

**806 KAR 52:030. Workers' compensation self-insured group rate, rule and form filings.**

RELATES TO: KRS 304.4-010, 304.13-053, 304.14-120, 304.50-010, 304.50-115, 304.50-055, 304.50-065

STATUTORY AUTHORITY: KRS 304.4-010, 304.50-010(2), 304.50-115

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.50-010(2), requires the Commissioner of the Department of Insurance to promulgate administrative regulations as necessary to govern admission certification and regulation of workers' compensation self-insured groups. KRS 304.50-115, requires workers' compensation self-insured groups to file rates, supplementary rating information, and coverage form filings with the commissioner. This administrative regulation establishes workers' compensation self-insured group rate, rule and form filing procedures.

**Section 1. Definitions.**

- (1) "Coverage form" is defined by KRS 304.50-015(10).
- (2) "Commissioner" is defined by KRS 304.1-050(1).
- (3) "Department" is defined by KRS 304.1-050(2).
- (4) "Self-insured group" is defined by KRS 304.50-015(29).

**Section 2. General Filing Requirements.**

- (1) Every self-insured group shall file with the commissioner its coverage forms, rates, loss costs, rating plans, rating rules, underwriting rules or guidelines, statistical plans, supporting information, supplementary information, and premium payment plans accompanied by a completed and signed Form WC SIG: F-1A P&C, "Face Sheet and Verification Form for Workers Compensation Self-Insured Groups".
- (2) All filings shall include two (2) full document sets on 8 1/2 in. x 11 in. white paper with three (3) cover letters and a self-addressed stamped envelope.
- (3) A filing may include any number of documents, filed together on a particular date. Rates, loss costs, and rules shall be filed separately from coverage forms.
- (4) Pursuant to KRS 304.4-010(2), all fees and charges payable under the insurance code shall be collected in advance. The period of time that the commissioner may affirmatively approve or disapprove the filing shall not begin until a complete filing and the appropriate fee, as set forth in 806 KAR 4:010, Section 1(22), is received.

**Section 3. Rate and Rule Filings.**

- (1) Form WC SIG: S-1 P & C, "Filing Synopsis for Rates and or Rules" shall be filed with all rate or rule filings.
- (2)
  - (a) Form WC SIG: LC-1 P & C, "Calculation of Loss Cost Multiplier" shall be filed with all rate filings referencing loss costs formulated by any advisory organization.
  - (b) Form WC SIG: LC-2 P & C, "Expense Constant Supplement" shall be filed with all rate filings referencing loss costs formulated by an advisory organization in which an expense constant is used.
- (3) Form WC SIG: EMA P & C, "E-Mod Affidavit" shall be filed with all rate or rule filings containing experience modification factors.
- (4)
  - (a) All rate or rule filings containing schedule rating plans shall identify the characteristics of the risk not reflected in an experience modification factor.
  - (b) Any application of the schedule rating plan shall be based on evidence contained in the self-insured group's file at the time it is applied. The schedule rating plan debit or credit factor(s) applied shall be made available to the member upon request.

(c) If the reason for application of any schedule debit is corrected by the member to the satisfaction of the self-insured group, the debit may be removed when evidence of the correction is received by the group.

#### Section 4. Coverage Form Filings.

- (1) Form WC SIG: S-2 P & C, "Filing Synopsis Form" and Form WC SIG: F-2 P & C, "Forms Index" shall be filed with all coverage form filings.
- (2) A coverage form shall not be used until it has been approved by the commissioner. If the rates pertaining to a coverage form are required by law to be filed with or approved by the commissioner, the coverage form shall not be used until the appropriate rates have been filed or approved as required.
- (3) A filing which amends, replaces, or supplements a coverage form previously filed and approved shall include an explanation setting forth all changes contained in the newly filed coverage form, the effect, if any, the changes have upon the hazards purported to be assumed by the policy, and an explanation as to the effect on the rates applicable thereto.
- (4) A change of signature of the executing officer on a coverage form shall not, because of this change alone, require a new filing.

#### Section 5. Advisory Organization Filings.

- (1) A self-insured group that is a member, subscriber, or service purchaser of an advisory organization, statistical agent, or forms provider may choose to adopt coverage forms, rating plans, rating rules, rating schedules, other supplementary rating information, underwriting rules or guidelines, or statistical plans of that advisory organization or statistical agent by doing so in accordance with the procedures established in this administrative regulation and shall clearly identify each filing of the advisory organization or statistical agent it is adopting.
- (2) If a self-insured group chooses to adopt only a specific filing of an advisory organization, statistical agent, or form provider it shall do so in accordance with the procedures established in this administrative regulation, and shall clearly identify which filing of the advisory organization or statistical agent it is adopting. Loss cost filings shall be specifically adopted.
- (3)
  - (a) If a self-insured group chooses to adopt all of the current and future coverage forms, rating plans, rating rules, rating schedules, other supplementary rating information, underwriting rules or guidelines, and statistical plans, excluding loss costs, of an advisory organization, statistical agent, or forms provider, it may file written notice with the commissioner that it is adopting by blanket reference all of the current and future coverage forms, rating plans, rating rules, rating schedules, other supplementary rating information, underwriting rules or guidelines, and statistical plans, excluding loss costs, as filed by the advisory organization, statistical agent, or forms provider. Loss cost filings shall not be adopted on this blanket reference basis.
  - (b) If a self-insured group previously notified the commissioner of its adoption of all current and future filings, excluding loss cost filings, by the advisory organization, statistical agent, or forms provider and chooses not to adopt certain coverage forms, rating plans, rating rules, rating schedules, other supplementary rating information, underwriting rules or guidelines, or statistical plans, the group shall file notice of the nonadoption with the commissioner and shall pay the appropriate filing fee, as set forth in 806 KAR 4:010, Section 1(22).
    1. If a self-insured group previously notified the commissioner of its adoption of all current and future filings, excluding loss cost filings, by the advisory organization, statistical agent, or forms provider and chooses to delay the effective date of its adoption, it shall submit a letter to the commissioner requesting the revised date upon which it will adopt the filing.

2. The delayed adoption date shall be within six (6) months of the original effective date.
3. If additional time is needed, a second letter shall be submitted to the commissioner requesting a revised delayed adoption date.
4. All revised delayed adoption dates shall be within one (1) year of the original effective date as filed by the advisory organization, statistical agent, or forms provider.
5. If a self-insured group fails to adopt the advisory organization, statistical agent, or forms provider filing within one (1) year of the original effective date as filed by the advisory organization, statistical agent, or forms provider, the insurer shall submit a filing to the commissioner indicating it is nonadopting.

Section 6. Incorporation by Reference.

(1) The following material is incorporated by reference:

- (a) Form WC SIG: F-1A P & C, "Face Sheet and Verification Form for Workers Compensation Self Insurance Groups," March 2005, Department of Insurance;
- (b) Form WC SIG: F-2 P & C, "Forms Index," March 2005, Department of Insurance;
- (c) Form WC SIG: S-1 P & C, "Filing Synopsis for Rates and or Rules," March 2005, Department of Insurance;
- (d) Form WC SIG: S-2 P & C, "Filing Synopsis Form," March 2005, Department of Insurance;
- (e) Form WC SIG: LC-1 P & C, "Calculation of Loss Cost Multiplier," March 2005, Department of Insurance;
- (f) Form WC SIG: LC-2 P & C, "Expense Constant Supplement," March 2005, Department of Insurance; and
- (g) Form WC SIG: EMA P & C, "E-mod Affidavit," March 2005, Department of Insurance.

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(31 Ky.R. 2068; 32 Ky.R. 503; eff. 10-7-2005; TAm eff. 10-9-2008; Crt eff. 2-26-2020; 47 Ky.R. 2744; 48 Ky.R. 831; eff. 11-30-2021.)