

304.17A-754 Application -- Approval and issuance of certificate -- Information to be filed -- Administrative regulations.

- (1) A business entity seeking to obtain a certificate of registration to act as an insurance purchasing outlet shall complete and file with the commissioner of the Kentucky Department of Insurance an application prescribed by the commissioner.
- (2) An application shall not be deemed filed until all information necessary to process the application properly has been received by the commissioner.
- (3) Within one hundred eighty (180) days of receipt of an application for a certificate of registration, the commissioner shall make a determination concerning the application and provide notice to the applicant. If approved, a certificate of registration, in a form prescribed by the commissioner, shall be provided to the insurance purchasing outlet.
- (4) The business entity seeking a certificate of registration to act as an insurance purchasing outlet shall file the following with the commissioner:
 - (a) Organizational information, including partnership agreements, articles of incorporation, bylaws, and other applicable documents;
 - (b) A business plan, including plan of operations, marketing plan, and financial projections of not less than three (3) years;
 - (c) Appeal procedures for denied enrollment to a health purchasing outlet;
 - (d) Enrollment procedures;
 - (e) Payment procedures;
 - (f) Evidence of financial responsibility to operate as an insurance purchasing outlet in the form of the following:
 1. A fidelity bond in an amount not less than ten percent (10%) of projected annual premiums collected; and
 2. A certificate of an insurer authorized to write legal liability insurance in Kentucky certifying that the insurer has and will keep in effect on behalf of the insurance purchasing outlet a policy of insurance covering the legal liability of the insurance purchasing outlet as a result of erroneous acts or failure to act in its capacity as an insurance purchasing outlet. The policy shall provide indemnification for the benefit of any aggrieved party as a result of each single occurrence in the sum of not less than ten thousand dollars (\$10,000). The policy shall not be terminated unless at least thirty (30) days prior written notice has been given to the commissioner and to the insurance purchasing outlet;
 - (g) Biographical affidavits of owners, partners, officers, and directors of the applicant;
 - (h) Identification of any contracted company which manages the insurance purchasing outlet, or any administrator which adjusts or settles claims of the insurance purchasing outlet members;
 - (i) Names and addresses of the principal places of business of the applicants;
 - (j) Geographic area to be serviced;

- (k) Requirements for membership and participation in the insurance purchasing outlet;
 - (l) Name and address of each participating insurer, if known;
 - (m) Proposed health benefit plan to be offered, if known; and
 - (n) Any other information required by the commissioner to evaluate the applicant's suitability as an insurance purchasing outlet.
- (5) Any information filed by an insurance purchasing outlet pursuant to subsection (4) of this section that changes shall be refiled with the commissioner for approval.
- (6) The commissioner may promulgate administrative regulations to establish standards in accordance with subsection (4) of this section.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1252, effective July 15, 2010. -- Created 2002 Ky. Acts ch. 207, sec. 3, effective July 15, 2002.