

### **342.801 Legislative findings and intent.**

- (1) The General Assembly finds and declares that:
  - (a) An adequate and available workers' compensation insurance market does not exist for employers in the Commonwealth;
  - (b) Approximately fifty percent (50%) of the private workers' compensation insurance market resides in the residual market mechanism for workers' compensation;
  - (c) The voluntary insurance market has declined to the point that employers in the Commonwealth, who lack the financial capability to cover their own risk, have few insurance options except the residual market mechanism through which to maintain their statutorily-required workers' compensation coverage;
  - (d) A lack of an adequate market for workers' compensation insurance threatens the economic welfare of the Commonwealth and its ability to create and maintain jobs for the citizens of Kentucky;
  - (e) Employers in the Commonwealth and other states are required by law to provide workers' compensation coverage to their employees and, therefore, the General Assembly has a responsibility to ensure employers an available and adequate insurance mechanism through which employers may discharge their statutory duty regarding workers' compensation; and
  - (f) State funds have historically and traditionally been a viable participant in the workers' compensation insurance market, that workers' compensation state funds exist in twenty-five (25) states, and that at least seven (7) states have created competitive state funds since 1983.
- (2) Therefore, it is the intent of the General Assembly in creating the Employers' Mutual Insurance Authority to establish a self-supporting competitive state fund for the purpose of providing both a market of last resort for employers in the Commonwealth and another competitive source of insurance in the voluntary market through which employers may secure and maintain their workers' compensation coverage required under this chapter.

**Effective:** April 4, 1994

**History:** Created 1994 Ky. Acts ch. 181, sec. 39, effective April 4, 1994.