

**342.1243 Transfer of the administration, assets, and liabilities of the Kentucky coal workers' pneumoconiosis fund -- Assessments on employers -- Abolition of fund. (Effective July 15, 2020)**

- (1) Notwithstanding any provisions of this chapter or any other provisions to the contrary, the Kentucky coal workers' pneumoconiosis fund shall have no liability for income benefits for coal workers' pneumoconiosis claims filed or reopened on or after July 1, 2017.
- (2) Notwithstanding any provisions of this chapter or any other provisions to the contrary, as soon as practically possible after July 1, 2017, all of the assets and liabilities of the Kentucky coal workers' pneumoconiosis fund shall be transferred from the Kentucky Workers' Compensation Funding Commission and Division of Workers' Compensation Funds to the Kentucky Employers' Mutual Insurance Authority through a loss portfolio transfer agreement. The Kentucky Employers' Mutual Insurance Authority shall have full authority and responsibility over the Kentucky coal workers' pneumoconiosis fund's claims and shall administer the claims as permitted pursuant to KRS Chapter 342.
- (3) Notwithstanding the provisions of KRS 342.1242, the Workers' Compensation Funding Commission shall impose an assessment at an annual rate of fourteen percent (14%) upon the amount of workers' compensation premiums received on or after January 1, 2017, through December 31, 2017, by every insurance carrier writing workers' compensation insurance in the Commonwealth and by every self-insured group operating under the provisions of KRS 342.350(4) and KRS Chapter 304, from employers engaged in the severance or processing of coal. Likewise, on or after January 1, 2017, through December 31, 2017, an assessment at the rate of fourteen percent (14%) of premium shall be paid by every employer engaged in the severance or processing of coal who is carrying his or her own risk.
- (4) Notwithstanding the provisions of KRS 342.1242, the Workers' Compensation Funding Commission shall impose an assessment at an annual rate of fourteen percent (14%) upon the amount of workers' compensation premiums received on or after January 1, 2018, through December 31, 2018, by every insurance carrier writing workers' compensation insurance in the Commonwealth and by every self-insured group operating under the provisions of KRS 342.350(4) and Chapter 304, from employers engaged in the severance or processing of coal. Likewise, on or after January 1, 2018, through December 31, 2018, an assessment at the rate of fourteen percent (14%) of premium shall be paid by every employer engaged in the severance or processing of coal who is carrying his or her own risk.
- (5) Notwithstanding the provisions of KRS 342.1242, in addition to the assessments in subsection (3) and (4) of this section, for the calendar years of 2017 and 2018, an assessment at the rate of fifteen cents (\$0.15) per ton shall be imposed upon the total annual amount of tons of coal severed by every entity engaged in the severance of coal as required pursuant to KRS Chapter 143.
- (6) The assessments imposed by this section shall supersede any assessment imposed pursuant to KRS 342.1242 for the calendar years of 2017 and 2018. Any amount paid and collected that exceeds the assessment imposed by this section in calendar

year 2017 shall be reimbursed to the employer or credited to the employer's account subject to the preference of the employer.

- (7) Assessments pursuant to this section and KRS 342.1242 that are collected by the Kentucky Worker's Compensation Funding Commission shall be transferred to the Kentucky Employers' Mutual Insurance Authority.
- (8) When the Kentucky Workers' Compensation Funding Commission and the Kentucky Employers' Mutual Insurance Authority have determined final audits are closed and the liability of the fund is fully funded, then the authority for imposing assessment rates pursuant to this section and KRS 342.1242 shall cease to exist. Any remaining assessments received following the exhaustion of liabilities shall be refunded pro rata to all employers who have paid an assessment in the year that liabilities are fully funded. When all distributions pursuant to KRS 342.1242(8) have been completed, the Kentucky coal workers' pneumoconiosis fund shall be abolished. The Kentucky Employers' Mutual Insurance Authority may thereafter apply all funds received through subrogation or otherwise to expenses incurred in the administration and distribution of funds.

**Effective:** July 15, 2020

**History:** Amended 2020 Ky. Acts ch. 122, sec. 2, effective July 15, 2020. -- Amended 2018 Ky. Acts ch. 54, sec. 7, effective July 14, 2018. -- Created 2017 Ky. Acts ch. 173, sec. 3, effective April 10, 2017.