

304.16-030 Employee groups.

The lives of a group of individuals may be insured under a policy issued to an employer, or to the trustees of a fund established by an employer, which employer or trustees shall be deemed the policyholder, to insure employees of the employer for the benefit of persons other than the employer, subject to the following requirements:

- (1) The employees eligible for insurance under the policy shall be all of the employees of the employer, or all of any class or classes thereof determined by conditions pertaining to their employment. The policy may provide that the term "employees" shall include the employees of one (1) or more subsidiary corporations, and the employees, individual proprietors, and partners of one (1) or more affiliated corporations, proprietors or partnerships if the business of the employer and of such affiliated corporations, proprietors or partnerships is under common control through stock ownership, contract or otherwise. The policy may provide that the term "employees" shall include the individual proprietor or partners if the employer is an individual proprietor or a partnership. The policy may provide that the term "employees" shall include retired employees. No director of a corporate employer shall be eligible for insurance under the policy unless such person is otherwise eligible as a bona fide employee of the corporation by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership. A policy issued to insure the employees of a public body may provide that the term "employees" shall include elected or appointed officials;
- (2) The premium for the policy shall be paid by the policyholder, either wholly from the employer's funds or funds contributed by him, partly from such funds and partly from funds contributed by the insured employees, or entirely from funds contributed by the insured employees. Except as provided in subsection (3) of this section, a policy on which no part of the premium is to be derived from funds contributed by the insured employees shall insure all eligible employees, except those who reject the coverage in writing;
- (3) An insurer may exclude or limit the coverage on any person for whom evidence of individual insurability is not satisfactory to the insurer; and
- (4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the employees or by the employer or trustees.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 116, sec. 1, effective July 12, 2012. -- Amended 2008 Ky. Acts ch. 140, sec. 1, effective July 15, 2008. -- Amended 2005 Ky. Acts ch. 101, sec. 1, effective June 20, 2005. -- Amended 1972 Ky. Acts ch. 263, sec. 2, effective July 1, 1972. -- Created 1970 Ky. Acts ch. 301, subtit. 16, sec. 3, effective June 18, 1970.