342.760 Uninsured employers' fund.

(1) There is hereby authorized in the Labor Cabinet an uninsured employers' fund for the purpose of making payments in accordance with the provisions of subsection (4) of this section. The secretary of the Labor Cabinet shall be the custodian of the fund, and all moneys and securities in the fund shall be held in trust by the secretary of the Labor Cabinet and shall not be considered a part of the general funds of the state.

(2) The secretary of the Labor Cabinet is authorized to disburse moneys from the fund only upon written order of the administrative law judge or the board.

(3) All amounts collected as fines and penalties under this chapter shall be paid into the uninsured employers' fund.

(4) The uninsured employers' fund shall be responsible for the payment of compensation when there has been default in the payment of compensation due to the failure of an employer to secure payment of compensation as provided by this chapter. Such employer shall be liable for payment into the fund of all the amounts authorized to be paid therefrom under the authority of this subsection including reimbursement of the special fund of all liability apportioned to it and for the purposes of enforcing this liability the Labor Cabinet, for the benefit of the fund, shall be subrogated to all the rights of the person receiving such compensation from the fund. This provision shall apply to all pending claims upon which a final order has not been entered.

(5) In furtherance of this purpose, the Attorney General shall appoint a member or members of his or her staff or special counsel to represent the fund in all proceedings brought to enforce claims against or on behalf of the fund. Necessary expenses for this purpose including salaries of said staff or special counsel shall be borne by the fund. The Labor Cabinet shall be responsible for the administration of the uninsured employers' fund and shall be charged with the conservation of the assets of the fund.

(6) On December 29, 1987, the liabilities of the uninsured employers' fund and its assets remaining in the State Treasury shall be transferred to the uninsured employers' fund created within the Labor Cabinet pursuant to this section.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1847, effective July 15, 2010. -- Amended 2000 Ky. Acts ch. 514, sec. 33, effective July 14, 2000. -- Amended 1996 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 32, effective December 12, 1996. -- Amended 1987 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 73, effective October 26, 1987. -- Amended 1978 Ky. Acts ch. 256, sec. 5, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 160, sec. 10. -- Amended 1974 Ky. Acts ch. 74, Art. II, sec. 9(2). -- Created 1972 Ky. Acts ch. 78, sec. 19.