

**PUBLIC PROTECTION CABINET**  
**Department of Insurance**  
**Division of Health, Life Insurance and Managed Care**  
**(Amended at ARRS Committee)**

**806 KAR 17:260. Conversion policy minimum benefits.**

RELATES TO: KRS 304.17A, 304.18-110, 304.18-114, 304.18-120(2), 29 C.F.R 2590.715-2713(a), 29 C.F.R 2590.715-2713(b)

STATUTORY AUTHORITY: KRS 304.2-110(1), 304.18-120(2)

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110(1) authorizes the Commissioner of Insurance to promulgate administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code as defined in KRS 304.1-010 . KRS 304.18-120(2) requires the department to promulgate administrative regulations to establish minimum benefits for a conversion policy issued pursuant to the conversion privilege contained in a group health policy. This administrative regulation establishes those requirements.

Section 1. Definitions.

- (1) "Conversion policy" means an individual health policy issued to an insured person pursuant to a conversion privilege contained in a group health policy upon termination of the insured person's coverage under the group policy.
- (2) "FFS" means a fee-for-service product type.
- (3) "Group policy" is defined by KRS 304.18-110(1)(a).
- (4) "HMO" means a health maintenance organization product type.
- (5) "POS" means a point-of-service product type.
- (6) "PPO" means a preferred provider organization product type.
- (7) "Preventive Health Service" means the service described by 29 C.F.R 2590.715-2713(a) and (b).

Section 2. Plan Cost Sharing and Minimum Benefits.

- (1) The out-of-pocket limit for covered expenses incurred during a plan year for a converted policy issued pursuant to a conversion privilege contained in a PPO, FFS, HMO, or POS product shall be no more than:
  - (a) \$7,000 for a single person; and
  - (b) \$14,000 for a family.
- (2) A converted policy issued pursuant to the conversion privilege contained in a group HMO, POS, FFS, or PPO product shall include the following minimum benefits:
  - (a) In hospital care:
    1. Inpatient hospital room and board benefits in a maximum coinsurance amount of fifty (50) percent; and
    2. Coverage benefits in a maximum coinsurance amount of fifty (50) percent for transplants, including:
      - a. Kidney;
      - b. Cornea;
      - c. Bone marrow;
      - d. Heart;
      - e. Liver;
      - f. Lung;
      - g. Heart or lung; and
      - h. Pancreas.

- (b) Outpatient care:
    - 1. Ambulatory outpatient surgery benefits in a maximum coinsurance amount of fifty (50) percent;
    - 2. Provider office visits benefits in a maximum coinsurance amount of fifty (50) percent; and
    - 3. Diagnostic tests and Laboratory benefits in a maximum coinsurance amount of fifty (50) percent;
  - (c) Emergency care:
    - 1. Hospital emergency room benefits in a maximum coinsurance amount of fifty (50) percent; and
    - 2. Ground ambulance benefits in a maximum coinsurance amount of fifty (50) percent.
  - (d) Medicare hospice benefits.
  - (e) Prescription drug benefits in a maximum coinsurance amount of fifty (50) percent.
  - (f) Maternity Benefits in a maximum coinsurance amount of fifty (50) percent.
  - (g) Mental Health and Substance Abuse Benefits:
    - 1. Inpatient Benefits in a maximum coinsurance amount of fifty (50) percent; and
    - 2. Outpatient Benefits in a maximum coinsurance amount of fifty (50) percent.
  - (h) Rehabilitative and Habilitative Benefits in a maximum coinsurance amount of fifty (50) percent.
  - (i) Preventive Health Service shall be covered at 100 percent.
  - (j) Pediatric Benefits in a maximum coinsurance amount of fifty (50) percent.
- (806 KAR 017:260. 27 Ky.R. 1696, eff. 2-15-2001; TAm eff. 8-9-2007; 48 Ky.R. 188, 1164; eff. 1-4-2022.)

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