

OFFICE OF THE GOVERNOR
Department of Workers' Claims
(Amendment)

120 KAR 1:021. Individual self-insurers.

RELATES TO: KRS 13B.140, 342.0011, 342.267, 342.340, 342.342, 342.345, 342.347, 342.920

STATUTORY AUTHORITY: KRS 342.260(1), 342.340, 342.345

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 342.260(1) requires the commissioner of the Department of Workers' Claims to promulgate administrative regulations necessary to implement KRS Chapter 342. KRS 342.340 and 342.345 require the commissioner to establish requirements for individual self-insured employers. This administrative regulation establishes minimum requirements for an individual employer who seeks to or is authorized to self-insure for the purpose of workers' compensation.

Section 1. Definitions.

- (1) "Business day" means any day except Saturday, Sunday, or any day which is a legal holiday.
- (2) "Calendar day" means all days in a month, including Saturday, Sunday, and any day which is a legal holiday.
- (3) "Commissioner" is defined by KRS 342.0011(9).
- (4) "Employer" means an employer subject to KRS Chapter 342.
- (5) "Guarantor" means a parent entity:
 - (a) That agrees it is responsible for and shall meet any and all workers' compensation obligations of the subsidiary when the subsidiary fails to meet its responsibilities as a self-insured employer; and
 - (b) Whose financial condition and affairs related to workers' compensation are the basis upon which the subsidiary is authorized to self-insure.
- (6) "Lapsed" means there is no possibility of compensation under KRS Chapter 342 because the claim is barred by time or otherwise.
- (7) "Loss Statement," or "loss run" means a statement of all claims stemming from a self-insured employer's entire period of self-insurance in the form required by the Department of Workers' Claims of:
 - (a) All past known liabilities and amounts paid at a given point in time;
 - (b) Reserve estimates for all future liabilities; and
 - (c) Known liabilities and amounts paid or amounts anticipated to be paid for the immediate prior calendar year.
- (8) "Paid" means there is no possibility of further compensation under KRS Chapter 342 because the employee and any eligible dependent of the employee has been provided all compensation awarded or that could possibly be awarded under KRS Chapter 342 with respect to a compensable claim.
- (9) "Period of self-insurance" means the period an employer was authorized by the commissioner to pay directly the compensation provided in KRS Chapter 342 in the amount, manner, and when due.
- (10) "Reserve" means an estimate by the employer of the undiscounted total compensation to be paid over the entire life of a claim, which may be limited to a specific portion of the entire compensation when so designated; a medical reserve would refer to the medical compensation to be paid through the entire life of the claim.
- (11) "Security" means a required deposit by an employer authorized to self-insure, acceptable to the commissioner and in the amount he directs, that provides the

commissioner immediate access to security proceeds sufficient to make direct payment of compensation in claims arising from the employer's period of self-insurance until each claim for compensation has been fully paid, fully settled, or lapsed, so there is no possibility of further liability.

(12) "Security proceeds" means:

(a) Security in the form of cash money paid by an issuer of security from its own property in response to the commissioner's call or demand; or

(b) Cash money deposited directly with the commissioner in a financial institution's account.

(13) "Self-Insurance" or "Self-Insure" means the nontransferable status of an employer:

(a) That secured its liability for workers' compensation by depositing with the commissioner acceptable security, in the amount directed by the commissioner, to secure the payment of compensation provided by KRS Chapter 342 until every claim for compensation has been fully paid, fully settled, or lapsed, so that there is no possibility of further liability; and

(b) That has been authorized by the commissioner to pay directly the compensation provided in KRS Chapter 342, in the amount, manner, and when due, rather than the employer insuring and keeping insured his liability for compensation in an entity authorized to transact the business of workers' compensation insurance in this state;

(14) "Self-Insured Employer" means an employer currently authorized by the commissioner to self-insure and is synonymous with the term "self-insurer" as that term is defined in KRS 342.0011.

(15) "Service organization" or "third party administrator," means a person or entity which provides services including claims adjustment, safety engineering, computation of statistics, preparation of loss statements, preparation of any other required self-insurance report, and other services that may be required by a self-insured employer.

(16) "Settled" means there is no possibility of future compensation arising from an injury because the employee has bargained for and received money for all compensation the employee and any eligible dependent could be awarded under KRS Chapter 342 for that injury and the bargain has been approved by an administrative law judge.

(17) "Specific excess insurance" means a contract or policy of insurance whereby a self-insured employer is indemnified for amounts paid in excess of a specific dollar amount stemming from one (1) injury or exposure for which compensation is provided in this chapter.

Section 2. Certification.

(1) A person, party, or employer shall not act as or hold itself out as an individual self-insured employer unless the employer has been approved by the commissioner in accordance with this administrative regulation.

(2) An employer authorized by the commissioner to self-insure shall be self-insured until voluntary surrender by the employer pursuant to Section 10 of this administrative regulation or revocation by the commissioner pursuant to Section 11 of this administrative regulation.

(3) A self-insured employer shall adjust to a final conclusion each claim that arises during the period the employer is authorized to self-insure. An employer shall hire only those persons licensed under Kentucky law to administer and adjust workers' compensation claims.

(a) A self-insured employer may contract with an individual, service organization, or third party administrator, to adjust to a final conclusion each claim that arises during the period the employer is authorized to self-insure. The employees and agents of the contracted individual, service organization, or third party administrator, shall be licensed under Kentucky law to administer and adjust workers' compensation claims.

(b) If an employer has contracted with an individual, service organization, or third party administrator, to perform these functions:

1. The actions of the individual, service organization, or third party administrator, shall be subject to the standards set forth in KRS 342.267 and 120 KAR 001:240; and
2. The self-insured employer for whom the individual, service organization, or third party administrator, is acting shall be subject to any penalties which may be assessed for failure to meet those standards.

Section 3. Application Process.

(1) In order to be certified as an individual self-insured employer, the applicant or guarantor shall have assets in excess of all liabilities of at least \$10,000,000.

(2) An initial application for individual self-insurance shall be submitted to the commissioner on Form SI-02, Employer's Application for Permission to Carry Its Own Risk Without Insurance, and shall include:

(a)

1. The Employer's name;
2. The location of its principal office;
3. The date of organization;
4. The identification of its immediate parent organization, if any, and its ultimate parent;
5. The Percentage of shareholder ownership of its immediate parent organization; and
6. An identification of its fiscal year and federal identification number;

(b) Disclosure and full identification of the relationship with all subsidiaries;

(c) A statement of the principal business activities engaged in Kentucky by the applicant, a list of site locations, and the number of employees at each site; and

(d)

1. A certified audit report of the applicant's financial status for three (3) years immediately preceding the application, prepared and executed by a certified public accountant; or
2. If the applicant is a subsidiary desiring its parent to be a Guarantor, a certified audit report of the parent's financial status for three (3) years immediately preceding the application, prepared and executed by a certified public accountant.

(3) The department shall review the applicant's Form SI-02 and certified audit reports and notify the applicant within sixty (60) days after receipt of the Form SI-02 and certified audit reports whether its application has been rejected or whether the applicant may continue with the application process.

(4) Within fifteen (15) days of notification by the department that the applicant may proceed with the application process, the applicant shall provide:

- (a) Loss Statements in the required electronic format of all claim payments for the five (5) years immediately preceding the application;
- (b) An estimate of annual payroll;
- (c) Any Occupation Safety and Health Administration ("OSHA") violations for five (5) years; and
- (d) Any other states in which the employer is authorized to self-insure.

(5) The department shall:

- (a) Review the applicant's Loss Statements, estimate of annual payroll, any OSHA violations, and any other states in which the employer is authorized to self-insure; and
- (b) Notify the applicant within sixty (60) days after receipt of this information that:
 1. The application has been rejected; or
 2. The applicant may continue with the application process.

(6) Upon notification the applicant may continue with the application process, the applicant shall provide:

(a) The proposed specimen specific excess insurance policy, identifying the insurance company, retention level and limits of liability; and

(b) If an individual or service organization shall be responsible for administration or adjustment of a workers' compensation claim:

1. A statement to the commissioner attesting to the individual or organization's qualifications to administer and adjust a workers' compensation claim; and

2. A statement from the service organization and self-insured employer that any contract between the employer and service organization shall include one (1) of the following provisions:

a. The service organization shall adjust to a final conclusion each claim that results from an occurrence during the period for which the contract is effective unless a substitute service organization has been procured; or

b. The service organization shall adjust each claim for a period of sixty (60) days following an order from the commissioner finding the self-insured employer in default unless a substitute service organization has been procured.

(7) The department shall:

(a) Review the applicant's proposed specimen specific excess insurance policy, statement attesting to the qualifications of the proposed service organization, and statement from the proposed service organization; and

(b) Notify the applicant within thirty (30) days after receipt that:

1. The application has been rejected; or

2. The applicant may continue with the application process. If the applicant may continue with the application process, the department shall notify the applicant of the amount of required security.

(8) Upon notification that the applicant may continue the application process, the applicant shall provide:

(a) A copy of the proposed letter of credit, bond, or security deposit instrument required by Section 5 of this administrative regulation;

(b) If the applicant is a corporation, a resolution by the board of directors, authorizing and directing the corporation to undertake to self-insure; and

(c) If the applicant is a subsidiary corporation, a guarantee from the subsidiary's parent on Form SI-01, Self-Insurers' Guarantee Agreement.

(9) The commissioner shall consider all relevant factors, the prospect of increased losses due to the employer's cessation of operations, and the information supplied by the applicant during the application process when evaluating whether an applicant may be authorized to directly pay its workers' compensation liabilities as incurred. The information submitted during the application process shall accurately reflect:

(a) The financial strength of the applicant or guarantor;

(b) The experience of the proposed service organization;

(c)

1.

a. The applicant's ratio of current assets to current liabilities;

b. The applicant's ratio of long-term debt to net worth; and

c. Shareholder equity; or

2. If applicable:

a. The guarantor's ratio of current assets to current liabilities;

b. The guarantor's ratio of long-term debt to net worth; and

c. Shareholder equity;

(d) The profit and loss history of the applicant or guarantor;

(e) The workers' compensation loss history of the applicant or guarantor;

- (f) The number of employees and degree of hazard to which employees are exposed;
 - (g) Any functioning safety programs;
 - (h) Whether the applicant uses an approved managed care plan for treatment of injured workers;
 - (i) Any Occupation Safety and Health Administration ("OSHA") violations for the preceding five (5) years; and
 - (j) Any other states in which the employer is authorized to self-insure.
- (10) The commissioner shall render a decision regarding whether the applicant is authorized to self-insure within thirty (30) days of completion of the application process and submission of all required documents.
- (a) The commissioner's decision shall state the date upon which the applicant is authorized to self-insure.
 - (b) The security to be deposited by the applicant with the commissioner shall be received by the commissioner no later than fifteen (15) days prior to the date upon which the applicant becomes authorized to self-insure.
 - (c) A copy of the specific excess insurance policy obtained by the applicant shall be received by the commissioner no later than fifteen (15) days prior to the date upon which the applicant becomes authorized to self-insure.
- (11) Variation from the requirements of this section may be sought by application to the commissioner; variation may be granted by the commissioner for good cause shown.

Section 4. Specific Excess Insurance.

- (1) Specific excess insurance shall be purchased with:
- (a) A coverage limit of at least \$10,000,000 per occurrence in excess of the retention level; and
 - (b) A maximum retention level of \$1,000,000 per occurrence unless a different retention level is specifically approved by the commissioner; upon approval of a retention level in excess of \$1,000,000, additional security may be required.
- (2)
- (a) To be eligible to write specific excess insurance for an individual self-insured employer in Kentucky, a casualty insurance company, admitted to do business in the Commonwealth of Kentucky, on its latest financial statement shall reflect a minimum policyholder surplus of not less than \$25,000,000.
 - (b) The casualty insurance company shall have demonstrated excellent overall performance and a strong ability to meet its obligations to policyholders over an extended period of time.

Section 5. Security.

- (1) Except as provided in subsection (4) of this section, each employer authorized to self-insure shall provide security in the form of a continuous surety bond on Form SI-03, Continuous Bond, or by irrevocable letter of credit on Form SI-04, Letter of Credit, in the amount specified by the commissioner in accordance with subsection (2) of this section, but not less than \$500,000.
- (2) In fixing the amount of security, the commissioner shall consider all relevant factors which may include the following:
- (a) Liability associated with the cessation of operations by the individual self-insured employer;
 - (b) Examination of injury claims reported to the Department of Workers' Claims;
 - (c) Examination of the loss history associated with injury claims reported to the Department of Workers' Claims;
 - (d) Examination of the financial condition of the employer;
 - (e) Examination of the service organization, if any;
 - (f) Examination of the financial condition and assets of the issuer of the security;

- (g) Additional factors found pertinent by the commissioner; and
 - (h) The experience of the Department of Workers' Claims.
- (3) The amount of security maintained with or under the commissioner's control shall be the amount determined by the commissioner to be necessary to secure the payment of all compensation liabilities incurred by a self-insured employer until each claim for compensation has been fully paid, fully settled, or lapsed, so there is no possibility of further liability. The failure to challenge the commissioner's determination as provided in section 13 of this administrative regulation shall constitute an admission by the employer that the determined amount is necessary to pay all incurred claims until fully paid, fully settled, or lapsed, so there is no possibility of further liability to the employer and a waiver of any future challenge by the employer of the determined security amount.
- (4) Only upon approval by the commissioner, in lieu of a bond or letter of credit, may an employer deposit cash or securities in an amount specified by the commissioner and in a financial institution approved by the commissioner, but not less than \$5,000,000. To be acceptable, a security which is deposited shall be eligible under the laws of Kentucky for investment by insurance companies. The deposited cash or securities shall be maintained directly with the commissioner or be in the commissioner's control, and a perfected security interest shall be granted to the commissioner in the deposited cash or securities.

Section 6. Coverage of Subsidiary or Related Corporations.

- (1) A corporation having a wholly-owned subsidiary may submit one (1) joint application to the commissioner, if the parent corporation has sufficient assets to qualify for a self-insurance certificate for both itself and the subsidiary. A joint application shall be accompanied by a certificate from the secretary of each corporation indicating that their respective boards of directors have by resolution authorized joint and several liability for all the workers' compensation claims asserted against them. These certificates shall be effective until revoked by the corporations following thirty (30) days written notice to the commissioner.
- (2) Any employer currently authorized to self-insure shall immediately notify the commissioner and fully identify any and all subsidiaries obtained during the employer's period of self-insurance and shall execute a Form SI-01, Self Insurer's Guaranty Agreement.

Section 7. Examination and Review of Filings. A certified public accountant or one or more other qualified individuals may be employed by the Department of Workers' Claims for the purpose of:

- (1) Reviewing and analyzing the annual filings of individual self-insured employers and applicants for self-insurance; and
- (2) Making recommendations based on that review.

Section 8. Annual Filings.

- (1) Annually, the department shall by facsimile, electronic mail, or the United States Postal Service, deliver to every employer authorized by the commissioner to self-insure a letter stating the requirements to maintain certification to self-insure. The letter shall include a request for:
- (a) A completed Employers Application for Recertification, Form SI-02R;
 - (b) A certified version of the most current audited financial statements;
 - (c) The amount and form of the security to be deposited with the commissioner;
 - (d) Information related to the employer's required specification excess insurance; and
 - (e) Information related to any service organization used by the employer.
- (2) The letter may include a request for the completion of a Self-Insurer's Guarantee Agreement, SI-01, if applicable, or any other information necessary in order to determine

the employer has the financial ability to directly pay the compensation provided in KRS Chapter 342.

(3) Annually, the department shall by facsimile, electronic mail, or the United States Postal Service, deliver to every employer authorized by the commissioner to self-insure a letter instructing self-insured employers to file the following no later than the third Monday in February of each year:

- (a) A loss statement;
- (b) A statement furnishing the premium specified in KRS 342.0011(28) and its calculation;
- (c) A statement of the total payroll for the prior calendar year by quarter;
- (d) A certification that the medical reserves are calculated and projected for the life of a claim pursuant to KRS 342.0011(28)(a); and
- (e) Any other reasonable information requested by the commissioner, including relevant claim data.

(4) In order to maintain its certification to self-insure, an employer shall timely complete and provide all information and documentation requested in the annual letters. Failure to do so may subject the employer's self-insurance certification to revocation, in accordance with KRS 342.345.

Section 9. Change in Ownership; Subsidiaries; Mergers and Acquisitions.

(1) If there is a change in majority ownership of a self-insured employer or its parent company, the individual self-insured employer shall notify the commissioner within thirty (30) days of that change. A new application to self-insure shall be filed upon a change in ownership.

(2) If another employer is added to, merged, or otherwise acquired by an employer currently authorized to self-insure, the individual self-insured employer shall notify the commissioner within thirty (30) days. The commissioner shall review the adequacy of the employer's premium and security and shall increase the premium and security if the review determines an increase is necessary.

(3) If there is a change in majority ownership of a formerly self-insured employer or its parent company, the individual self-insured employer shall notify the commissioner within thirty (30) days of that change.

Section 10. Voluntary Surrender of Certificate.

(1) An employer shall voluntarily surrender its Certificate to self-insure upon:

- (a) Written notice to the commissioner that the employer no longer desires to be self-insured, including the date and time when the employer intends to cease to be self-insured;
- (b) The effective date of a policy of workers' compensation insurance securing the employers' liability for the compensation provided in this chapter;
- (c) Notification to the commissioner the employer shall cease to pay directly the compensation provided in this chapter;
- (d) The failure to deposit adequate security in the amount required by the commissioner; or
- (e) Filing an action in bankruptcy, unless the employer notifies the commissioner of its intent to continue to pay the compensation provided in this chapter, and the commissioner agrees to authorize the continued direct payment.

(2) An employer that intends to secure its liability for compensation by obtaining a policy of workers' compensation insurance shall notify the commissioner of the:

- (a) Name of the insurance carrier whose policy shall become effective; and
- (b) The date and time the coverage shall become effective.

(3) A formerly self-insured employer shall not be relieved of the compensation obligations incurred during its period of self-insurance until every claim has been fully

paid, fully settled, or lapsed, so that there is no possibility of further liability.

(4)

(a) If the employer is no longer self-insured due to the voluntary surrender of its certificate, the employer shall continue to deposit security with the commissioner in the amount and in the form last determined by the commissioner for a period no less than five (5) years from the date the employer ceased to be self-insured. A request for reduction shall not be considered during this initial five (5) year period. After an initial request for reduction in the amount of required security has been made, each subsequent request for reduction shall not be considered more frequently than every thirty (30) months following the conclusion of the prior request, if any.

(b) The formerly self-insured employer shall bear the burden to persuade the commissioner that the amount and form of the security, as last determined by the commissioner, is excessive and that a reduction is warranted. The commissioner may consider the factors set forth in Section 5 of this administrative regulation or any other factor the commissioner finds relevant when evaluating the formerly self-insured employer's request to reduce the amount of its required security deposit.

(5) If the employer is no longer self-insured due to the voluntary surrender of its certificate, the security required by the commissioner shall not be less than:

(a) \$250,000 for the first ten (10) years following the date on which the employer ceased to be self-insured; and

(b) \$100,000 for the eleventh year through, and including, the twentieth year following the date on which the employer ceased to be self-insured.

Section 11. Revocation of Certification.

(1) A self-insured employer's certification may be revoked by the commissioner after a hearing is held, in accordance with subsection (2) of this section.

(a) The hearing order shall set forth the grounds for revocation and set a hearing date no sooner than ten (10) business days from the date of the order.

(b) The hearing shall be conducted pursuant to Section 13 of this administrative regulation. Upon a prima facie showing by the Department of Workers' Claims of one (1) or more of the grounds set forth in subsection (2) of this section, a rebuttable presumption shall exist that the employer's authorization should be revoked.

(2) The commissioner may revoke the self-insurance certification upon a finding that any of the following conditions exist:

(a) The individual self-insured employer is operating in:

1. Contravention of its submitted application; or

2. In material violation of this administrative regulation;

(b) The individual self-insured employer or its parental guarantor no longer has the financial stability to assure its ability to meet its obligations for the payment of workers' compensation benefits;

(c) The self-insured employer has failed or refused to provide access to the books and documents relating to the self-insurance activities of the entity;

(d) The self-insured employer failed to pay an assessment by the appropriate guaranty fund; or

(e) The self-insured employer failed to pay compensation provided in KRS Chapter 342.

(3) If the commissioner revokes an individual self-insured employer's certification, the commissioner shall notify either the Kentucky individual self-insurance guaranty fund or the Kentucky coal employers' self-insurance guaranty fund.

(4) During the pendency of a hearing or appeal, the commissioner shall call the entirety of the security deposited by the individual self-insured employer if:

- (a) The commissioner has received information indicating the deposited security will not be maintained or timely replaced with other acceptable security; or
 - (b) Compensation is due but has not been paid by the self-insured employer.
- (5)
- (a) If the employer is no longer self-insured due to revocation of its certificate, unless the commissioner calls the deposited security, the employer shall continue to deposit security with the commissioner in the amount and in the form last determined by the commissioner for a period no less than five (5) years from the date the employer ceased to be self-insured. A request for reduction shall not be considered during this initial five (5) year period. After an initial request for reduction in the amount of required security has been made, each subsequent request for reduction shall not be considered more frequently than every thirty (30) months following the conclusion of the prior request.
 - (b) The formerly self-insured employer shall bear the burden to persuade the commissioner that the amount and form of the security, as last determined by the commissioner, is excessive and that a reduction is warranted. The commissioner may consider the factors set forth in Section 5 of this administrative regulation or any other factor the commissioner finds relevant when evaluating the formerly self-insured employer's request to reduce the amount of its required security deposit.
- (6) If the employer is no longer self-insured due to revocation of its certificate, unless the commissioner calls the deposited security, the security required by the commissioner shall not be less than:
- (a) \$250,000 for the first ten (10) years following the date on which the employer ceased to be self-insured; and
 - (b) \$100,000 for the eleventh year through, and including, the twentieth year following the date the employer ceased to be self-insured.

Section 12. Default.

- (1) If a self-insured employer or a formerly self-insured employer fails to meet an obligation as a self-insured employer, including the obligation to deposit acceptable security in the amount required by the commissioner, fails to timely pay a compensation obligation to an employee injured during the employer's period of self-insurance, or fails to pay an assessment by a guaranty fund, the commissioner shall:
- (a) Call the entirety of the deposited security;
 - (b) Retain the security proceeds in the commissioner's possession or control until each claim for workers' compensation benefits has been fully paid, fully settled, or lapsed, so there is no possibility of further liability; and
 - (c) Use the security proceeds to pay the compensation provided in KRS Chapter 342 in claims incurred during the employer's period of self-insurance as follows:
 - 1. If the employer was a member of a guaranty fund, forward to the appropriate guaranty fund the security proceeds and order the guaranty fund to commence payment of the member's incurred compensation liabilities using the security proceeds; or
 - 2. If the employer was not a member of a guaranty fund, use the security proceeds to pay the employer's incurred compensation liabilities.
- (2) When the commissioner determines all claims of the employer have been fully paid, fully settled, or lapsed, so there is no possibility of further liability, and the security proceeds are not exhausted, the commissioner shall pay any remaining security proceeds into the Franklin Circuit Court for determination as to whether there is an entity legally entitled to the remaining security proceeds. If no claim is made alleging entitlement to the remaining security proceeds within sixty (60) days of the payment into the court, or the court ultimately determines there is no rightful entitlement claim, the commissioner may

petition the court to deposit the remaining security proceeds into the fund established pursuant to KRS 342.920.

(3) The obligations of a self-insured employer or formerly self-insured employer may be guaranteed by a parent entity by way of a fully executed form SI-01, Self Insurer's Guarantee Agreement. This form shall not preclude the commissioner from calling the security or preclude the commissioner from pursuing all available means to separately recover from the defaulting employer or its guarantor.

Section 13. Aggrieved Parties.

(1) A person aggrieved by an action of the commissioner may request a hearing by filing a written request with the commissioner within thirty (30) days of the action of the commissioner. The request shall set forth the specific basis for the challenge to the commissioner's action. Upon receipt of the written request, the commissioner shall issue a notice of hearing within ten (10) business days of receipt of the written request. The notice of hearing shall set the date, time, and place of the hearing to be held no sooner than ten (10) business days after the date of the notice of hearing and no later than ninety (90) business days after the date of the notice of hearing and may provide the date, time, and place for an informal conference between the aggrieved party and the commissioner. The date and time of the hearing may be rescheduled as required upon motion by either party or upon agreement of the parties.

(2) The aggrieved person shall have the burden to persuade the commissioner that the action taken by the commissioner should be amended or withdrawn. The aggrieved person may present evidence to support his or her position and to contest evidence presented by other parties.

(3) No later than thirty (30) days after the termination of the hearing, the commissioner shall issue a written ruling addressing all matters involved at the hearing and if applicable, any further basis for the action, creating an adequate record for review. The ruling shall contain concise findings of fact and conclusions of law. The commissioner shall serve a copy of the ruling upon each party.

(4) The ruling of the commissioner may be appealed to the Franklin Circuit Court in accordance with KRS 13B.140.

Section 14. Incorporation by Reference.

(1) The following material is incorporated by reference:

- (a) "Self-Insurers' Guarantee Agreement, Form SI-01", (November 2005 edition);
- (b) "Employer's Application for Permission to Carry Its Own Risk Without Insurance, Form SI-02", (January 2021 edition);
- (c) "Employer's Application for Recertification", Form SI-02R (January 2021 edition);
- (d) "Continuous Bond, Form SI-03", (January 2004 edition); and
- (e) "Letter of Credit, Form SI-04", (January 2004 edition).

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department of Workers' Claims, Mayo-Underwood Building, 3rd Floor, 500 Mero Street, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. and may also be found at <https://labor.ky.gov/comp/Forms/Pages/default.aspx>.

(21 Ky.R. 2581; 3036; 22 Ky.R. 52; eff. 6-15-1995; 25 Ky.R. 1464; 1927; 2153; eff. 3-19-1999; 28 Ky.R. 2446; 29 Ky.R. 109; eff. 7-15-2002; 32 Ky.R. 150; 496; eff. 10-7-2005; 2349; 33 Ky.R. 392; eff. 8-10-2006; 47 Ky.R. 2109; 48 Ky.R. 818; eff. 11-30-2021.)