

### **304.32-310 Benefits.**

- (1) A converted policy issued pursuant to the conversion privilege provided in KRS 304.32-300 providing hospital or surgical expense insurance shall provide on an expense incurred basis, the following minimum benefits:
  - (a) Hospital room and board benefits of twenty-five dollars (\$25) per day, for a minimum duration of seventy (70) days for any one period of hospital confinement as defined in the converted policy.
  - (b) Miscellaneous hospital expense benefits for any one (1) period of hospital confinement in a minimum amount up to twenty (20) times the hospital room and board daily benefit provided under the converted policy.
  - (c) Surgical operation expense benefits according to a relative value schedule, or a minimum of two hundred fifty dollars (\$250).
  - (d) The option to continue any existing benefits on account of pregnancy, childbirth, or miscarriage.
- (2) The relative values in the surgical schedule shall be consistent with the schedule of operations generally offered by the insurer under group or individual health insurance policies. In the event that the insurer and the employer agree upon one (1) or more additional plans of benefits to be available for converted policies, the applicant for the converted policy may, at his option, elect such a plan in lieu of a converted policy providing the benefits of paragraphs (a), (b), and (c) of subsection (1) of this section. In no event shall the benefits be less than the minimums set forth in subsection (1) of this section.
- (3) In no event need the insurer provide under the converted policy:
  - (a) Benefits on account of abortion or complications thereof,
  - (b) The benefits of paragraphs (a) and (b) of subsection (1) of this section, unless the group policy from which conversion is made provided hospital expense insurance benefits, or
  - (c) The benefits of paragraph (c) of subsection (1) of this section, unless the group policy provided surgical expense insurance benefits. Furthermore, the converted policy may contain any exclusion, reduction, or limitation contained in the group policy and any exclusion, reduction, or limitation customarily used in individual policies issued by the insurer. With respect to any person who was covered by the group policy, the period specified in the time limit on certain defenses of the incontestable provision of the converted policy shall commence with the date the insurance on such person or member became effective under the group policy.
- (4) The converted policy may provide that any hospital, surgical, or medical expense benefits otherwise payable thereunder with respect to any person covered thereunder may be reduced by the amount of any such benefits payable under the group policy for the same loss with respect to such person after termination of such person's coverage thereunder. The insurer shall not be entitled to use deterioration of health as the basis for refusing to renew a converted policy. The converted policy may provide for termination of coverage thereunder on any person when he is or could be covered by Medicare (Title XVIII of the United States Social Security Act as added by the Social Security

Amendments of 1965 or as later amended or superseded).

- (5) A converted policy may include a provision whereby the insurer may request information in advance of any premium due date of such policy of any person covered thereunder as to whether:
- (a) He is covered for similar benefits by another hospital, surgical, or medical expense insurance policy or hospital or medical service subscriber contract or medical practice or other prepayment plan or by any other plan or program; or
  - (b) Similar benefits are provided for, or available to, such person pursuant to, or in accordance with the requirements of, any statute.

If any such person is so covered or such statutory benefits are provided or available, and such person fails to furnish the insurer the details of such coverage within thirty-one (31) days after the date of such request, the benefits payable under the converted policy may be based on the hospital or surgical or medical expenses actually incurred after excluding expenses to the extent of the amount of benefits provided or available therefor from any of the sources referred to in paragraphs (a) and (b) of this subsection. A converted policy may contain any provisions permitted herein and may also include any other provisions not expressly prohibited by law; and any provision required to be permitted herein may be made a part of any such policy by means of an endorsement or rider.

**Effective:** July 13, 1984

**History:** Amended 1984 Ky. Acts ch. 322, sec. 13, effective July 13, 1984. --  
Created 1978 Ky. Acts ch. 158, sec. 2, effective June 17, 1978.