



**COMMONWEALTH OF KENTUCKY
DEPARTMENT OF INSURANCE
FRANKFORT, KENTUCKY**

**ADVISORY OPINION
2019-01**

The following Advisory Opinion is to advise the reader of the current position of the Kentucky Department of Insurance (the "Department") on the specified issue. The Advisory Opinion is not legally binding on either the Department or the reader.

TO: ALL HEALTH INSURANCE COMPANIES AUTHORIZED TO
TRANSACTION BUSINESS IN THE COMMONWEALTH OF KENTUCKY

FROM: NANCY G. ATKINS, COMMISSIONER

RE: LOSS RATIO REQUIREMENTS FOR GROUP NON-HEALTH
BENEFIT PLAN

DATE: October 3, 2019

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The Kentucky Department of Insurance ("Department") issues this advisory opinion on the requirements for various non-health benefit plan rate filings.

Insurers are not required to file group non-health benefit plan rates under 806 KAR 17:070. The regulation applies only to individual plans. The Department will review any group non-health benefit rate filings submitted, and may request rate information for such policies to determine compliance with KRS 304.14-130(1)(d). Rates for group health benefit plans, long term care policies, and Medicare Supplement policies must continue to be filed according to their specific statutory and regulatory provisions.

Insurers shall utilize the applicable loss ratios included within the loss ratio table under 806 KAR 17:070 for all individual non-health benefit plan rate filings. Insurers developing rates for group non-health benefit plans may utilize the applicable loss ratios within the same table of 806 KAR 17:070 as a minimum, baseline amount. The insurer may consider a higher loss ratio percentage if warranted for a group non-health benefit plan rate filing, and prepare to adequately support usage of the minimum amounts within 806 KAR 17:070.

The Department evaluates rate filings for lump sum specified disease policies under the “Medical Expense” portion of 806 KAR 17:070. These policies primarily intend to assist policyholders in the payment of medical and treatment expenses associated with the specified disease covered by the policy. Thus, the policies are “insurance against the expenses resulting from accident or sickness” and will be subject to the loss ratio and other requirements under 806 KAR 17:070 as a “medical expense” policy.

This advisory opinion subordinates any other previous opinion or action of the Department. Please contact the Department’s Health and Life Division at (502) 564-6088 with questions about the Advisory Opinion.

/s/ Nancy G. Atkins

Nancy G. Atkins

Commissioner, Department of Insurance

