

**304.14-525 Restrictions on denying, conditioning, or discriminating in pricing of Medicare supplement policies for applicants who meet requirements relating to age, health conditions, and enrollment.**

- (1) As used in this section:
  - (a) "Non-age eligible person":
    1. Means a person who is:
      - a. Under the age of sixty-five (65); and
      - b. Eligible for Medicare by reason other than age; and
    2. Includes persons entitled to benefits under 42 U.S.C. sec. 426(b) or 426-1, as amended; and
  - (b) "Weighted average aged premium rate" means a premium rate calculated as follows:
    1. First, multiply the premium rate for each age band, age sixty-five (65) and over, by the number of Kentucky insureds in-force in that age band to arrive at the total Kentucky premium for each age band age sixty-five (65) and over;
    2. Then, calculate the sum of the Kentucky premium for all age bands age sixty-five (65) and over to arrive at the total Kentucky premium for all age bands age sixty-five (65) and over;
    3. Then, calculate the sum of the Kentucky insureds in-force for all age bands age sixty-five (65) and over to arrive at the total number of Kentucky insureds in-force for all age bands age sixty-five (65) and over; and
    4. Last, divide the total determined under subparagraph 2. of this paragraph by the total determined under subparagraph 3. of this paragraph to arrive at the weighted average aged premium rate.
- (2) Except as provided in subsection (3)(b)1. of this section, an insurer shall not deny, condition the issuance or effectiveness of, or discriminate in the pricing of a Medicare supplement policy available for sale in this state because of the health status, claims experience, receipt of health care, or medical condition of an applicant if the applicant:
  - (a) Submits an application for the policy prior to or during the six (6) month period beginning on the first day of the first month in which the applicant is both:
    1. Sixty-five (65) years of age or older; and
    2. Timely enrolled for benefits under Medicare Part B without penalty under federal law;
  - (b) Is a non-age eligible person and:
    1. Submits an application for the policy prior to or during the six (6) month period beginning on the first day of the first month in which the non-age eligible person is enrolled for benefits under Medicare Part B; or
    2. Satisfies both of the following requirements:

- a. The applicant was enrolled for benefits under Medicare Part B prior to January 1, 2024; and
- b. Either:
  - i. The applicant submits an application for the policy during the six (6) month period beginning on January 1, 2024; or
  - ii. If an application is not available for the applicant to submit under subpart i. of this subdivision on or before January 1, 2024, the applicant makes a request for an application for the policy during the six (6) month period beginning on January 1, 2024; or
- (c) Satisfies all of the following requirements:
  - 1. At the time the application is submitted, the applicant is insured under a Medicare supplement policy;
  - 2. The application for the policy is submitted:
    - a. To an insurer that is different than the insurer that issued the applicant's current Medicare supplement policy; and
    - b. Within sixty (60) days of the applicant's birthday date; and
  - 3. The applicant seeks to maintain the same Medicare supplement plan.
- (3) (a) Subject to paragraph (b) of this subsection, all Medicare supplement policies available for sale in this state shall be made available to the applicants referenced in subsection (2)(b) of this section.
- (b) For policies made available to applicants referenced in subsection (2)(b) of this section:
  - 1. The applicant shall not be charged more than the weighted average aged premium rate for the policy;
  - 2. The insurer shall demonstrate compliance with subparagraph 1. of this paragraph; and
  - 3. The policy shall not contain any waiting period or pre-existing condition limitation or exclusion.

**Effective:** January 1, 2024

**History:** Created 2023 Ky. Acts ch. 182, sec. 1, effective January 1, 2024.

**Legislative Research Commission Note** (1/1/2024). 2023 Ky. Acts ch. 182, sec. 3, provides that this statute applies to Medicare supplement policies available, issued, or renewed in this state on or after January 1, 2024.

**Legislative Research Commission Note** (1/1/2024). 2023 Ky. Acts ch. 182, sec. 4, effective June 29, 2023, reads as follows:

"(1) Insurers shall file all policy forms and rates and comply with any other regulatory requirements in a timely manner so as to ensure that applications are available for applicants to submit under Section 1 of this Act [this statute] on or before January 1, 2024.

(2) The Department of Insurance shall take any and all regulatory action necessary in a timely manner so as to ensure that applications are available for applicants to submit under Section 1 of this Act [this statute] on or before January 1, 2024, including but not limited to:

- (a) Reviewing policy forms, rates, and other information and forms; and
- (b) Promulgating any administrative regulations necessary to implement Section 1 of this Act [this statute]."