

304.13-400 Deductible workers' compensation policy.

- (1) Each insurer, including those participating in a residual market mechanism, authorized to write workers' compensation insurance in the Commonwealth shall offer, as a part of the policy or as an optional endorsement to the policy, deductibles optional to the employer policyholder for the payment of workers' compensation benefits pursuant to KRS Chapter 342.
- (2) Deductible amounts offered pursuant to subsection (1) of this section shall be fully disclosed to the employer policyholder in writing and shall range in amounts from one hundred dollars (\$100) to ten thousand dollars (\$10,000) per compensable occurrence under KRS Chapter 342. The employer policyholder exercising the deductible option shall choose only one (1) deductible amount.
- (3)
 - (a) If the employer policyholder chooses a deductible policy pursuant to subsections (1) and (2) of this section, the insurer shall pay the deductible amount initially and the employer policyholder shall be liable to the insurer, at the time and in the manner prescribed by the insurer, for the amount of the deductible paid by the insurer for benefits paid pursuant to KRS Chapter 342.
 - (b) Failure by the employer policyholder to reimburse the insurer as required by this subsection shall be treated by the insurer in the same manner as non-payment of premiums. In addition, failure of the employer policyholder to reimburse the insurer as required shall constitute noncompliance with KRS 342.340 for purposes of KRS 342.402.

Effective: July 14, 1992

History: Created 1992 Ky. Acts ch. 446, sec. 1, effective July 14, 1992.