

342.340 Employer to insure or provide security against liability to workers.

- (1) Every employer under this chapter shall:
 - (a) Insure and keep insured its liability for compensation in some corporation, association, or organization authorized to transact the business of workers' compensation insurance in this state; or
 - (b) Furnish to the commissioner satisfactory proof of its financial ability to pay directly the compensation in the amount and manner and when due as provided in this chapter. In this case, the commissioner shall require the deposit of an acceptable security, indemnity, or bond to secure, to the extent the commissioner directs, the payment of compensation liabilities as they are incurred. A public sector self-insured employer shall not be required to deposit funds as security, indemnity, or bond to secure the payment of liabilities under this chapter, if the public employer has authority to raise taxes, notwithstanding provisions of KRS 68.245, 132.023, 132.027, and 160.470 relating to recall and reconsideration of local taxes; raise tuition; issue bonds; raise fees or fares for services provided; or has other authority to generate funds for its operation.
- (2) Every employer subject to this chapter shall file, or have filed on its behalf, with the department, as often as may be necessary, evidence of its compliance with the provisions of this section and all others relating hereto. Any insurance carrier or self-insured group providing workers' compensation insurance coverage for a Kentucky location shall file on behalf of the employer, with the commissioner, evidence of the employer's compliance with this chapter. Evidence of compliance filed with the department may include a named additional insured who has been provided proof of workers' compensation insurance coverage by the employer. The filing shall be made within ten (10) days after the issuance of a policy, endorsement to a policy, or similar documentation of coverage. Every employer who has complied with the foregoing provision and has subsequently canceled its insurance or its membership in an approved self-insured group, as the case may be, shall immediately notify, or have notice given on its behalf to the department of the cancellation, the date, and the reasons; and every insurance carrier or self-insured group shall in like manner notify the commissioner upon the cancellation, lapse, termination, expiration by reason of termination of policy period, or nonrenewal of any policy issued by it or termination of any membership agreement, whichever is applicable under the provisions of this chapter, except that the carrier or self-insured group need not set forth its reasons unless requested by the commissioner. The above filings are to be made on the forms prescribed by the commissioner. Termination of any policy of insurance issued under the provisions of this chapter shall take effect no greater than ten (10) days prior to the receipt of the notification by the commissioner unless the employer has obtained other insurance and the commissioner is notified of that fact by the insurer assuming the risk. Upon determination that any employer under this chapter has failed to comply with these provisions, the commissioner shall promptly notify interested government agencies of this failure and, with particular reference to employers engaged in coal mining,

the commissioner shall promptly report any failures to the Department for Natural Resources so that appropriate action may be undertaken pursuant to KRS 351.175.

Effective: July 15, 2014

History: Amended 2014 Ky. Acts ch. 80, sec. 3, effective July 15, 2014. -- Amended 2010 Ky. Acts ch. 24, sec. 1820, effective July 15, 2010. -- Amended 2008 Ky. Acts ch. 38, sec. 1, effective July 15, 2008. -- Amended 2007 Ky. Acts ch. 93, sec. 1, effective March 23, 2007. -- Amended 2005 Ky. Acts ch. 7, sec. 41, effective March 1, 2005. -- Amended 1994 Ky. Acts ch. 181, Part 11, sec. 36, effective April 4, 1994. -- Amended 1990 Ky. Acts ch. 16, sec. 1, effective July 13, 1990. -- Amended 1982 Ky. Acts ch. 426, sec. 2, effective July 15, 1982. -- Amended 1970 Ky. Acts ch. 16, sec. 4. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4946.

2020-2022 Budget Reference. See State/Executive Branch Budget, 2020 Ky. Acts ch. 92, Pt. III, 21 at 935.