

**342.122 Special fund assessments -- Annual adjustments -- Quarterly payments --
Electronic remittance -- Reports -- Central claim registry.**

- (1) (a) For calendar year 1997 and for each calendar year thereafter, for the purpose of funding and prefunding the liabilities of the special fund, financing the administration and operation of the Kentucky Workers' Compensation Funding Commission, and financing the expenditures for all programs in the Department of Workers' Claims, Occupational Safety and Health Review Commission, Workers' Compensation Nominating Committee, Department of Workplace Standards, except expenditures for the Division of Wages and Hours contained in the Department of Workplace Standards and the proportional support for general administration and support based on an approved indirect cost allocation plan within the Department of Workers' Claims and the Education and Labor Cabinet, as reflected in the enacted budget of the Commonwealth and enacted by the General Assembly, the funding commission shall impose a special fund assessment rate of nine percent (9%) upon the amount of workers' compensation premiums received on and after January 1, 1997, through December 31, 1997, by every insurance carrier writing workers' compensation insurance in the Commonwealth, by every self-insured group operating under the provisions of KRS 342.350(4) and Chapter 304, and against the premium, as defined in KRS 342.0011, of every employer carrying his or her own risk.
- (b)
 1. The funding commission shall, for calendar year 1998 and thereafter, establish for the special fund an assessment rate to be assessed against all premium received during that calendar year which shall produce enough revenue to amortize on a level basis the unfunded liability of the special fund as of June 30 preceding January 1 of each year, for the period remaining until December 31, 2029. The special fund assessment imposed by the funding commission shall continue to be assessed to finance the administration and operation of the Kentucky Workers' Compensation Funding Commission under subsection (1)(a) of this section, and financing the expenditures for all programs in the Department of Workers' Claims, Occupational Safety and Health Review Commission, Department of Workplace Standards, excluding expenditures for the Division of Wages and Hours contained in the Department of Workplace Standards and the proportional support for general administration and support based on an approved indirect cost allocation plan within the Department of Workers' Claims and the Education and Labor Cabinet.
 2. For the purpose of establishing the assessment rate after the liabilities of the special fund have been funded or prefunded, the Workers' Compensation Funding Commission, the Department of Workers' Claims, the Occupational Safety and Health Review Commission, the Department of Workplace Standards, excluding the Division of Wages and Hours contained within the Department of Workplace Standards, and the Education and Labor Cabinet, shall each submit a budget to the commissioner for approval. The commissioner shall submit a combined

budget request for use of the special fund assessment, subject to the approval of the Workers' Compensation Funding Commission, to the chairs of the House Standing Committee on Appropriations and Revenue and the Senate Standing Committee on Appropriations and Revenue. The combined budgets of the Occupational Safety and Health Review Commission, Department of Workplace Standards, and the proportional support for the general administration and approved indirect cost allocation to the Education and Labor Cabinet, shall not exceed fifty percent (50%) of the total combined budget submitted by the commissioner.

3. The interest rate to be used in this calculation shall reflect the funding commission's investment experience to date and the current investment policies of the commission. This assessment shall be imposed upon the amount of workers' compensation premiums received by every insurance carrier writing workers' compensation insurance in the Commonwealth, by every self-insured group operating under the provisions of KRS 342.350(4) and Chapter 304, and against the premium, as defined in KRS 342.0011, of every employer carrying its own risk. On or before October 1 of each year, the commission shall notify each insurance carrier writing workers' compensation insurance in the Commonwealth, every group of self-insured employers, and each employer carrying its own risk, of the rates which shall become effective on January 1 of each year, unless modified by the General Assembly.
 - (c) All assessments imposed by this section shall be paid to the Kentucky Workers' Compensation Funding Commission and shall be credited to the benefit reserve fund within the Kentucky Workers' Compensation Funding Commission.
 - (d) The assessments imposed in this chapter shall be in lieu of all other assessments or taxes on workers' compensation premiums.
- (2)
 - (a) These assessments shall be paid quarterly not later than the thirtieth day of the month following the end of the quarter in which the premium is received. Receipt shall be considered timely through actual physical receipt or by postmark of the United States Postal Service. Employers carrying their own risk and employers defined in KRS 342.630(2) shall pay the annual assessments in four (4) equal quarterly installments.
 - (b) Beginning on January 1, 2020, all assessments shall be electronically remitted to the funding commission quarterly not later than the thirtieth day of the month following the end of the quarter in which the premium is received. Receipt shall be considered timely when filed and remitted using the appropriate electronic pay system as prescribed by the funding commission. Employers carrying their own risk and employers defined in KRS 342.630(2) shall pay the annual assessments in four (4) equal quarterly installments.
- (3) The assessments imposed by this section may be collected by the insurance carrier from the insured. However, the insurance carrier shall not collect from the employer any amount exceeding the assessments imposed pursuant to this section. If the

insurance carrier collects the assessment from an insured, the assessment shall be collected at the same time and in the same proportion as the premium is collected. The assessment for an insurance policy or other evidence of coverage providing a deductible may be collected in accordance with this chapter on a premium amount that equates to the premium that would have applied without the deductible. Each statement from an insurance carrier presented to an insured reflecting premium and assessment amounts shall clearly identify and distinguish the amount to be paid for premium and the amount to be paid for assessments. No insurance carrier shall collect from an insured an amount in excess of the assessment percentages imposed by this chapter. The assessment for an insurance policy or other evidence of coverage providing a deductible may be collected in accordance with this chapter on a premium amount that equates to the premium that would have applied without the deductible. The percentages imposed by this chapter for an insurance policy issued by an insurance company shall be those percentages in effect on the annual effective date of the policy, regardless of the date that the premium is actually received by the insurance company.

- (4) A self-insured group may elect to report its premiums and to have its assessments computed in the same manner as insurance companies. This election may not be rescinded for at least ten (10) years, nor may this election be made a second time for at least another ten (10) years, except that the board of directors of the funding commission may, at its discretion, waive the ten (10) year ban on a case-by-case basis after formal petition has been made to the funding commission by a self-insured group.
- (5) The funding commission, as part of the collection and auditing of the special fund assessments required by this section, shall annually require each insurance carrier and each self-insured group to provide a list of employers which it has insured or which are members and the amount collected from each employer. Additionally, the funding commission shall require each entity paying a special fund assessment to report the SIC code for each employer and the amount of premium collected from each SIC code. An insurance carrier or self-insured group may require its insureds or members to furnish the SIC code for each of their employees. However, the failure of any employer to furnish said codes shall not relieve the insurance carrier or self-insured group from the obligation to furnish same to the funding commission. The Department of Workforce Development, Education and Labor Cabinet, is hereby directed to make available the SIC codes assigned in its records to specific employers to aid in the reporting and recording of the special fund assessment data.
- (6) Each self-insured employer, self-insured group, or insurance carrier shall provide any information and submit any reports the Department of Revenue or the funding commission may require to effectuate the provisions of this section. In addition, the funding commission may enter reciprocal agreements with other governmental agencies for the exchange of information necessary to effectuate the provisions of this section.
- (7) The special fund shall be required to maintain a central claim registry of all claims to which it is named a party, giving each such claim a unique claim number and thereafter recording the status of each claim on a current basis. The registry shall be

established by January 26, 1988, for all claims on which payments were made since July 1, 1986, or which were pending adjudication since July 1, 1986, by audit of all claim files in the possession of the special fund.

- (8) The fund heretofore designated as the subsequent claim fund is abolished, and there is substituted therefor the special fund as set out by this section, and all moneys and properties owned by the subsequent claim fund are transferred to the special fund.
- (9) Notwithstanding any other provisions of this section or this chapter to the contrary, the total amount of funds collected pursuant to the assessment rates adopted by the funding commission shall not be limited to the provisions of this section.
- (10) All assessment rates imposed for periods prior to January 1, 1997, under KRS 342.122 shall forever remain applicable to premiums received on policies with effective dates prior to January 1, 1997, by every insurance carrier writing workers' compensation insurance in the Commonwealth, by every self-insured group operating under the provision of KRS 342.350(4) and Chapter 304, and against the premium, as defined in KRS 342.0011, of every employer carrying its own risk.

Effective: April 9, 2026

History: Amended 2026 Ky. Acts ch. 61, sec. 4, effective April 9, 2026. -- Amended 2022 Ky. Acts ch. 236, sec. 153, effective July 1, 2022. -- Amended 2019 Ky. Acts ch. 146, sec. 71, effective June 27, 2019; and ch. 173, sec. 5, effective June 27, 2019. -- Amended 2018 Ky. Acts ch. 54, sec. 2, effective July 14, 2018. -- Amended 2017 Ky. Acts ch. 82, sec. 6, effective June 29, 2017; and ch. 134, sec. 7, effective June 29, 2017. -- Amended 2012 Ky. Acts ch. 110, sec. 12, effective April 11, 2012. -- Amended 2010 Ky. Acts ch. 24, sec. 1787, effective July 15, 2010; and ch. 58, sec. 1, effective July 15, 2010. -- Amended 2009 Ky. Acts ch. 11, sec. 80, effective June 25, 2009. -- Amended 2006 Ky. Acts ch. 211, sec. 157, effective July 12, 2006; and ch. 124, sec. 1, effective April 4, 2006. -- Amended 2005 Ky. Acts ch. 85, sec. 681, effective June 20, 2005; and ch. 7, sec. 37, effective March 1, 2005 -- Amended 2002 Ky. Acts ch. 215, sec. 1, effective July 15, 2002. -- Amended 1998 Ky. Acts ch. 579, sec. 7, effective July 15, 1998. -- Amended 1996 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 4, effective December 12, 1996. -- Amended 1996 Ky. Acts ch. 271, sec. 23, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 181, Part 10, sec. 33, effective April 4, 1994. -- Amended 1990 Ky. Acts ch. 33, sec. 2, effective March 7, 1990. -- Amended 1988 Ky. Acts ch. 297, sec. 1, effective July 15, 1988. -- Amended 1987 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 13, effective October 26, 1987. -- Amended 1984 Ky. Acts ch. 414, sec. 35, effective June 13, 1984. -- Amended 1982 Ky. Acts ch. 278, sec. 19, effective July 15, 1982. -- Amended 1978 Ky. Acts ch. 256, sec. 2, effective June 17, 1978. -- Amended 1976 (1st Extra. Sess.) Ky. Acts ch. 26, sec. 3, effective January 1, 1977. -- Amended 1974 Ky. Acts ch. 65, sec. 1 and ch. 74, Art. II, sec. 9(1). -- Amended 1972 Ky. Acts ch. 78, sec. 23. -- Amended 1964 Ky. Acts ch. 192, sec. 13. -- Amended 1962 Ky. Acts ch. 276, sec. 2. -- Amended 1960 Ky. Acts ch. 147, sec. 11. -- Created 1946 Ky. Acts ch. 23, secs. 4 to 7.