

336.244 Registration ineligibility when workers' compensation insurance terminated -- Workers' compensation coverage requirement.

- (1) Any professional employer organization whose workers' compensation insurance has been terminated within the past five (5) years in any jurisdiction due to a determination that a professional employer organization arrangement was being utilized to avoid premiums, taxes, or assessments otherwise payable by clients shall be ineligible to register with the Department of Workers' Claims or to remain registered, if previously registered.
- (2) A client shall fulfill its statutory responsibility to secure benefits for covered employees under this chapter by purchasing and maintaining a standard workers' compensation policy approved by the commissioner of the Department of Workers' Claims. A client may fulfill that responsibility by contracting with a professional employer organization to secure coverage. Where a client contracts with a professional employer organization to secure coverage for a portion of its employees, a client shall obtain and maintain workers' compensation coverage in compliance with KRS Chapter 342 for all employees not covered in the co-employment relationship. In either event, it shall be the responsibility of the client to maintain in its files, at all times, the certificate of insurance, or a copy thereof, evidencing the existence of the required insurance. The exposure and experience of the client shall be used in determining the premium for the policy and shall include coverage for all covered employees.
- (3) A temporary help service shall be deemed the employer of a temporary worker and shall be subject to this chapter.

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History: Created 2022 Ky. Acts ch. 50, sec. 8, effective July 14, 2022.