

342.447 Insurance companies' payments of amounts collected for taxes and assessments of Kentucky Reinsurance Association or Department of Revenue mandatory -- Audits to ensure compliance.

- (1) All funds collected by insurance companies from their insureds, prior to October 26, 1987, for assessments of the Kentucky Reinsurance Association or special fund taxes and assessments of the Kentucky Department of Revenue not previously paid, shall be paid in full by January 1, 1988, to the Kentucky Workers' Compensation Funding Commission.
- (2) To ensure compliance with the provisions of subsection (1) of this section, the Department of Revenue shall conduct audits of insurance companies. The costs of such audits shall be borne by the Kentucky Workers' Compensation Funding Commission. The Department of Revenue may enter an agreement with the Department of Insurance for assistance in conducting such audits or it may hire additional auditors on a temporary basis. The audits shall commence within sixty (60) days from October 26, 1987, and shall be completed within six (6) months. The aggregate findings of such audits shall be presented to the commissioner of revenue, the commissioner of insurance, the Kentucky Workers' Compensation Funding Commission, and the Governor.
- (3) If the audits reveal noncompliance with subsection (1) of this section, the Department of Revenue shall notify the affected party of such fact. The affected party shall remit the amount in question not later than thirty (30) days following notification and the Department of Revenue shall institute a civil action in Franklin Circuit Court if remittance is not made within such thirty (30) day period.
- (4) The failure of an insurance company to comply with the provisions of this section shall constitute grounds for the revocation by the commissioner of insurance of such entity's authority to write workers' compensation coverage in the Commonwealth.
- (5) The Department of Revenue shall report to the commissioner of insurance the failure of any insurance company to comply with the provisions of this section and the commissioner of insurance shall institute revocation procedures of such entity's authority to write workers' compensation coverage in the Commonwealth.
- (6) "Funds collected" as used in subsection (1) of this section shall mean all funds collected without reduction for credits, refund, or returns of any type made to insureds or group members after September 1, 1987.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1834, effective July 15, 2010. -- Amended 2005 Ky. Acts ch. 85, sec. 684, effective June 20, 2005. -- Created 1987 (1st Extra. Sess) Ky. Acts ch. 1, sec. 70, effective October 26, 1987.