

**COMMONWEALTH OF KENTUCKY  
DEPARTMENT OF INSURANCE  
Frankfort, Kentucky**

RISK PURCHASING GROUPS  
KRS 304.45-010 through KRS 304.45-150

Pursuant to the Liability Risk Retention Act of 1986, specifically 15 U.S.C. § 3903, purchasing groups may be formed to purchase liability insurance. 15 U.S.C. § 3903 preempts certain state laws, such as countersignature requirements (KRS 304.3-250) and the prohibition against nonresident licensed agents soliciting business in Kentucky (KRS 304.9-140). 15 U.S.C. § 3903 does not preempt laws other than those listed in that section.

15 U.S.C. § 3903 requires each purchasing group to file a Notice of Intent and register with the insurance supervisory official in every state in which it intends to do business. A copy of the Notice Form, RPG-1-P&C 1/2001, required in Kentucky is attached. This form is substantially identical to the form prescribed by the National Association of Insurance Commissioners.

Complete the Notice Form and return it to the Property and Casualty Division, Kentucky Department of Insurance, PO Box 517, Frankfort, Kentucky 40602-0517, phone: 502-564-6046.

15 U.S.C. § 3903 requires subsequent notice of any changes in the information provided.

Unlike most states, Kentucky's Commissioner of Insurance is not the agent for service of process on foreign and alien insurers. Rather, the Secretary of State is the agent for service of process on these entities. Complete form, RPG-2 P&C 1/2001 to appoint of the Secretary of State as agent for service of process for the group, and return it along with the Notice Form.

15 U.S.C. § 3903 does not prohibit states from requiring insurance to be solicited by licensed agents. KRS 304.45-130(2) and (3) require agents soliciting insurance on behalf of insurers of purchasing groups to hold the appropriate licenses. However, no license is required of salaried employees of an insurer, or of a purchasing group, who are not compensated based on the volume of business. The Notice must list the licensed agent(s) who will be soliciting insurance in Kentucky. Information on licensing may be obtained from the Licensing Division, Kentucky Department of Insurance, PO Box 517, Frankfort, Kentucky 40602-0517, phone: 502-564-6004 or <http://insurance.ky.gov>.

KRS 304.45-080 imposes premium taxes on insurers of purchasing groups. There is a state premium tax of 2 percent and a 1.8 percent property and casualty insurance surcharge. The insurers providing coverage for your group must contact the Kentucky Department of Revenue to obtain forms and instructions for payment of these taxes. Information and forms may be obtained at <http://revenue.ky.gov/business/Insprem.htm>, or by calling the Miscellaneous Tax Branch at 502-564-9300.

Kentucky local government premium taxes imposed pursuant to KRS 91A.080 are also applicable. These taxes must be paid directly to various Kentucky local governments, but enforcement rests with the Department of Insurance. The current edition of the Kentucky local government premium tax schedule and forms are available at [http://insurance.ky.gov/Home.aspx?Div\\_ID=13](http://insurance.ky.gov/Home.aspx?Div_ID=13). Inquiries concerning Kentucky local government premium taxes should be directed to the Kentucky Department of Insurance, Local Government Premium Tax Unit, PO Box 517, Frankfort, Kentucky 40602-0517, phone: 502-564-1649.

Attachments available at [http://insurance.ky.gov/Static\\_Info.aspx?Static\\_ID=5&Div\\_id=15](http://insurance.ky.gov/Static_Info.aspx?Static_ID=5&Div_id=15)  
Notice Form (Application) RPG-1 P&C 1/2001  
Appointment for Agent for Service of Process RPG-2 P&C 1/2001