AN ACT relating to the interpretation of state insurance laws and declaring an emergency.

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

SECTION 1. A NEW SECTION OF SUBTITLE 1 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

A statement of the law in the American Law Institute's Restatement of the Law, Liability Insurance does not constitute the law or public policy of this state if the statement of the law is inconsistent or in conflict with:

(1) The Constitution of the United States or of this state;

(2) A statute of this state;

(3) This state's case law precedent; or

(4) Other common law that may have been adopted by this state.

Section 2. KRS 304.1-120 is amended to read as follows:

No provision of this code, except Section 1 of this Act, 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, as identified in this subsection, or its participants, that:

(a) Is a nonprofit religious organization;

(b) Is limited to participants who are members of the same denomination or religion;

(c) Matches its participants who have financial, physical, or medical needs with participants who choose to assist with those needs;

(d) 1. 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."

2. A participant shall acknowledge receipt of the "Notice" by signing
below the "Notice" on the application;
(e) Suggests amounts to give that are voluntary among the participants, with no
assumption of risk or promise to pay either among the participants or between
the participants and the organization.
(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.
(9) A direct primary care agreement established under KRS 311.6201, 311.6202,
314.198, and 314.199.
⇒ Section 3. This Act shall be known as the Model Act Concerning Interpretation
of Kentucky Insurance Laws.
⇒ Section 4. Whereas several areas of the American Law Institute's Restatement
of Law, Liability Insurance are inconsistent with well-established law and purport to
daddress matters which are properly in the legislative prerogative, an emergency is
declared to exist, and this Act takes effect upon its passage and approval by the Governor
or upon its otherwise becoming law.