

**304.18-126 Policies to provide reasonable extension of benefits during disability --
Extensions to be described in group policies and certificates.**

- (1) As used in this section, "disability" means the state of being hospitalized on the date of replacement coverage or coverage under an extension of benefits provision.
- (2) An insurer offering group health insurance, as defined in KRS 304.18-020, shall provide for an extension of benefits in the event of a member's total disability at the date of discontinuance of the group policy or contract in accordance with this section.
- (3) Benefits payable under an extension of benefits shall be limited to the member's hospital confinement or period of total disability for a specific condition, injury, or illness that resulted in the member's total disability.
- (4) In the case of hospital or medical expense coverages, a reasonable extension of benefits or accrued liability shall be required. A provision shall be considered reasonable if:
 - (a) Under major medical coverages for hospital confinement, it provides an extension until the earlier of one (1) of the following:
 1. Discharge from the hospital confinement;
 2. Until maximum benefits under the policy are received; or
 3. At least twelve (12) months.
 - (b) Under major medical coverage for a period of total disability, it provides an extension of benefits until the earlier of one (1) of the following:
 1. Until coverage for the total disability has been obtained under another group policy;
 2. Until the total disability ceases;
 3. Until maximum benefits under the policy are received; or
 4. At least twelve (12) months.
 - (c) Under other types of hospital or medical expense coverages, it provides an extension of at least ninety (90) days for expenses incurred during the period of total disability or hospital confinement or incurred within a period of at least ninety (90) days starting with a specific event which occurred while coverage was in force, such as an accident.
- (5) Coverage for a total disability shall not be considered to have been obtained under a succeeding plan, whether it be fully insured or self-insured, if the succeeding plan excludes coverage for the total disability covered under the prior plan's extension of benefits provision.
- (6) Any applicable extension of benefits or accrued liability shall be described in the group policy as well as in group insurance certificates.

Effective: July 15, 2002

History: Amended 2002 Ky. Acts ch. 351, sec. 11, effective July 15, 2002. -- Created 1990, Ky. Acts ch. 119, sec. 3, effective July 13, 1990.