

CASUALTY AND PROPERTY INSURANCE

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I. [11.1] Introduction

This chapter is intended to be a practical and useful overview of the essential principles of casualty and property insurance in Kentucky. The Kentucky Insurance Code (“Code” herein)¹ defines the term “insurance” as:

[A] contract whereby one undertakes to pay or indemnify another as to loss from certain specified contingencies or perils called “risks,” or to pay or grant a specified amount or determinable benefit or annuity in connection with ascertainable risk contingencies, or to act as surety.²

From this broad definition, the Code recognizes ten types of coverage, including: life insurance; annuities; health insurance; property insurance; surety insurance; casualty insurance; marine insurance; title insurance; mortgage guaranty insurance; and reinsurance.³

The types of coverage most applicable to real estate practice – and thus the types which are the focus of this chapter – are casualty and property insurance. Title insurance is the subject of a separate chapter.⁴

A. [11.2] Casualty and Property Insurance Defined

Casualty insurance has been defined as “[a]n agreement to indemnify against loss resulting from a broad group of causes such as legal liability, theft, accident, property damage, and workers’ compensation.”⁵ Given this broad definition, casualty insurance has become something of a catchall for a vast array of current and evolving coverages.⁶ The Code does not define casualty insurance in terms, but rather by the sub-types of coverages that fall within its umbrella.⁷

¹ 1950 Ky. Acts ch. 21 (codified as amended at KY. REV. STAT. ANN. §§ 304.1-304.99).

² KY. REV. STAT. ANN. § 304.1-030.

³ KY. REV. STAT. ANN. §§ 304.05-020-100, 130.

⁴ See Chapter 7.

⁵ BLACK’S LAW DICTIONARY 871 (9th ed. 2009).

⁶ See *id.* (“The meaning of casualty insurance has become blurred because of the rapid increase in different types of insurance coverage.”).

⁷ KY. REV. STAT. ANN. § 304.5-070. Casualty insurance includes coverage for: damages to and caused by operation of vehicles; claims of liability; worker’s compensation and employer’s liability to employees; damages caused by burglary and theft; damages to or loss of personal property; damages to glass; damages to boilers and related machinery; damages to and caused by leakage of fire extinguishing equipment; damages resulting from debtor default; claims of liability for malpractice; damages to or caused by elevators; congenital defects; damages to or loss of livestock; indemnification of entertainment producers for damages resulting from unforeseeable events; damages stemming from failure to record liens on personal property; guaranties as to the mechanical soundness of vehicles; and for any damages to, losses of, or liability caused by personal property, if not disapproved by the Insurance Commissioner.