec. 304.12-060]

Discrimination: Denial of Insurance

No person shall, whether acting for himself or another in connection with an insurance transaction, fail or refuse to issue or renew insurance to any person because of race, color, religion, national origin, or sex except that rates determined through valid actuarial tables are acceptable. [Sec. 304.12-085]

Rebates are Prohibited

Life insurance, life annuities, and health insurance. Except as expressly provided by law, no insurer employee or representative shall knowingly permit, offer to make, or make any contract of life insurance, life annuity, health insurance, or agreement as to such contract other than as plainly expressed in the contract issued thereon, or pay or allow, or give or offer to pay, allow or give, directly or indirectly, as inducement to such insurance or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not expressed in the contract. [Sec. 304.12-090]

Illegal Inducements

No insurance producer may, as an inducement to insurance, or in connection with any insurance transaction, provide in any policy for, or offer, sell, buy, offer, or promise to buy, sell, give, promise, or allow to the insured or prospective insured or to any other person on his behalf in any manner whatsoever:

- Any employment;
- Any shares of stock or other securities issued or at any time to be issued or any interest therein or rights thereto:

- Any advisory board contract, or any similar contract, agreement, or understanding, offering, providing for, or promising any profits or special returns dividends; or
- Any prizes, goods, ware, merchandise, or property of an aggregate value in excess of **\$25**. [Sec. 304.12-110]

Illegal Collection of Premiums

No person shall willfully collect any sum as premium or charge for insurance that is not then provided or is not in due course to be provided (subject to acceptance of the risk by the insurer) by an insurance policy issued by an insurer as authorized by this code.

No person shall willfully collect as premium or charge for insurance any sum in excess of the amount actually expended, or in due course is to be expended, for insurance applicable to the subject for which the premium was collected or charged.

No person shall willfully or knowingly fail to return to the person entitled thereto within a reasonable time any sum collected as premium or charge for insurance in excess of the amount actually expended for insurance, or for medical examination in the case of life insurance, applicable to the subject for which the premium or charge was collected. [Sec. 304.12-190]

Life and Health – Unfair Claims Settlement Practices

Upon receiving due notice of a claim, every insurer must, within 15 days of the notification, provide necessary claims forms, instructions, and reasonable assistance so the insured can properly comply with the filing requirements.

Upon receipt of proof of loss from a claimant, the insurer shall begin any necessary investigation of the claim within in 15 days. [Reg. 806.12-092]

THE INSURANCE CONTRACT

Insurable Interest – Person

An insurer is entitled to rely on the statements and representations made by an applicant concerning the existence of an insurable interest and has no liability beyond

that provided by the policy for relying on those statements in good faith. [Sec. 304.14-040]

Power to Contract Insurance – Purchase by Minors

Any minor not less than 15 years of age may, notwithstanding his minority, contract for or own annuities or insurance upon his own life, body, health, property, liabilities, or other interests, or on the person of another in whom the minor has an insurable interest. [Sec. 304.14-070]

Consent of Insured – Life and Health Insurance

No life or health insurance contract upon an individual, except as a contract of group life insurance or of group or blanket health insurance, shall be made of effectuated unless at the time of the making of the contract the individual insured having the power to contract as provided in Section 304.14-070 applies therefor and has consented thereto in writing, except in the following cases:

- A spouse may effectuate such insurance upon the other spouse.
- Any person having an insurable interest in the life of a minor, or nay person upon whom a minor is dependent for support and maintenance, may effectuate insurance upon the life of or pertaining to such minor.
- Family policies may be issued insuring any two or more members of a family on an application signed by either parent, a stepparent, or by a husband or wife.

[Sec. 304.14-080]

INSURANCE FRAUD

Definition of Insurance Fraud

Knowing that the statement contains any false, incomplete, or misleading information concerning any fact or thing material to a claim.

A person convicted of a violation of this section shall be guilty of a **misdemeanor**, where the aggregate of the claim, benefit, or money referred to in the section is less than or equal to \$300, and shall be punished by:

- Imprisonment for not more than one (1) year;

- A fine, per occurrence, of not more than \$1,000 per individual or \$5,000 per corporation, or twice the amount of gain received as a result of the violation, whichever is greater; or
- Both imprisonment and a fine as set forth in this paragraph.

Where the claim, benefit, or money referred to in this section exceeds an aggregate of \$300, a person convicted of a violation of this section shall be guilty of a **felony** and shall be punished by :

- Imprisonment for not less than one (1) or more than five (5) years;
- A fine, per occurrence, of not more than \$10,000 per individual or \$100,000 per corporation, or twice the amount of gain received as a result of the violation, whichever is greater; or
- Both imprisonment and a fine as set forth in this paragraph.

[Sec. 304.47-020]

PENALTIES FOR VIOLATIONS

Consultants

In addition to any applicable suspension, revocation, or refusal to continue the consultant's license, violation of the statutes governing consultants' commissions, upon conviction, is punishable by a fine of not more than \$5,000, or by imprisonment up to one (1) year, or by both. [Sec. 304.99-025]

PRINCIPLES OF PROPERTY-CASUALTY INSURANCE

Gross Negligence

When an individual fails to show even the minimum degree of care that could be expected of a prudent person, that person may be guilty of gross negligence, a total disregard for the safety of others. There are certain situations in which the law says that individuals may not be held liable for damages, even if there is evidence of negligence, unless there has been **gross negligence** – reckless, wanton and willful misconduct.

Severability

A **severability** condition provides that the insurance applies separately to each insured. However this does not increase the limit of liability for any one occurrence. For example, supposed the Declarations page of a Liability policy indicated \$100,000 as the limit of liability for both bodily injury and property damage. One suit is brought against the insured and another suit is brought against the insured's spouse for damages arising out of a single occurrence. The maximum that the insurance company would pay for both suits, excluding any supplementary payments, is \$100,000.

Ocean Marine Insurance

A **constructive total loss** occurs when, although the property is not completely destroyed, the cost to salvage the property or repair it would exceed the value of the property. Constructive total losses are treated as if an actual total loss had occurred. Several implied warranties were covered in Unit 14, including Seaworthiness, Conditions of Cargo, Legality, and No Deviating In Voyage. You learned that breach of an implied warranty can void a contract.

BINDERS

No binder shall be valid beyond the issuance of the policy with respect to which it was given, or beyond 90 days from its effective date, whichever period is the shorter.
[Reg. 806.14-020]

AUTOMOBILE INSURANCE – NO-FAULT LAW

Definitions

The following definitions apply under the Kentucky no-fault law.

Basic reparation benefits mean benefits providing reimbursement for net loss suffered through injury arising out of the operation, maintenance or use of a motor vehicle, subject to the limits, deductibles, exclusions, disqualifications, and other conditions provided in the no-fault law. The maximum amount of basic reparation

benefits payable for all economic loss resulting from injury to any one person as the result of one accident is **\$10,000**, regardless of the number of persons entitled to such benefits or the number of providers of security obligated to pay such benefits.

Medical expense may include nonmedical remedial treatment rendered in accordance with a recognized religious method of healing. The term includes a total charge up to **\$1,000** per person for expenses in any way related to funeral, cremation, and burial. (304.39-020)

Limitations on Tort Liability

Under the no-fault law, tort liability for accidents occurring in Kentucky and arising from the ownership, maintenance, or use of a motor vehicle is **abolished** for damages because of bodily injury, sickness, or disease to the extent the basic reparation benefits provided by the no-fault law are payable under an insurance policy or other method of security that meets the requirements of the no-fault law. A plaintiff may recover damages for pain, suffering, mental anguish and inconvenience (**noneconomic detriment**) because of bodily injury, sickness or disease arising out of the ownership, maintenance, operation or use of a motor vehicle only if:

- The benefits which are payable for such injury as “medical expense” (or which would be payable except for any exclusion or deductible authorized by the no-fault law) exceed \$1,000

Any person who registers, operates, maintains, or uses a motor vehicle on the public roadways of Kentucky is considered to have accepted the provisions of the Kentucky no-fault law. (304.39-060.1 through .3)

If a **vehicle** is insured – silence = **consent**

If a **motorcycle** is insured – silence = **refusal**

Rejection of No-Fault Limitations

Any person may refuse to consent to the limitations of his or her tort rights and liabilities under the no-fault law. (304.39-060.4 through .9)

Payment of Reparation Benefits

Basic reparation benefits must be paid **without regard to fault**. (304.39-040)

Required Liability Coverage

The requirement of security for payment of tort liabilities is fulfilled by providing either:

- Split limits liability coverage of at least **\$25,000** for all damages arising out of bodily injury sustained by any one person and at least **\$50,000** for all damages arising out of bodily injury sustained by all persons injured as a result of any one accident, plus liability coverage of at least **\$10,000** for all damages arising out of damage to or destruction of property, including loss of use, as a result of any one accident; or
- Single limits liability coverage of at least **\$60,000** for all damages whether arising out of bodily injury or damage to property as a result of any one accident.

Coverage must also be provided for **basic reparation benefits**, and the liability coverages must apply to accidents that occur during the contract period in a territorial area that includes at least the United States, its territories and possessions, and Canada. (304.39-110)

Payment of Benefits

Overdue payments bear interest at the rate of 12% per annum, except that if delay was without reasonable foundation the rate of interest rate is 18% per annum.

PERSONAL AUTO POLICIES-DECLINATION, NONRENEWAL AND CANCELLATION

Permissible Reasons for Cancellation

A notice of cancellation of a policy is effective only if it is based on one or more of the following reasons:

- Nonpayment of premium;
- The driver's license or motor vehicle registration of the named insured or of any other operator who either resides in the same household or customarily operates an automobile insured under the policy has been under suspension or revocation during the policy period or, if the policy is a renewal, during its policy period or the 180 days immediately preceding its effective date.

Notice of Cancellation

No notice of cancellation of a policy shall be effective unless mailed or delivered by the insurer to the named insured at least **20 days** prior to the effective date of cancellation; provided, however, that where cancellation is for nonpayment of premium at least **14 days** notice of cancellation accompanied by the reason therefor shall be given. This subsection shall not apply to renewals. (304.20-040.3)

Nonrenewals

No insurer shall fail to renew a policy unless it shall mail or deliver to the named insured, at the address shown in the policy, at least **75 days** advance notice of its intention not to renew. (304.20-040.5-.7)

Contents of Notice

When an automobile liability insurance policy is canceled other than for nonpayment of premium, or in the event of failure to renew a policy of automobile liability insurance, the insurer shall notify the named insured of his or her possible eligibility for automobile liability insurance coverage through the Kentucky automobile assigned risk plan. Such notice shall accompany or be included in the notice of cancellation or the notice of intent not to renew. Such notice shall also inform the insured that he or she may, within seven days, request the Commissioner in writing to determine whether there is sufficient reason to cancel or not to renew the policy. (304.20-040.9, .11-.13)

PREMIUM FINANCE COMPANIES

Definition

An **insurance premium finance** company or **premium finance company** is a person engaged in the business of entering into insurance premium finance agreements.

A Premium **finance agreement** is an agreement by which an insured or prospective insured promises to pay to a premium finance company the amount advanced or to be advanced under the agreement to an insurer or to an insurance agent in payment of premiums on an insurance contract together with a service charge as authorized and limited by the insurance code. (304.30-020)

KENTUCKY INSURANCE GUARANTY ASSOCIATION

Occasionally an insurer becomes insolvent and there is no money available to pay claims. To protect the interests of the policyholders who paid premiums in good faith, there has been established the nonprofit, unincorporated organization called the Kentucky Insurance Guaranty Association.

Purposes

The purposes of this subtitle are to provide a mechanism for the payment of covered claims under certain insurance policies to avoid excessive delay in payment and to avoid financial loss to claimants or policyholders because of the insolvency of an insurer, to assist in the detection and prevention of insurer insolvencies, and to provide an association to assess the cost of such protection among insurers. (304.36-020)

Scope of Coverage

The coverage provided by the Association extends to all kinds of direct insurance **except:**

- Life, annuity, health, or disability (except that health insurance is covered if it is written by a member of the Association);
- Mortgage guaranty, financial guaranty, or other forms of insurance offering protection against investments risks
- Credit insurance, or any similar insurance protecting the interests of a creditor arising out of a creditor-debtor transaction;
- Title insurance (304.36-030)

Assessments

The Association will assess insurers amounts necessary to pay the obligations of the Association and other authorized expenses. (304.36-080)

Payment of Claims

The Association obligations on covered claims are as follows:

- The **full amount** of a covered claim for benefits arising from a worker's compensation insurance policy

- No more than **\$10,000** per policy for a covered claim for the return of unearned premium
 - No more than **\$300,000** per claimant for all other covered claims
- The Association is not obligated to pay a claimant any more than the obligation of the insolvent insurer under the policy or coverage from which the claim arises. (304.36-080)