

304.38A-090 Suspension or revocation of certificate of authority -- Notification -- Winding up affairs -- Applicable provisions.

- (1) The commissioner may suspend or revoke the certificate of authority issued to a limited health service organization pursuant to this subtitle upon determining that any of the following conditions exist:
 - (a) The limited health service organization is operating significantly in contravention of its basic organizational document or in a manner contrary to that described in and reasonably inferred from any other information submitted pursuant to KRS 304.38A-030, unless amendments to the submissions have been filed with and approved by the commissioner;
 - (b) The limited health service organization issues an evidence of coverage or schedule of charges for limited health services which does not comply with the requirements of Subtitle 17C of this chapter;
 - (c) The limited health service organization is unable to fulfill its obligations to furnish limited health services;
 - (d) The limited health service organization is not financially responsible and may reasonably be expected to be unable to meet its obligations to enrollees or prospective enrollees;
 - (e) The net worth of the limited health service organization is less than that required by KRS 304.38A-080 or the limited health service organization has failed to correct any deficiency in its net worth as required by the commissioner;
 - (f) The continued operation of the limited health service organization would be hazardous to its enrollees; or
 - (g) The limited health service organization has otherwise failed to comply with this subtitle.
- (2) If the commissioner has cause to believe that grounds for the suspension or revocation of a certificate of authority exist, he or she shall notify the limited health service organization in writing specifically stating the grounds for suspension or revocation and fixing a time not more than sixty (60) days thereafter for a hearing on the matter in accordance with KRS Chapter 13B.
- (3) When the certificate of authority of a limited health service organization is revoked, the organization shall proceed immediately following the effective date of the order of revocation to wind up its affairs, and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of the organization. It shall engage in no further advertising or solicitation whatsoever. The commissioner may, by written order, permit such further operation of the organization as he or she may find to be in the best interest of enrollees, to the end that enrollees will be afforded the greatest practical opportunity to obtain continuing limited health services.
- (4) A limited health service organization shall be subject to the provisions of KRS 304.2-210 to 304.2-300 and to the provisions of Subtitle 2 of this chapter for determining financial condition, market conduct, and business practices.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1522, effective July 15, 2010. --

Created 2002 Ky. Acts ch. 105, sec. 18, effective July 15, 2002.