

**342.1240 Legislative findings and declaration of intent regarding the Kentucky coal workers' pneumoconiosis fund.**

- (1) The General Assembly declares:
  - (a) The Kentucky coal workers' pneumoconiosis fund was created in 1996 for the purpose of placing the financial responsibility for liabilities incurred as a result of workers' compensation awards for coal workers' pneumoconiosis on the employers engaged in the severance and processing of coal through assessments placed on workers' compensation premiums and self-insured employers and severed coal. These assessments have been used to pay fifty percent (50%) of indemnity benefits of a coal workers' pneumoconiosis claim. However, the combination of the severe downturn in the amount of coal being severed in Kentucky, the drastic reduction in the number of coal employers and employees, and the significant increase in coal workers' pneumoconiosis claims being filed have had a severe negative impact on the Kentucky coal workers' pneumoconiosis fund.
  - (b) For calendar year 2017, the Kentucky Workers' Compensation Funding Commission, which is required to assess all employers engaged in the severance and processing of coal at a rate that would fully fund and prefund all claim liabilities and administrative expenses through December 31 of the following year, assessed coal employers forty-nine and one-half percent (49.5%) on employers' workers' compensation insurance premiums and assessed forty-one and seventy-four hundredths cents (\$0.4174) per ton of severed coal.
  - (c) The Kentucky coal workers' pneumoconiosis fund will not have adequate funding without burdensome assessments on coal employers in order to meet claim liabilities and administrative expenses in the upcoming years.
- (2) Therefore, it is the intent of the General Assembly to close the Kentucky coal workers' pneumoconiosis fund on July 1, 2017, to any coal workers' pneumoconiosis claims filed after June 30, 2017, and have the assets and liabilities of the Kentucky coal workers' pneumoconiosis fund transferred through a loss portfolio transfer agreement to the Kentucky Employers' Mutual Insurance Authority, which is a nonprofit, independent, self-supporting de jure municipal corporation and political subdivision of the Commonwealth.

**Effective:** April 10, 2017

**History:** Created 2017 Ky. Acts ch. 173, sec. 2, effective April 10, 2017.