

342.920 Self-insurance fund for payments to workers' compensation claimants injured before March 1, 1997.

- (1) The General Assembly finds and declares that there is a need to protect employees of workers' compensation self-insured employers who had claims for injuries that occurred prior to the creation of the workers' compensation self-insurance guaranty funds under this chapter. The General Assembly further finds that there may be instances in which the security of a former self-insured employer is insufficient to pay the entire workers' compensation claim of an injured employee who was injured prior to March 1, 1997.
- (2) There is hereby established the self-insurance fund for the purpose of making payments to workers' compensation claimants injured prior to March 1, 1997, when the security of a former self-insured employer has been depleted.
- (3) (a) The commissioner shall be:
 1. Authorized to disburse moneys from the fund in accordance with written orders of an administrative law judge or the board; and
 2. Responsible for administration of the fund and conservation of the assets of the fund.(b) The commissioner may hire an administrator to oversee the payment of claims as provided in this section.
- (4) Notwithstanding any provision of the Kentucky Revised Statutes to the contrary, all amounts collected after July 12, 2006, as fines and penalties under KRS 342.267 and 342.990 shall be paid into the self-insurance fund.
- (5) The self-insurance fund shall be responsible for the payment of compensation when there has been a default in the payment of compensation by a self-insured employer and the security held by the Department of Workers' Claims has been completely depleted.
- (6) The Department of Workers' Claims shall appoint an attorney on its staff or special counsel to represent the self-insurance fund in all proceedings brought to enforce claims against or on behalf of the self-insurance fund. Necessary expenses for this purpose including salaries or special counsel shall be borne by the self-insurance fund.
- (7) Any party seeking reopening under KRS 342.125 or action on a claim involving the self-insurance fund shall name the self-insurance fund in its action.
- (8) (a) The Workers' Compensation Funding Commission shall hold, invest, and reinvest the funds collected for the self-insurance fund;
 - (b) The funding commission shall have the same authority and duties with regard to the self-insurance fund as described in KRS 342.1223; and
 - (c) The funding commission shall disburse moneys of the fund as requested by the commissioner of the Department of Workers' Claims pursuant to subsection (3) of this section.

- (9) Amounts in the self-insurance fund not expended at the close of the fiscal year shall not lapse but shall be carried forward to the next fiscal year. Any interest earnings of the self-insurance fund shall become part of the fund and shall not lapse.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1861, effective July 15, 2010. -- Created 2006 Ky. Acts ch. 245, sec. 1, effective July 12, 2006.