

amend KRS 342.1223(2)(b) to delete the term “nondividend-paying” from the description of equity securities. **Section 5** would amend KRS 342.1231 to reduce the time period within which the funding commission may mail a notice of assessment to an assessment payer (insurance company) from 7 to 5 years, after which time the assessment would be barred. **Section 5** would require an insurance carrier pay a refund owed an insured within 60 days of notice by the funding commission that the refund is owed. If the refund is unpaid on the due date a 1.5% late penalty shall be owed by the insurance carrier.

HB 388 HCS 1 is not expected to increase workers’ compensation insurance premium costs for local governments, particularly if they obtain workers’ compensation coverage through the Kentucky League of Cities or Kentucky Employers Mutual Insurance (KEMI). It could have some, unquantified, impact on premium prices for local governments that obtain their workers’ compensation insurance from another source. The electronic submission of assessment payments would have no to minimal fiscal impact on local governments. There could be a positive fiscal impact from savings in postal costs, and ease of electronic payment could reduce penalties and interest assessments due because of late payment of premium assessments. Some local governments currently submit payments electronically and those that don’t would have only minimal costs to be trained in the e-submission process.

Part III: Differences to Local Government Mandate Statement from Prior Versions

HB 388 HCS 1 does not change the fiscal impact on local governments or local mandate analysis of HB 388 as introduced.

Data Source(s): LRC staff; Labor Cabinet; Kentucky League of Cities; Workers' Compensation Funding Commission; KEMI

Preparer: Mary Stephens **Reviewer:** KHC **Date:** 3/2/18