

1 AN ACT relating to nonprofit health service corporations.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 304.32-130 is amended to read as follows:

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

7 (1) The subscription or membership certificates which the corporation offers to its
8 subscribers or members, together with a schedule of the dues and fees to be paid by
9 subscribers or members, or the formula for developing dues or fees, has been filed
10 with the commissioner in accordance with ~~the provisions of~~ KRS 304.32-160.

11 (2) The schedule of the dues and fees to be paid by subscribers or members is one
12 which will:

13 **(a) Enable the corporation to meet *its current and ongoing obligations***~~the~~
14 ~~expenses of the hospital, medical-surgical, and other health services which are~~
15 ~~made available~~ to its subscribers or members without impairing the guarantee
16 fund required by KRS 304.32-140;

17 **(b) *Is established and justified in accordance with those actuarially sound***
18 ***factors deemed relevant by the commissioner;***

19 **(c) *Not be excessive, inadequate, or unfairly discriminatory in relation to the***
20 ***services offered; and***

21 **(d) *Enable the corporation to achieve and maintain the highest insurance***
22 ***industry financial strength ratings***~~], and one which will not result in an~~
23 ~~accumulation of excess reserves over and above reserves established for~~
24 ~~claims in process, unreported and unbilled claims, retroactive cost adjustment~~
25 ~~to the purveyors of hospital, medical-surgical, and other health services and~~
26 ~~membership dues or fees received in advance but not yet earned].~~