

304.50-035 Certificate of filing of self-insured group -- Conditions for issuance.

Certification as a workers compensation self-insured group shall be granted only if the commissioner finds that the applicant has complied with the provisions of this subtitle, paid the application fee, and met the following conditions:

- (1) All persons responsible for the conduct of the affairs of the workers compensation self-insured group are financially stable and experienced in the administration of a workers compensation self-insured group;
- (2) The workers compensation self-insured group is financially responsible and has demonstrated the ability to meet all of its obligations to participants and prospective participants and injured workers as required in KRS Chapter 342. In making this determination, the commissioner may consider:
 - (a) The adequacy of working capital; and
 - (b) The applicant's compliance with all requirements of this subtitle, including but not limited to:
 1. The adequacy of the funding mechanisms;
 2. The existence and adequacy of appropriate excess insurance;
 3. The participating members financial strength;
 4. The stability of the membership;
 5. The risks of the industry;
 6. The experience of management and all persons responsible for the conduct of the affairs of the workers compensation self-insured group; and
 7. An initial and ongoing minimum surplus funds requirement of not less than one million dollars (\$1,000,000), except for a workers compensation self insured group currently operating under a plan approved by the commissioner pursuant to KRS 304.50-135 or a remedial action plan approved by the predecessor regulatory agency prior to August 3, 2004.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 1629, effective July 15, 2010. -- Amended 2008 Ky. Acts ch. 183, sec. 2, effective July 15, 2008. -- Created 2005 Ky. Acts ch. 7, sec. 7, effective March 1, 2005.