



PUBLIC PROTECTION CABINET

Department of Insurance

Division of Property and Casualty Insurance

(New Administrative Regulation)

806 KAR 20:030 – Car Valuation Guides

RELATES TO: KRS 304.20-110

STATUTORY AUTHORITY: KRS 304.20-110

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.20-110 authorizes the commissioner to promulgate an administrative regulation to identify the nationally accepted used car valuation guides or tools to be used when determining the retail value of a wrecked, destroyed, or damaged motor vehicle, under KRS Chapter 186A. This administrative regulation establishes the nationally accepted used car valuation guides or tools to be used when determining the retail value of a wrecked, destroyed, or damaged motor vehicle.

Section 1. A property insurer, casualty insurer, and property and casualty insurer shall use the following car valuation guides when determining the retail value of a wrecked, destroyed, or damaged motor vehicle, under KRS Chapter 186A:

(a) The current version of the Kelley Blue Book, or any successor entity; or

(b) The current version of the J.D. Power Values/National Association of Auto Dealers guidelines, or any successor entity.

READ AND APPROVED:



Sharon P. Clark
Commissioner, Department of Insurance

6/23/2025
Date



Ray A. Perry
Secretary, Public Protection Cabinet

6-23-2025
Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held at 9:00 AM on September 23, 2025, at 500 Mero Street, Frankfort, KY 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. If held, this hearing will be open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through 11:59 PM on September 30, 2025. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person below.

Contact Person: Shaun T. Orme

Title: Executive Advisor

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REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

806 KAR 20:030

Contact Person: Shaun T. Orme

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Email: shaun.orme@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does:

806 KAR 20:030 establishes the nationally accepted used car valuation guides or tools to be used when determining the retail value of a wrecked, destroyed, or damaged motor vehicle, under KRS Chapter 186A.

(b) The necessity of this administrative regulation:

KRS 304.20-110 mandates the Department promulgate regulations that establish the nationally accepted used car valuation guides or tools to be used when determining the retail value of a wrecked, destroyed, or damaged motor vehicle, pursuant to KRS Chapter 186A.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

This administrative regulation establishes the nationally accepted used car valuation guides or tools to be used when determining the retail value of a wrecked, destroyed, or damaged motor vehicle, pursuant to KRS Chapter 186A.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

806 KAR 20:030 provides the nationally accepted used car valuation guides or tools to be used by property insurers, casualty insurers, and property and casualty insurers when determining the retail value of a wrecked, destroyed, or damaged motor vehicle, pursuant to KRS Chapter 186A.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: N/A

(b) The necessity of the amendment to this administrative regulation: N/A

(c) How the amendment conforms to the content of the authorizing statutes: N/A

(d) How the amendment will assist in the effective administration of the statutes: N/A

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

806 KAR 20:030 will affect an unknown number insureds whose motor vehicles are wrecked, destroyed, or damaged. The regulation will affect all insurers that issue property, casualty, or property and casualty insurance policies.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:

Insureds will be able to review the enumerated guidelines when they have a wrecked, destroyed, or damaged motor vehicle.

Property, casualty, or property and casualty insurers will be required to use the enumerated guidelines when determining the value of an insured's wrecked, destroyed or damaged motor vehicle pursuant to KRS Chapter 186A.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):

The cost to comply with the regulation is de minimis.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3):

Insureds will be able to make a valuable determination of their motor vehicle when it is wrecked, destroyed, or damaged.

Property, casualty, or property and casualty insurers will have guidelines when determining the value of an insured's wrecked, destroyed or damaged motor vehicle pursuant to KRS Chapter 186A.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: This regulation will not cost any amount to implement.

(b) On a continuing basis: This regulation will not cost any amount to implement.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: N/A

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

There will not be an increase in fees related to this administrative regulation.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:

This administrative regulation does not establish any fees.

(9) TIERING: Is tiering applied? (Explain why or why not):

Tiering is not applied as the provisions of this administrative regulation apply to all entities equally.

FISCAL IMPACT STATEMENT

806 KAR 20:030

Contact Person: Shaun T. Orme

Phone: 502-782-1698

Email: shaun.orme@ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation: KRS 304.20-110

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: 25 RS SB 136

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: The Department of Insurance is the promulgating agency. The Transportation Cabinet will be affected when issuing salvage titles, pursuant to KRS Chapter 186A.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: \$0.00

For subsequent years: \$0.00

2. Revenues:

For the first year: \$0.00

For subsequent years: \$0.00

3. Cost Savings:

For the first year: \$0.00

For subsequent years: \$0.00

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): This administrative regulation will have no impact on the expenditures and revenues of any state or local agencies.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: \$0.00

For subsequent years: \$0.00

2. Revenues:

For the first year: \$0.00

For subsequent years: \$0.00

3. Cost Savings:

For the first year: \$0.00

For subsequent years: \$0.00

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): None.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: \$0.00

For subsequent years: \$0.00

2. Revenues:

For the first year: \$0.00

For subsequent years: \$0.00

3. Cost Savings:

For the first year: \$0.00

For subsequent years: \$0.00

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: This administrative regulation does not have a fiscal impact.

(b) Methodology and resources used to reach this conclusion: N/A.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(13): This administrative regulation will not have a “major economic impact.”

(b) The methodology and resources used to reach this conclusion: N/A.