

### **304.14-600 Definitions for KRS 304.14-600 to 304.14-625.**

As used in KRS 304.14-600 to 304.14-625, unless the context requires otherwise:

- (1) "Incidental" indicates that the value of the long-term care benefits provided in a policy is less than ten percent (10%) of the total value of the benefits provided over the life of the policy. Policies may include life insurance, disability insurance, and annuities. These values shall be measured as of the date of issue;
- (2) "Long-term care insurance" means any insurance policy or rider advertised, marketed, offered, or designed to provide coverage for not less than twelve (12) consecutive months for each covered person on an expense-incurred, indemnity, prepaid, or other basis for one (1) or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital unless the hospital or unit is licensed or certified to provide long-term services. This term includes group and individual annuities and life insurance policies or riders which provide directly or which supplement long-term care insurance. This term includes a policy or rider which provides for payment of benefits based upon cognitive impairment or the loss of functional capacity. This term also includes qualified long-term care insurance contracts as defined in 26 U.S.C. sec. 7702B(b). Long-term care insurance may be issued by insurers, fraternal benefit societies, nonprofit hospital, medical-surgical, dental, and health service corporations, health maintenance organizations, or any similar organization to the extent they are otherwise authorized to issue life or health insurance. Long-term care insurance shall not include any insurance policy which is offered primarily to provide basic Medicare supplement coverage, basic hospital expense coverage, basic medical-surgical expense coverage, hospital confinement indemnity coverage, major medical expense coverage, disability income or related asset-protection coverage, accident only coverage, specified disease or specified accident coverage, or limited benefit coverage. With regard to life insurance, this term does not include life insurance policies which accelerate the death benefit specifically for one (1) or more of the qualifying events of terminal illness, medical conditions requiring extraordinary medical intervention, or permanent institutional confinement, and which provide the option of a lump-sum payment for those benefits and in which neither the benefits nor the eligibility for the benefits is conditioned upon the receipt of long-term care. Any product advertised, marketed, or offered as long-term care insurance or nursing home insurance which otherwise meets the definition of long-term care insurance shall be subject to the provisions of KRS 304.14-600 to 304.14-625;
- (3) "Applicant" means:
  - (a) In the case of an individual long-term care insurance policy, the person who seeks to contract for benefits; and
  - (b) In the case of a group long-term care insurance policy, the proposed certificate holder;
- (4) "Certificate" means any certificate issued under a group long-term care insurance policy, which policy has been delivered or issued for delivery in Kentucky, except as provided in KRS 304.14-610;

- (5) "Group long-term care insurance" means a long-term care insurance policy which is delivered or issued for delivery in Kentucky by an insurer, fraternal benefit society, nonprofit health service corporation, or health maintenance organization, and which is issued to:
- (a) One (1) or more employers or labor organizations, or to a trust or to the trustees of a fund established by one (1) or more employers or labor organizations, or a combination thereof, for employees or former employees or a combination thereof, or for members or former members or a combination thereof, of the labor organizations;
  - (b) Any professional, trade, or occupational association for its members or former or retired members, or combination thereof, if the association:
    - 1. Is composed of individuals all of whom are or were actively engaged in the same profession, trade, or occupation; and
    - 2. Has been maintained in good faith for purposes other than obtaining insurance;
  - (c) An association or a trust or the trustee of a fund established, created, or maintained for the benefit of members of one (1) or more associations. Prior to advertising, marketing, or offering the policy within Kentucky, the insurer of the association shall file with the commissioner evidence that the association has at the outset a minimum of one hundred (100) persons and has been organized and maintained in good faith for purposes other than that of obtaining insurance, has been in active existence for at least one (1) year, and has a constitution and bylaws which provide:
    - 1. The association holds regular meetings not less than annually to further the purposes of the members;
    - 2. Except for credit unions, the association collects dues or solicits contributions from members; and
    - 3. The members have voting privileges and representation on the governing board and committees.The association shall be deemed to satisfy the organizational requirements unless the commissioner makes a finding that the association does not satisfy those organizational requirements within the time set forth in KRS 304.14-120; or
  - (d) A group other than that described in paragraphs (a), (b), and (c) of this subsection, subject to a finding by the commissioner that:
    - 1. The issuance of the group policy is not contrary to the best interest of the public;
    - 2. The issuance of the group policy would result in economies of acquisition or administration; and
    - 3. The benefits are reasonable in relation to the premiums charged; and
- (6) "Policy" means any policy, contract, subscriber, agreement, enrollment agreement, rider, or endorsement delivered or issued for delivery in Kentucky.

**Effective:** July 15, 2010

**History:** Amended 2010 Ky. Acts ch. 24, sec. 1163, effective July 15, 2010. --  
Amended 2002 Ky. Acts ch. 304, sec. 12, effective July 15, 2002. -- Created 1992  
Ky. Acts ch. 423, sec. 1, effective July 14, 1992.