

304.32-130 Schedule of dues.

The commissioner shall not issue or renew a certificate of authority to any corporation operating or proposing to operate a nonprofit hospital, medical-surgical, dental, or other health service plan unless:

- (1) The subscription or membership certificates which the corporation offers to its subscribers or members, together with a schedule of the dues and fees to be paid by subscribers or members, or the formula for developing dues or fees, has been filed with the commissioner in accordance with the provisions of KRS 304.32-160.
- (2) The schedule of the dues and fees to be paid by subscribers or members is one which will enable the corporation to meet the expenses of the hospital, medical-surgical, and other health services which are made available to its subscribers or members without impairing the guarantee fund required by KRS 304.32-140, and one which will not result in an accumulation of excess reserves over and above reserves established for claims in process, unreported and unbilled claims, retroactive cost adjustment to the purveyors of hospital, medical-surgical, and other health services and membership dues or fees received in advance but not yet earned. So long as a corporation's unencumbered reserve or surplus over and above the required reserves specified in this section do not exceed a sum equal to one-half (1/2) of the corporation's total membership dues or subscription fees received during the immediate preceding calendar year, the unencumbered reserve or surplus shall not be deemed an excessive accumulation for the purposes of this section.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1418, effective July 15, 2010. -- Created 1970 Ky. Acts ch. 301, subtit. 32, sec. 13, effective June 18, 1970.