

304.16-190 Conversion on termination of eligibility.

There shall be a provision that if the insurance, or any portion of it, on an individual covered under the policy, ceases because of termination of employment or of membership in the class or classes eligible for coverage under the policy, such individual shall be entitled to have issued to him by the insurer, without evidence of insurability, an individual policy of life insurance without disability or other supplementary benefits, provided application for the individual policy shall be made, and the first premium paid to the insurer, within thirty-one (31) days after such termination, and provided further that:

- (1) The individual policy shall, at the option of such individual, be on any one (1) of the forms, except term insurance, then customarily issued by the insurer at the age and for the amount applied for;
- (2) The individual policy shall be in an amount not in excess of the amount of life insurance which ceases because of such termination less, in the case of a person whose membership in the class or classes eligible for coverage terminates but who continues in employment in another class, the amount of any life insurance for which such person is or becomes eligible within thirty-one (31) days after such termination under any other group policy; provided that any amount of insurance which has matured on or before the date of such termination as an endowment payable to the individual insured, whether in one (1) sum or in installments or in the form of an annuity, shall not, for the purpose of this section, be included in the amount which is considered to cease because of such termination; and
- (3) The premium on the individual policy shall be at the insurer's then customary rate applicable to the form and amount of the individual policy, to the class of risk to which such individual then belongs, and to his age attained on the effective date of the individual policy.
- (4) Subject to the same conditions set forth in subsection (3) of this section, the conversion privilege shall be available:
 - (a) To a surviving dependent, if any, at the death of the employee or member, with respect to the coverage under the group policy that terminates by reason of the death; and
 - (b) To the dependent of the employee or member upon termination of coverage of the dependent, while the employee or member remains insured under the group policy, by reason of the dependent ceasing to be a qualified family member under the group policy.

Effective: July 15, 2008

History: Amended 2008 Ky. Acts ch. 140, sec. 10, effective July 15, 2008. -- Created 1970 Ky. Acts ch. 301, subtit. 16, sec. 19, effective June 18, 1970.