

## CHAPTER 132

## ( SB 3 )

AN ACT relating to exemption of religious organizations from the insurance code.

***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

➔Section 1. KRS 304.1-120 is amended to read as follows:

No provision of this code shall apply to:

- (1) Fraternal benefit societies (as identified in Subtitle 29), except as stated in Subtitle 29.
- (2) Nonprofit hospital, medical-surgical, dental, and health service corporations (as identified in Subtitle 32) except as stated in Subtitle 32.
- (3) Burial associations (as identified in KRS Chapter 303), except as stated in Subtitle 31.
- (4) Assessment or cooperative insurers (as identified in KRS Chapter 299), except as stated in KRS Chapter 299.
- (5) Insurance premium finance companies (as identified in Subtitle 30), except as stated in Subtitle 30.
- (6) Qualified organizations which issue charitable gift annuities within the Commonwealth of Kentucky. For the purposes of this subsection:
  - (a) A "qualified organization" means one which is:
    1. Exempt from taxation under Section 501(c)(3) of the Internal Revenue Code as a charitable organization, if it files a copy of federal form 990 with the Division of Consumer Protection in the Office of the Attorney General; or
    2. Exempt from taxation under Section 501(c)(3) of the Internal Revenue Code as a religious organization; or
    3. Exempt as a publicly owned or nonprofit, privately endowed educational institution approved or licensed by the State Board of Education, the Southern Association of Colleges and Schools, or an equivalent public authority of the jurisdiction where the institution is located; and
  - (b) A "charitable gift annuity" means a giving plan or method by which a gift of cash or other property is made to a qualified organization in exchange for its agreement to pay an annuity.
- (7) A religious ***organization***, ~~publication (as identified in this subsection), or its ***participants*** [subscribers], that ~~limit their operations to those activities permitted by this subsection, and~~:
 
  - (a) Is a nonprofit religious organization;
  - (b) Is limited to ***participants*** [subscribers] who are members of the same denomination or religion;
  - (c) ***Matches its participants*** [Acts as an organizational clearinghouse for information between subscribers] who have financial, physical, or medical needs ***with participants*** [and subscribers] who choose to assist with those needs [matching subscribers with the present ability to pay with subscribers with a present financial or medical need];
  - (d) ***Includes the following notice for delivery to all participants, printed in not less than ten (10) point, bold-faced type on or accompanying all applications, guideline materials, or any similar documents:***~~

***"NOTICE: UNDER KENTUCKY LAW, THE RELIGIOUS ORGANIZATION FACILITATING THE SHARING OF MEDICAL EXPENSES IS NOT AN INSURANCE COMPANY, AND ITS GUIDELINES, PLAN OF OPERATION, OR ANY OTHER DOCUMENT OF THE RELIGIOUS ORGANIZATION DO NOT CONSTITUTE OR CREATE AN INSURANCE POLICY. PARTICIPATION IN THE RELIGIOUS ORGANIZATION OR A SUBSCRIPTION TO ANY OF ITS DOCUMENTS SHALL NOT BE CONSIDERED INSURANCE. ANY ASSISTANCE YOU RECEIVE WITH YOUR MEDICAL BILLS WILL BE TOTALLY VOLUNTARY. NEITHER THE ORGANIZATION OR ANY PARTICIPANT SHALL BE COMPELLED BY LAW TO CONTRIBUTE TOWARD YOUR MEDICAL BILLS. WHETHER OR NOT YOU RECEIVE ANY PAYMENTS FOR MEDICAL EXPENSES, AND WHETHER OR NOT THIS ORGANIZATION***

***CONTINUES TO OPERATE, YOU SHALL BE PERSONALLY RESPONSIBLE FOR THE PAYMENT OF YOUR MEDICAL BILLS.***"; and

- (e) *A participant shall acknowledge receipt of the "Notice" by signing below the "Notice" on the application;*

~~[(d) Pays for the subscribers' financial or medical needs by payments directly from one (1) subscriber to another;]~~

~~(f)(e) Suggests amounts to give that are voluntary among the *participants*{subscribers}, with no assumption of risk or promise to pay either among the *participants*{subscribers} or between the *participants*{subscribers} and the *organization*{publication}.]; and~~

~~(f) Provides the following verbatim written disclaimer as a separate cover sheet for all documents distributed by or on behalf of the exempt entity, including all applications, guidelines, promotional or informational materials, and all periodic publications:~~

~~—————"This publication is not issued by an insurance company nor is it offered through an insurance company. This publication does not guarantee or promise that your medical bills will be published or assigned to others for payment.~~

~~—————Whether anyone chooses to pay your medical bills will be totally voluntary. This publication should never be considered as a substitute for an insurance policy.~~

~~—————Whether you receive any payments for medical expenses, and whether or not this publication continues to operate, you will always remain liable for any unpaid bills."}]~~

- (8) A public or private ambulance service licensed and regulated by the Cabinet for Health and Family Services to the extent that it solicits membership subscriptions, accepts membership applications, charges membership fees, and furnishes prepaid or discounted ambulance services to subscription members and designated members of their households.

**Signed by Governor April 5, 2013.**