

304.38A-040 Issuance of certificate of authority -- Notification of deficiencies in application and of reasons for denial.

- (1) Following receipt of an application filed pursuant to KRS 304.38A-030, the commissioner shall review the application and notify the applicant of any deficiencies. The commissioner shall issue a certificate of authority to an applicant if the following conditions are met:
 - (a) The applicant has verified to the commissioner that it has an initial minimum worth of at least two hundred fifty thousand dollars (\$250,000);
 - (b) The requirements of KRS 304.38A-030 have been fulfilled;
 - (c) The individuals responsible for conducting the applicant's affairs are competent, trustworthy, and possess good reputations, and have had appropriate experience, training, or education;
 - (d) The applicant is financially responsible and may reasonably be expected to meet its obligations to enrollees and to prospective enrollees. In making his or her determination, the commissioner may consider:
 1. The financial soundness;
 2. The adequacy of surplus, working capital, other sources of funding, and provisions for contingencies;
 3. Any agreement for paying the cost of the limited health services or for alternative coverage in the event of insolvency of the limited health service organization; and
 4. The manner in which the requirements of KRS 304.38A-030 have been fulfilled; and
 - (e) Any deficiencies identified by the commissioner have been corrected.
- (2) If the certificate of authority is denied, the commissioner shall notify the applicant and shall specify the reasons for denial in the notice. The limited health service organization shall have sixty (60) days from the date of receipt of the notice to request a hearing before the commissioner pursuant to KRS 304.2-310.
- (3) Each certificate of authority issued to a limited health service organization shall designate the type of services the limited health service organization is authorized to provide.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1518, effective July 15, 2010. -- Created 2002 Ky. Acts ch. 105, sec. 13, effective July 15, 2002.