

1 LABOR CABINET

2 Department of Workers' Claims

3 (Amendment)

4 803 KAR 25:175. Filing of insurance coverage and notice of policy change or termination.

5 RELATES TO: KRS 342.0011(22), 342.340(2)

6 STATUTORY AUTHORITY: KRS 342.260(1)

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 342.340 requires an insurance  
8 carrier to file proof of workers' compensation insurance coverage for an employer and notice of  
9 policy change or termination in a format [~~on a form~~] prescribed by the commissioner [~~executive~~  
10 ~~director~~]. KRS 342.260(1) requires the commissioner [~~executive director~~] to promulgate  
11 administrative regulations necessary to carry on the work of the Department [~~office~~]. This  
12 administrative regulation establishes the requirements for filing proof of coverage and policy  
13 change or termination of coverage.

14 Section 1. Definition. "Insurance carrier" is defined in KRS 342.0011(22).

15 Section 2. Reporting Requirements. (1) Each insurance carrier shall file the information  
16 required on the Form POC-1 for each new policy or a change or termination of a policy.

17 (2) The information required on the [~~completed~~] Form POC-1 shall be filed  
18 electronically by an approved vendor with the Department [~~Office~~] of Workers' Claims.

1           ~~[(3) — An electronic transmission of data shall have:~~

2           ~~(a) Demonstrated its reliability in tests rendered by the office; and~~

3           ~~(b) Received the approval of the executive director].~~

4           Section 3. (1) The Department [~~Office~~] of Workers' Claims shall acknowledge a filing in  
5 an electronic format with either an acceptance or rejection through the vendor used for filing [~~to~~  
6 ~~the carrier or its agent~~].

7           (2) A report that is incomplete or provides incorrect information shall be rejected and not  
8 be considered in compliance with KRS 342.340(2) until the information is completed or corrected  
9 and refiled with the Department [~~Office of Workers' Claims~~].

10          Section 4. Incorporation by Reference. (1) "Form POC-1", December 1996 Edition,  
11 Department [~~Office~~] of Workers' Claims, is incorporated by reference.

12          (2) The material may be inspected, copied, or obtained, subject to applicable copyright law,  
13 at the Department [~~Office~~] of Workers' Claims, Mayo-Underwood Building, 3<sup>rd</sup> Floor, 500 Mero  
14 Street, [Prevention Park, 657 Chamberlin Avenue,] Frankfort, Kentucky 40601, Monday through  
15 Friday, 9 a.m. to 4 p.m.

This is to certify that the commissioner has reviewed and recommended this administrative regulation prior to its adoption, as required by KRS 342.260 and 342.035.

*Robert L. Swisher*

Robert L. Swisher, Commissioner  
Department of Workers' Claims

*10/19/2020*

Date

## PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on January 22, 2021, at 10:00 a.m. (EDT) by video teleconference pursuant to KRS 61.800, et seq. In keeping with KRS 13A.270, individuals interested in attending or being heard at this hearing shall notify this agency in writing of their intent to attend no later than five (5) workdays prior to the hearing along with contact information. Upon notification of intent to attend, individuals will be provided information necessary to attend the video teleconference. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through January 31, 2021. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person

CONTACT PERSON: B. Dale Hamblin, Jr.  
Assistant General Counsel  
Department of Workers' Claims  
Mayo-Underwood Building, 3<sup>rd</sup> Floor  
500 Mero Street  
Frankfort, Kentucky 40601  
Telephone Number: (502) 782-4404  
Fax Number: (502) 564-0681  
[Dale.Hamblin@ky.gov](mailto:Dale.Hamblin@ky.gov)

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation No.: 803 KAR 25:175

Contact person: B. Dale Hamblin, Jr, Assistant General Counsel

Telephone Number: (502) 782-4404

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the requirements for filing proof of coverage and policy change or termination of coverage.

(b) The necessity of this administrative regulation: Amendment to this administrative regulation is necessary to comply with subsequent technological changes.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 342.340 requires an insurance carrier to file proof of workers' compensation insurance coverage for an employer and notice of policy change or termination in a format prescribed by the commissioner.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation establishes the mechanism for filing proof of workers' compensation insurance coverage for an employer and notice of any policy change or termination with the Department of Workers' Claims.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

The amendment establishes the currently accepted methodology for reporting policy information.

(b) The necessity of the amendment to this administrative regulation: The

current language does not comply with current practices.

(c) How the amendment conforms to the content of the authorizing statutes:

The amendment updates language to comply with the current practices for reporting required policy information.

(d) How the amendment will assist in the effective administration of the

statutes: This administrative regulation provides guidance to those required to report policy information to the Department of Workers' Claims.

(3) List the type and number of individuals, businesses, organizations, or state and local

governments affected by this administrative regulation: Insurance companies writing workers' compensation policies in the Commonwealth, group of self-insurers, and employers carrying their own risk will be affected by the amendments to the administrative regulation.

(4) Provide an analysis of how the entities identified in question (3) will be impacted

by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will

have to take to comply with this administrative regulation or amendment: The entities will report through an approved vendor.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There will be no increase in cost.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The entities will be able to properly report policy information.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: None

(b) On a continuing basis: There should be no additional cost.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The Department of Workers' Claims normal budget is the source of funding.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase in fees or funding is needed to implement this administrative regulation.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This administrative regulation does not establish or increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied; the administrative regulation applies to all parties equally.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Administrative Regulation No.: 803 KAR 25:175

Contact Person: **B. Dale Hamblin, Jr., Assistant General Counsel**  
**Dale.Hamblin@ky.gov**

Telephone Number: (502) 782-4404

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Department of Workers' Claims and all agencies or departments of government with employees.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 342.0011(22); 342.340(2).

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. There should be no direct effect on expenditures.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? No revenue will be generated.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? No revenue will be generated.

(c) How much will it cost to administer this program for the first year? None



(d) How much will it cost to administer this program for subsequent years? It does not appear there will be additional costs.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: There should be no increase or decrease in the nominal cost to administer this amendment.