

Newborn Coverage

COMMONWEALTH OF KENTUCKY ENVIRONMENTAL AND PUBLIC PROTECTION CABINET OFFICE OF INSURANCE

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

Kentucky Office of Insurance Advisory Opinion 2005-07

TO: ALL INSURERS AUTHORIZED TO TRANSACT BUSINESS IN KENTUCKY

**FROM: R. GLENN JENNINGS, EXECUTIVE DIRECTOR
KENTUCKY OFFICE OF INSURANCE**

**RE: NEWBORN COVERAGE UNDER KRS 304.17A-139, 304.17-042,
304.18-032, 304.32-153, 304.38-199**

The Kentucky Office of Insurance (Office) has received numerous inquiries concerning coverage of a newly born child. Specifically, the issue is whether an insured, who has paid premium and deductible amounts for his or her coverage, must pay an additional premium amount and/or incur a separate deductible for coverage of a newly born child that is only effective for the first thirty-one (31) days after the date of birth. Regarding this issue, the Office finds that the practice of charging an additional premium and/or applying a separate deductible for such coverage to be contrary to the above list of statutes.

The Office takes the position that KRS 304.17A-139(3) advises that if payment of a specific premium or fee is required to provide coverage for a newly born child, such payment "must be furnished to the insurer within thirty-one (31) days after the date of birth in order to have the coverage continue beyond that thirty-one (31) day period" (emphasis added). Hence, the implication is that payment of a specific premium or fee and the application of a separate deductible shall not be applicable to coverage of a newly born child during the first thirty-one (31) days after the date of birth. Rather, payment of a specific premium or fee may only be charged for coverage that begins after the first thirty-one (31) days from the date of birth have passed.

Conclusion

Two separate periods of coverage for newly born children have been discussed. The first period of coverage spans the first thirty-one days after the date of birth. For this period, an insurer shall not charge any additional premium or apply a separate deductible amount for coverage of a newly born child. The second period of coverage begins after the first thirty-one day period has lapsed. For the

second period, insurers may charge a premium, if required and/or apply a separate deductible for coverage of a newly born child.

Any questions can be addressed to Carrie Banahan, Deputy Executive Director, at (502) 564-6088 or Nyra Shields, Legal Division, at (502) 564-6032.

/s/ R. Glenn Jennings

R. Glenn Jennings, Executive Director

Kentucky Office of Insurance November 7, 2005