

1 AN ACT relating to the Department of Insurance.

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

3 ➔Section 1. KRS 12.020 is amended to read as follows:

4 Departments, program cabinets and their departments, and the respective major  
5 administrative bodies that they include are enumerated in this section. It is not intended  
6 that this enumeration of administrative bodies be all-inclusive. Every authority, board,  
7 bureau, interstate compact, commission, committee, conference, council, office, or any  
8 other form of organization shall be included in or attached to the department or program  
9 cabinet in which they are included or to which they are attached by statute or statutorily  
10 authorized executive order; except in the case of the Personnel Board and where the  
11 attached department or administrative body is headed by a constitutionally elected officer,  
12 the attachment shall be solely for the purpose of dissemination of information and  
13 coordination of activities and shall not include any authority over the functions,  
14 personnel, funds, equipment, facilities, or records of the department or administrative  
15 body.

16 I. Cabinet for General Government - Departments headed by elected officers:

- 17 (1) The Governor.  
18 (2) Lieutenant Governor.  
19 (3) Department of State.  
20 (a) Secretary of State.  
21 (b) Board of Elections.  
22 (c) Registry of Election Finance.  
23 (4) Department of Law.  
24 (a) Attorney General.  
25 (5) Department of the Treasury.  
26 (a) Treasurer.  
27 (6) Department of Agriculture.

- 1 (a) Commissioner of Agriculture.
- 2 (b) Kentucky Council on Agriculture.
- 3 (7) Auditor of Public Accounts.
- 4 II. Program cabinets headed by appointed officers:
- 5 (1) Justice and Public Safety Cabinet:
- 6 (a) Department of Kentucky State Police.
- 7 (b) Department of Criminal Justice Training.
- 8 (c) Department of Corrections.
- 9 (d) Department of Juvenile Justice.
- 10 (e) Office of the Secretary.
- 11 (f) Office of Drug Control Policy.
- 12 (g) Office of Legal Services.
- 13 (h) Office of the Kentucky State Medical Examiner.
- 14 (i) Parole Board.
- 15 (j) Kentucky State Corrections Commission.
- 16 (k) Office of Legislative and Intergovernmental Services.
- 17 (l) Office of Management and Administrative Services.
- 18 (m) Department for Public Advocacy.
- 19 (2) Education and Workforce Development Cabinet:
- 20 (a) Office of the Secretary.
- 21 1. Governor's Scholars Program.
- 22 2. Governor's School for Entrepreneurs Program.
- 23 (b) Office of Legal and Legislative Services.
- 24 1. Client Assistance Program.
- 25 (c) Office of Communication.
- 26 (d) Office of Budget and Administration.
- 27 1. Division of Human Resources.

- 1                   2.    Division of Administrative Services.
- 2                   (e)   Office of Technology Services.
- 3                   (f)   Office of Educational Programs.
- 4                   (g)   Office for Education and Workforce Statistics.
- 5                   (h)   Board of the Kentucky Center for Education and Workforce Statistics.
- 6                   (i)   Board of Directors for the Center for School Safety.
- 7                   (j)   Department of Education.
- 8                   1.    Kentucky Board of Education.
- 9                   2.    Kentucky Technical Education Personnel Board.
- 10                  (k)   Department for Libraries and Archives.
- 11                  (l)   Department of Workforce Investment.
- 12                   1.    Office for the Blind.
- 13                   2.    Office of Vocational Rehabilitation.
- 14                   3.    Office of Employment and Training.
- 15                   a.    Division of Grant Management and Support.
- 16                   b.    Division of Workforce and Employment Services.
- 17                   c.    Division of Unemployment Insurance.
- 18                  (m)   Foundation for Workforce Development.
- 19                  (n)   Kentucky Office for the Blind State Rehabilitation Council.
- 20                  (o)   Kentucky Workforce Investment Board.
- 21                  (p)   Statewide Council for Vocational Rehabilitation.
- 22                  (q)   Unemployment Insurance Commission.
- 23                  (r)   Education Professional Standards Board.
- 24                   1.    Division of Educator Preparation.
- 25                   2.    Division of Certification.
- 26                   3.    Division of Professional Learning and Assessment.
- 27                   4.    Division of Legal Services.

- 1           (s)   Kentucky Commission on the Deaf and Hard of Hearing.
- 2           (t)   Kentucky Educational Television.
- 3           (u)   Kentucky Environmental Education Council.
- 4       (3)   Energy and Environment Cabinet:
  - 5           (a)   Office of the Secretary.
    - 6               1.   Office of Legislative and Intergovernmental Affairs.
    - 7               2.   Office of General Counsel.
    - 8               3.   Office of Administrative Hearings.
    - 9               4.   Mine Safety Review Commission.
    - 10              5.   Kentucky State Nature Preserves Commission.
    - 11              6.   Kentucky Environmental Quality Commission.
    - 12              7.   Kentucky Public Service Commission.
  - 13          (b)   Department for Environmental Protection.
    - 14               1.   Office of the Commissioner.
    - 15               2.   Division for Air Quality.
    - 16               3.   Division of Water.
    - 17               4.   Division of Environmental Program Support.
    - 18               5.   Division of Waste Management.
    - 19               6.   Division of Enforcement.
    - 20               7.   Division of Compliance Assistance.
  - 21          (c)   Department for Natural Resources.
    - 22               1.   Office of the Commissioner.
    - 23               2.   Division of Technical and Administrative Support.
    - 24               3.   Division of Mine Permits.
    - 25               4.   Division of Mine Reclamation and Enforcement.
    - 26               5.   Division of Abandoned Mine Lands.
    - 27               6.   Division of Oil and Gas.

- 1                   7.    Division of Mine Safety.
- 2                   8.    Division of Forestry.
- 3                   9.    Division of Conservation.
- 4                   10.   Office of the Reclamation Guaranty Fund.
- 5                   11.   Kentucky Mining Board.
- 6           (d)   Department for Energy Development and Independence.
- 7                   1.    Division of Efficiency and Conservation.
- 8                   2.    Division of Renewable Energy.
- 9                   3.    Division of Biofuels.
- 10                  4.    Division of Energy Generation Transmission and Distribution.
- 11                  5.    Division of Carbon Management.
- 12                  6.    Division of Fossil Energy Development.
- 13    (4)   Public Protection Cabinet.
- 14           (a)   Office of the Secretary.
- 15                  1.    Office of Communications and Public Outreach.
- 16                  2.    Office of Legal Services.
- 17                      a.   Insurance Legal Division.
- 18                      b.   Charitable Gaming Legal Division.
- 19                      c.   Alcoholic Beverage Control Legal Division.
- 20                      d.   Housing, Buildings and Construction Legal Division.
- 21                      e.   Financial Institutions Legal Division.
- 22           (b)   Crime Victims Compensation Board.
- 23           (c)   Board of Claims.
- 24           (d)   Kentucky Board of Tax Appeals.
- 25           (e)   Kentucky Boxing and Wrestling Authority.
- 26           (f)   Kentucky Horse Racing Commission.
- 27                  1.    Division of Licensing.

- 1                   2.    Division of Incentives and Development.
- 2                   3.    Division of Veterinary Services.
- 3                   4.    Division of Security and Enforcement.
- 4           (g)   Department of Alcoholic Beverage Control.
- 5                   1.    Division of Distilled Spirits.
- 6                   2.    Division of Malt Beverages.
- 7                   3.    Division of Enforcement.
- 8           (h)   Department of Charitable Gaming.
- 9                   1.    Division of Licensing and Compliance.
- 10                  2.    Division of Enforcement.
- 11           (i)   Department of Financial Institutions.
- 12                   1.    Division of Depository Institutions.
- 13                   2.    Division of Non-Depository Institutions.
- 14                   3.    Division of Securities.
- 15           (j)   Department of Housing, Buildings and Construction.
- 16                   1.    Division of Fire Prevention.
- 17                   2.    Division of Plumbing.
- 18                   3.    Division of Heating, Ventilation, and Air Conditioning.
- 19                   4.    Division of Building Code Enforcement.
- 20           (k)   Department of Insurance.
- 21                   1.    **Division of Insurance Product Regulation**~~Property and Casualty~~
- 22                    Division].
- 23                   2.    **Division of Administrative Services**~~Health and Life Division].~~
- 24                   3.    Division of Financial Standards and Examination.
- 25                   4.    Division of Agent Licensing.
- 26                   5.    Division of Insurance Fraud Investigation.
- 27                   6.    **Division of** Consumer Protection~~Division].~~

- 1                   7.    Division of Kentucky Access.
- 2                   (l)   Office of Occupations and Professions.
- 3           (5)   Labor Cabinet.
- 4                   (a)   Office of the Secretary.
- 5                   1.    Division of Management Services.
- 6                   2.    Office of General Counsel.
- 7                   (b)   Office of General Administration and Program Support for Shared
- 8                   Services.
- 9                   1.    Division of Human Resource Management.
- 10                  2.    Division of Fiscal Management.
- 11                  3.    Division of Budgets.
- 12                  4.    Division of Information Services.
- 13                  (c)   Office of Inspector General for Shared Services.
- 14                  (d)   Department of Workplace Standards.
- 15                   1.    Division of Employment Standards, Apprenticeship, and
- 16                   Mediation.
- 17                   2.    Division of Occupational Safety and Health Compliance.
- 18                   3.    Division of Occupational Safety and Health Education and
- 19                   Training.
- 20                   4.    Division of Workers' Compensation Funds.
- 21                  (e)   Department of Workers' Claims.
- 22                   1.    Office of General Counsel for Workers' Claims.
- 23                   2.    Office of Administrative Law Judges.
- 24                   3.    Division of Claims Processing.
- 25                   4.    Division of Security and Compliance.
- 26                   5.    Division of Information and Research.
- 27                   6.    Division of Ombudsman and Workers' Compensation Specialist

- 1 Services.
- 2 7. Workers' Compensation Board.
- 3 8. Workers' Compensation Advisory Council.
- 4 9. Workers' Compensation Nominating Commission.
- 5 (f) Workers' Compensation Funding Commission.
- 6 (g) Kentucky Labor-Management Advisory Council.
- 7 (h) Occupational Safety and Health Standards Board.
- 8 (i) Prevailing Wage Review Board.
- 9 (j) Apprenticeship and Training Council.
- 10 (k) State Labor Relations Board.
- 11 (l) Employers' Mutual Insurance Authority.
- 12 (m) Kentucky Occupational Safety and Health Review Commission.
- 13 (6) Transportation Cabinet:
- 14 (a) Department of Highways.
  - 15 1. Office of Project Development.
  - 16 2. Office of Project Delivery and Preservation.
  - 17 3. Office of Highway Safety.
  - 18 4. Highway District Offices One through Twelve.
- 19 (b) Department of Vehicle Regulation.
- 20 (c) Department of Aviation.
- 21 (d) Department of Rural and Municipal Aid.
  - 22 1. Office of Local Programs.
  - 23 2. Office of Rural and Secondary Roads.
- 24 (e) Office of the Secretary.
  - 25 1. Office of Public Affairs.
  - 26 2. Office for Civil Rights and Small Business Development.
  - 27 3. Office of Budget and Fiscal Management.

- 1                   4.   Office of Inspector General.
- 2                   (f)   Office of Support Services.
- 3                   (g)   Office of Transportation Delivery.
- 4                   (h)   Office of Audits.
- 5                   (i)   Office of Human Resource Management.
- 6                   (j)   Office of Information Technology.
- 7                   (k)   Office of Legal Services.
- 8       (7)   Cabinet for Economic Development:
- 9                   (a)   Office of the Secretary.
- 10                  1.   Office of Legal Services.
- 11                  2.   Department for Business Development.
- 12                    a.   Office of Entrepreneurship.
- 13                      i.   Commission on Small Business Advocacy.
- 14                    b.   Office of Research and Public Affairs.
- 15                    c.   Bluegrass State Skills Corporation.
- 16                  3.   Office of Financial Services.
- 17                    a.   Kentucky Economic Development Finance Authority.
- 18                    b.   Division of Finance and Personnel.
- 19                    c.   Division of Network Administration.
- 20                    d.   Compliance Division.
- 21                    e.   Incentive Assistance Division.
- 22       (8)   Cabinet for Health and Family Services:
- 23                   (a)   Office of the Secretary.
- 24                   (b)   Office of Health Policy.
- 25                   (c)   Office of Legal Services.
- 26                   (d)   Office of Inspector General.
- 27                   (e)   Office of Communications and Administrative Review.

- 1 (f) Office of the Ombudsman.
- 2 (g) Office of Policy and Budget.
- 3 (h) Office of Human Resource Management.
- 4 (i) Office of Administrative and Technology Services.
- 5 (j) Department for Public Health.
- 6 (k) Department for Medicaid Services.
- 7 (l) Department for Behavioral Health, Developmental and Intellectual
- 8 Disabilities.
- 9 (m) Department for Aging and Independent Living.
- 10 (n) Department for Community Based Services.
- 11 (o) Department for Income Support.
- 12 (p) Department for Family Resource Centers and Volunteer Services.
- 13 (q) Kentucky Commission on Community Volunteerism and Service.
- 14 (r) Kentucky Commission for Children with Special Health Care Needs.
- 15 (s) Governor's Office of Electronic Health Information.
- 16 (9) Finance and Administration Cabinet:
- 17 (a) Office of General Counsel.
- 18 (b) Office of the Controller.
- 19 (c) Office of Administrative Services.
- 20 (d) Office of Public Information.
- 21 (e) Office of Policy and Audit.
- 22 (f) Department for Facilities and Support Services.
- 23 (g) Department of Revenue.
- 24 (h) Commonwealth Office of Technology.
- 25 (i) State Property and Buildings Commission.
- 26 (j) Office of Equal Employment Opportunity and Contract Compliance.
- 27 (k) Kentucky Employees Retirement Systems.

- 1 (l) Commonwealth Credit Union.
- 2 (m) State Investment Commission.
- 3 (n) Kentucky Housing Corporation.
- 4 (o) Kentucky Local Correctional Facilities Construction Authority.
- 5 (p) Kentucky Turnpike Authority.
- 6 (q) Historic Properties Advisory Commission.
- 7 (r) Kentucky Tobacco Settlement Trust Corporation.
- 8 (s) Kentucky Higher Education Assistance Authority.
- 9 (t) Kentucky River Authority.
- 10 (u) Kentucky Teachers' Retirement System Board of Trustees.
- 11 (v) Executive Branch Ethics Commission.
- 12 (10) Tourism, Arts and Heritage Cabinet:
  - 13 (a) Kentucky Department of Travel and Tourism.
    - 14 1. Division of Tourism Services.
    - 15 2. Division of Marketing and Administration.
    - 16 3. Division of Communications and Promotions.
  - 17 (b) Kentucky Department of Parks.
    - 18 1. Division of Information Technology.
    - 19 2. Division of Human Resources.
    - 20 3. Division of Financial Operations.
    - 21 4. Division of Facilities Management.
    - 22 5. Division of Facilities Maintenance.
    - 23 6. Division of Customer Services.
    - 24 7. Division of Recreation.
    - 25 8. Division of Golf Courses.
    - 26 9. Division of Food Services.
    - 27 10. Division of Rangers.

- 1                   11. Division of Resort Parks.
- 2                   12. Division of Recreational Parks and Historic Sites.
- 3           (c) Department of Fish and Wildlife Resources.
- 4                   1. Division of Law Enforcement.
- 5                   2. Division of Administrative Services.
- 6                   3. Division of Engineering.
- 7                   4. Division of Fisheries.
- 8                   5. Division of Information and Education.
- 9                   6. Division of Wildlife.
- 10                  7. Division of Public Affairs.
- 11           (d) Kentucky Horse Park.
- 12                   1. Division of Support Services.
- 13                   2. Division of Buildings and Grounds.
- 14                   3. Division of Operational Services.
- 15           (e) Kentucky State Fair Board.
- 16                   1. Office of Administrative and Information Technology Services.
- 17                   2. Office of Human Resources and Access Control.
- 18                   3. Division of Expositions.
- 19                   4. Division of Kentucky Exposition Center Operations.
- 20                   5. Division of Kentucky International Convention Center.
- 21                   6. Division of Public Relations and Media.
- 22                   7. Division of Venue Services.
- 23                   8. Division of Personnel Management and Staff Development.
- 24                   9. Division of Sales.
- 25                   10. Division of Security and Traffic Control.
- 26                   11. Division of Information Technology.
- 27                   12. Division of the Louisville Arena.

- 1 13. Division of Fiscal and Contract Management.
- 2 14. Division of Access Control.
- 3 (f) Office of the Secretary.
- 4 1. Office of Finance.
- 5 2. Office of Research and Administration.
- 6 3. Office of Governmental Relations and Tourism Development.
- 7 4. Office of the Sports Authority.
- 8 5. Kentucky Sports Authority.
- 9 (g) Office of Legal Affairs.
- 10 (h) Office of Human Resources.
- 11 (i) Office of Public Affairs and Constituent Services.
- 12 (j) Office of Creative Services.
- 13 (k) Office of Capital Plaza Operations.
- 14 (l) Office of Arts and Cultural Heritage.
- 15 (m) Kentucky African-American Heritage Commission.
- 16 (n) Kentucky Foundation for the Arts.
- 17 (o) Kentucky Humanities Council.
- 18 (p) Kentucky Heritage Council.
- 19 (q) Kentucky Arts Council.
- 20 (r) Kentucky Historical Society.
- 21 1. Division of Museums.
- 22 2. Division of Oral History and Educational Outreach.
- 23 3. Division of Research and Publications.
- 24 4. Division of Administration.
- 25 (s) Kentucky Center for the Arts.
- 26 1. Division of Governor's School for the Arts.
- 27 (t) Kentucky Artisans Center at Berea.

- 1 (u) Northern Kentucky Convention Center.
- 2 (v) Eastern Kentucky Exposition Center.
- 3 (11) Personnel Cabinet:
- 4 (a) Office of the Secretary.
- 5 (b) Department of Human Resources Administration.
- 6 (c) Office of Employee Relations.
- 7 (d) Kentucky Public Employees Deferred Compensation Authority.
- 8 (e) Office of Administrative Services.
- 9 (f) Office of Legal Services.
- 10 (g) Governmental Services Center.
- 11 (h) Department of Employee Insurance.
- 12 (i) Office of Diversity and Equality.
- 13 (j) Center of Strategic Innovation.

14 III. Other departments headed by appointed officers:

- 15 (1) Council on Postsecondary Education.
- 16 (2) Department of Military Affairs.
- 17 (3) Department for Local Government.
- 18 (4) Kentucky Commission on Human Rights.
- 19 (5) Kentucky Commission on Women.
- 20 (6) Department of Veterans' Affairs.
- 21 (7) Kentucky Commission on Military Affairs.
- 22 (8) Office of Minority Empowerment.
- 23 (9) Governor's Council on Wellness and Physical Activity.

24 ➔Section 2. KRS 304.2-020 is amended to read as follows:

- 25 (1) The commissioner is the head of the Department of Insurance.
- 26 (2) The commissioner shall be appointed by the Governor with the consent of the
- 27 Senate, for a term not to exceed four (4) years on the basis of his or her merit and

1 fitness to perform the duties of the office as provided in KRS 12.040. If the Senate  
2 is not in session when a term expires or a vacancy occurs, the Governor shall make  
3 the appointment to take effect at once, subject to the approval of the Senate when  
4 convened. Nothing contained in this subsection shall prohibit the commissioner of  
5 the Department of Insurance from being reappointed.

6 (3) The following divisions are established within the Department of Insurance and  
7 shall be headed by directors appointed by the secretary of the Public Protection  
8 Cabinet with the approval of the Governor in accordance with KRS 12.050:

9 (a) **Division of Insurance Product Regulation**~~Property and Casualty Division~~;

10 (b) **Division of Administrative Services**~~Health and Life Division~~;

11 (c) Division of Financial Standards and Examination;

12 (d) Division of Agent Licensing;

13 (e) Division of Insurance Fraud Investigation;

14 (f) **Division of** Consumer Protection~~Division~~; and

15 (g) Division of Kentucky Access.

16 ➔Section 3. KRS 304.2-063 is amended to read as follows:

17 There is created within the **Division of** Consumer Protection~~Division~~ the position of  
18 ombudsman.

19 ➔Section 4. On or before July 1, 2019, the commissioner of the Department of  
20 Insurance is authorized to apply for a waiver under 42 U.S.C. sec. 18052 or any other  
21 applicable provisions of the Patient Protection and Affordable Care Act, Pub. L. No. 111-  
22 148, as amended, with respect to health insurance for a plan year beginning on or after  
23 January 1, 2018. Upon the approval of a waiver application made pursuant to this section,  
24 the commissioner may implement the state plan proposed under the waiver. The  
25 commissioner is also authorized to request a continuation of the approved waiver in a  
26 manner consistent with state and federal law.