

1 A CONCURRENT RESOLUTION encouraging the Kentucky Labor Cabinet's
2 Department of Workers' Claims and the Public Protection Cabinet's Department of
3 Insurance to collaborate with the Legislative Research Commission in the development of
4 a structural solution that will improve the solvency and administration of the Kentucky
5 group self-insurance fund.

6 WHEREAS, the Kentucky group self-insurance fund (the Fund) was created as a
7 guaranty fund by Act of the General Assembly in 1996 for the purpose of meeting the
8 workers' compensation obligations of self-insured groups and associations incurred while
9 they were members of the Fund; and

10 WHEREAS, it is an overarching goal of Kentucky's workers' compensation
11 program that claims owed to workers be paid in a manner that is fair and administratively
12 efficient both for claimants and their employers; and

13 WHEREAS, the legislation creating the Fund and regulations promulgated
14 thereunder require self-insured groups and associations that are Fund members to submit
15 and implement plans of operation that establish their methods for compliance with the
16 law creating the Fund; and

17 WHEREAS, those plans of operation necessarily include processes for the
18 collection of assessments and the investment and disbursement of assets of the Fund, with
19 the ultimate goal of securing sufficient funds to pay workers' compensation claims owed;
20 and

21 WHEREAS, over time, the sufficiency of the Fund's plans of operation to pay
22 claims owed has diminished to a point at which a consideration of alternative structural
23 options to achieve the legislative intent underlying creation of the Fund is a recommended
24 endeavor for both the executive agencies charged with administration of the Fund and for
25 the legislative branch as well;

26 NOW, THEREFORE,

27 ***Be it resolved by the Senate of the General Assembly of the Commonwealth of***

1 ***Kentucky, the House of Representatives concurring therein:***

2 ➔Section 1. (1) For the purpose of improving the Fund's solvency and its
3 capacity to pay workers' compensation claims owed, the Department of Workers' Claims
4 and the Department of Insurance are hereby urged to:

5 (a) Collaborate with the Legislative Research Commission in an effort to evaluate
6 the current plans of operation of the Kentucky group self-insurance fund; and

7 (b) Propose alterations to the existing structures of the Kentucky group self-
8 insurance fund or consider an entirely new structure.

9 (2) The Legislative Research Commission may designate staff assigned to
10 committees of appropriate jurisdiction with whom the executive branch agencies shall
11 communicate to accomplish the goals of this Resolution.

12 ➔Section 2. A copy of this Resolution shall be delivered to the secretaries of the
13 Public Protection Cabinet and the Labor Cabinet and the commissioners of the
14 Department of Insurance and the Department of Workers' Claims.