

**304.17A-828 Membership -- Liability on termination of membership, insolvency, or bankruptcy.**

- (1) An employer joining a self-insured employer-organized association group after the group has been issued a certificate of filing shall submit an application for membership to the board of trustees or its administrator. Membership shall take effect no earlier than each member's date of application. The application for membership and its approval shall be maintained as permanent records of the board of trustees.
- (2) Individual members of a self-insured employer-organized association group shall be subject to cancellation by the group pursuant to the governance documents of the group. In addition, individual group members may elect to terminate their participation in the group.
- (3) A self-insured employer-organized association shall pay all health liabilities which are covered under the terms, conditions, and exclusions of the group's evidence of coverage which each member elects during its period of membership. A member who elects to terminate its membership or is canceled by a group remains liable for contribution obligations which were incurred during the canceled or terminated group members' period of membership. A group member is not relieved of its health liabilities incurred during its period of membership in a self-insured employer-organized association group except through payment of its contribution obligations to the group.
- (4) The insolvency or bankruptcy of a group member does not relieve the self-insured employer-organized association group of liability for the payment of health liabilities which are covered under the terms, conditions, and exclusions of the group's evidence of coverage and incurred during the insolvent or bankrupt group member's period of membership.

**Effective:** June 24, 2003

**History:** Created 2003 Ky. Acts ch. 78, sec. 15, effective June 24, 2003.