

LABOR CABINET
Department of Workers' Claims
(Amendment)

803 KAR 25:185. Procedure for e-mail notification of cancellation or removal of location of specific workers' compensation coverage.

RELATES TO: KRS 342.0011(9), (16), 342.260, 342.340

STATUTORY AUTHORITY: KRS 342.260(2), 342.340

NECESSITY, FUNCTION, AND CONFORMITY: KRS 342.260(2) requires the commissioner of the Department of Workers' Claims to promulgate administrative regulations on or before December 31, 2015, establishing information necessary to be received to create an e-mail notification system for a person to enter his or her e-mail address into the Insurance Coverage Look-up database and be notified of any cancellation of a specific business' workers' compensation coverage. This administrative regulation establishes procedures and standards for email notification of cancellation of specific business workers' compensation coverage to persons registered with the Department of Workers' Claims Insurance Coverage Look-up database.

Section 1. Definitions. (1) "Cancellation of coverage" means coverage lapse notice or an employer location has been removed from the policy.

(2) "Commissioner" is defined by KRS 342.0011(9).

(3) "Insurance Coverage Look-up database" means a location in Department of Workers' Claims (DWC) Litigation Management System (LMS) Web site that links a subscriber to the DWC Insurance Coverage database.

(4) "Litigation Management System" or "LMS" means the electronic filing system utilized in the filing and processing of workers' compensation claims in the Commonwealth of Kentucky.

(5) "Person" is defined by KRS 342.0011(16).

(6) "Workers' compensation coverage" means the insurance required by KRS 342.340(1)(a).

Section 2. Subscription Requirements. (1) Any person who wishes to receive electronic mail notification of cancellation of a specific business' workers' compensation coverage shall subscribe with the Department of Workers' Claims through [at] its website [Web site] at <https://kyworkersclaims.lms.ky.gov/CoverageLookup>. [~~www.labor.ky.gov/workersclaims by using the specific link to the LMS.~~]

(a) The subscriber shall provide through the link the name and address of each business whose policy is to be monitored.

(b) The subscriber shall provide through the link the e-mail address to which notices of cancellation of coverage are to be sent.

(2)(a) The term for a specific subscriber shall be for a period of one (1) year from the date of subscription.

(b) There shall not be a limit as to how many times subsequent consecutive subscriptions may occur.

Section 3. Notification by the Commissioner. Upon notification from the insurance carrier that the specific policy selected has been cancelled or that the selected location has been removed from the policy, the commissioner shall notify the subscriber by e-mail to the registered e-mail address within five (5) days of the receipt of a notification of cancellation or removal by the Department of Workers' Claims.

ROBERT L. SWISHER, Commissioner

APPROVED BY AGENCY: October 19, 2020

FILED WITH LRC: October 21, 2020 at 8:00 a.m.

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on January 22, 2021, at 10:00 a.m. (EDT) by video teleconference pursuant to KRS 61.800, et seq. In keeping with KRS 13A.270, individuals interested in attending or being heard at this hearing shall notify this agency in writing of their intent to attend no later than five (5) workdays prior to the hearing along with contact information. Upon notification of intent to attend, individuals will be provided information necessary to attend the video teleconference. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through January 31, 2021. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person

CONTACT PERSON: B. Dale Hamblin, Jr., Assistant General Counsel, Department of Workers' Claims, Mayo-Underwood Building, 3rd Floor, 500 Mero Street, Frankfort, Kentucky 40601, Phone (502) 782-4404, Fax (502) 564-0681, Dale.Hamblin@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact person: B. Dale Hamblin, Jr.

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes procedures and standards for email notification of cancellation of specific business workers' compensation coverage to persons registered with the Department of Workers' Claims Insurance Coverage Look-up database.

(b) The necessity of this administrative regulation: Amendment to this administrative regulation is necessary to comply with subsequent technological changes.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 342.260(2) requires the commissioner of the Department of Workers' Claims to promulgate administrative regulations on or before December 31, 2015, establishing information necessary to be received to create an e-mail notification system for a person to enter his or her e-mail address into the Insurance Coverage Look-up database and be notified of any cancellation of a specific business workers' compensation coverage. This administrative regulation establishes that procedure.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation establishes the mechanism for being notified of the cancellation of a specific business workers' compensation coverage.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendment updates the address at which a person registers for notification and clarifies that notice of the removal of a specific location from a policy will trigger notification.

(b) The necessity of the amendment to this administrative regulation: The current language does not comply with current practices.

(c) How the amendment conforms to the content of the authorizing statutes: The amendment updates language to allow for proper registration and notification of the cancellation of a specific employer's workers' compensation insurance coverage.

(d) How the amendment will assist in the effective administration of the statutes: This administrative regulation provides guidance to those desiring to be notified when the insurance coverage for a specific business has been cancelled.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: Every person desiring to know when a specific business has had its workers' compensation insurance policy cancelled or when a specific location is removed from a policy.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: Persons desiring to be notified must register.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There will be no cost.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): Registered persons will know when a specific business has had its workers' compensation insurance policy cancelled or when a specific location is removed from the policy.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: None

(b) On a continuing basis: There should be no additional cost.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The Department of Workers' Claims normal budget is the source of funding.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase in fees or funding is needed to implement this administrative regulation.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This administrative regulation does not establish or increase any fees.

(9) TIERING: Is tiering applied? Tiering is not applied; the administrative regulation applies to all parties equally.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Department of Workers' Claims and any agencies or departments of government that register to be notified when a specific employer's workers' compensation insurance has been cancelled or a specific location removed from a policy..

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 342.260; 342.340.

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school dis-

tricts) for the first full year the administrative regulation is to be in effect. There should be no direct effect on expenditures.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? No revenue will be generated.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? No revenue will be generated.

(c) How much will it cost to administer this program for the first year? These amendments will create no additional cost.

(d) How much will it cost to administer this program for subsequent years? It does not appear there will be additional costs.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: