

### **304.16-080 Association groups.**

- (1) A policy may be issued to an association of employers, to an association (other than an association of public employees to whom KRS 304.16-070 is applicable) whose members are in the same industry, occupation or profession, or to a trust or to the trustees of a fund established, created, or maintained for the benefit of members of one (1) or more associations. The association or associations shall have:
  - (a) At the outset a minimum of one hundred (100) persons;
  - (b) Legally been in active existence for at least two (2) years;
  - (c) A constitution and bylaws which provide that:
    1. The association or associations hold regular meetings not less than annually to further purposes of the members;
    2. Except for credit unions, the association or associations collect dues or solicit contributions from members; and
    3. Members have voting privileges and representation on the governing board and committees; and
  - (d) Been organized and maintained in good faith for purposes other than that of obtaining insurance.
- (2) Charges collected from the insured members or employees specifically for the insurance, and the dues of the association if they include the cost of insurance, shall be determined according to each attained age or in not less than four (4) reasonably spaced attained age groups. In no event shall the rate of such dues or charges be level for all members or employees regardless of attained age.
- (3) The policy shall be subject to the following requirements:
  - (a) The policy shall insure members of the association or associations, employees thereof or employees of members, or one (1) or more of the preceding, or all of any class or classes thereof for the benefit of persons other than the employee's employer;
  - (b) The premium for the policy shall be paid from funds contributed by the association or associations, or by employer members, or by both, or from funds contributed by the covered persons, or from both the covered persons and the association, associations, or employer members;
  - (c) Except as provided in paragraph (d) of this subsection, a policy on which the premium is not to be derived from funds contributed by the covered persons specifically for the insurance shall insure all persons, except those who reject the coverage in writing; and
  - (d) An insurer may exclude or limit the coverage on any person for whom evidence of individual insurability is not satisfactory to the insurer.

**Effective:** July 15, 2008

**History:** Amended 2008 Ky. Acts ch. 140, sec. 6, effective July 15, 2008. --  
Created 1970 Ky. Acts ch. 301, subtit. 16, sec. 8, effective June 18, 1970.