

Auto Insurance Deductible “Club”

The Kentucky Department of Insurance has received information regarding an organization, Pay My Deductible Club, offering to pay a consumer’s auto insurance deductible if he/she is involved in an accident. A monthly or annual fee is required to receive the benefit.

This business, claiming to be based in Beverly Hills, CA, is not authorized to do business in Kentucky and does not have the proper license from the Department of Insurance. While the group claims to not have any “insurance affiliation,” we consider the product to be insurance and under our jurisdiction. In order to operate in Kentucky, the entity will need to apply for and receive a certificate of authority as a property and casualty company. The minimum capital and surplus required is \$3 million.

If you have received a solicitation for this product or have signed up for the membership, please call our office at 800-595-6053 and ask for Vicky Horn.

Before doing business with any group, please consider these tips:

- Check the Kentucky Secretary of State’s business search (<https://app.sos.ky.gov/ftsearch/>) to see if the company is registered to conduct business in the commonwealth.
- Search on the Department of Insurance website (<http://insurance.ky.gov>) to see if the company or agent is authorized to sell insurance in Kentucky.
- Even if the product is legitimate, you will want to decide if it is a wise purchase. What is the likelihood that you will need the service being offered? Compare what you are paying for the protection to what you would pay if you actually needed the assistance.
- Check the company’s website. If you get an error message, such as “under construction” or a warning that the security certificate is registered to another entity, consider these to be red flags and do not proceed.
- Be cautious about giving anyone access to your credit card or bank account information.
- Read any material carefully, including disclaimers and exemptions.
- Be suspicious of vague promises or comments. For example, “...is also a proud supporter of preventing drunk and impaired driving.” In this case, request specific information such as the names of the charitable organizations, how much money the groups are receiving, and under what conditions disbursements are made.



Kentucky Public Protection Cabinet
Department of Insurance
P.O. Box 517, Frankfort, KY 40602-0517
800-595-6053 (in KY); 502-564-3630 (out of state)
TDD: 800-648-6056
<http://insurance.ky.gov/>

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