

STATE EMPLOYEE WORKERS' COMPENSATION FUND PARTICIPATION AGREEMENT

THIS AGREEMENT is entered into on this ____ day of ____ 20____, by and between the COMMONWEALTH OF KENTUCKY, ex rel. the Personnel Cabinet (the "Cabinet") and _____, either (a) a state agency employing individuals within the meaning of KRS 18A.370 or (b) an organization, company or firm approved by the Personnel Cabinet, pursuant to 101 KAR 2:140 § 2 (2) (the "Participant").

WITNESSETH:

WHEREAS, KRS 18A.375 established the State Employee Workers' Compensation Fund (the "Fund") whose purpose is to self-insure workers' compensation benefits for eligible state employees and authorized participants; and

WHEREAS, the Personnel Cabinet's Office of Employee Relations (the "Cabinet") has the statutory authority to administer the Fund on behalf of state employees and authorized participants in the program; and

WHEREAS, the Participant desires to participate in the Fund on behalf of its employees; and

WHEREAS, the Cabinet is willing to consider the Participant for participation in the Fund, subject to the terms and conditions set forth below:

NOW THEREFORE, and in consideration of the mutual covenants and agreements contained herein, the sufficiency of which is hereby acknowledged, the parties agree as follows

- (1) The Participant agrees to submit a written request to participate in the Fund and, in connection therewith, to provide the Cabinet with its most recent three (3) year history of workers' compensation claims experience and the number of employees to be covered under the Fund. By entering into this agreement, Participant represents that all information submitted is true and accurate to the best of Participant's knowledge and belief.
- (2) Upon evaluating the information provided in (1) above, the Cabinet agrees (a) to make a determination as to the Participant's eligibility for participation in the Fund, and (b) in the event it accepts the Participant for participation in the Fund, to calculate the appropriate initial assessment to be assessed at the beginning of the current fiscal year. If the Participant joins the Fund other than at the beginning of a fiscal year, then the assessment shall be prorated over the number of months of coverage remaining in the fiscal year.

- (3) Thereafter, the Participant agrees to pay the annual assessment billed by the Cabinet prior to the beginning of each fiscal year to the extent that the Participant desires to continue workers' compensation coverage for its employees in the Fund.
- (4) If, for whatever reason, a Participant desires to withdraw from the Fund, the Participant agrees to provide the Cabinet with thirty (30) calendar days' advance written notice of its intent to withdraw and, thereafter, may elect to withdraw only at the end of the current fiscal year.
- (5) As a condition of withdrawal, the Participant agrees to reimburse the Cabinet for any and all workers' compensation claims incurred by its employees prior to the date of withdrawal, but not yet reported to the Fund, irrespective of the length of time after the withdrawal date that the claims are actually received by the Cabinet.
- (6) The Participant shall be billed by the Cabinet on a quarterly basis for the cost of claims that were incurred but not reported as of the date of withdrawal, until all such claims have been submitted and accounted for. The Participant agrees to reimburse the Cabinet within thirty (30) calendar days of receipt of the itemized statement of payments made by the Cabinet on the Participant's behalf. Failure to make the required payments within the prescribed time frame shall result in the imposition of interest at the maximum legal rate on each delinquent payment.
- (7) At any time after it has withdrawn from the Fund, the Participant may request, in writing, to be readmitted to the Fund. Readmission to the Fund shall be solely at the discretion of the Cabinet, based on the Participant's compliance with the provisions of paragraphs (6) and (8) of this Agreement.
- (8) If the Participant seeks readmission to the Fund, the Cabinet may restore the Participant's participation in the Fund upon review and evaluation of the Participant's claims and payment history. If the Cabinet approves the Participant's restoration to the Fund, the Participant agrees to the assessment by the Commonwealth of a premium based on (a) the Participant's workers' compensation claims experience over the preceding three (3) year period, and (b) the number of employees currently working for the Participant, with such assessment to be assessed at the beginning of the current fiscal year. If the Participant is readmitted to the Fund other than at the beginning of a fiscal year, then the premium assessment shall be prorated over the number of months of coverage remaining in the fiscal year.

- (9) Any notice required to be given under this Agreement shall be sent by first-class mail and addressed to:

Name:	
Title:	
Participant Organization:	
Address:	
City, State:	
Zip Code:	

The Cabinet:	Mr. Chris Lewis, Executive Director
	Office of Employee Relations
	Workers' Compensation Fund
	Personnel Cabinet
	501 High Street, 3 rd Floor
	Frankfort, Kentucky 40601

- (10) This agreement shall be binding upon and inure to the benefit of the parties, their successors, assigns, and personal representatives.
- (11) The parties agree that Participant's participation in the Fund shall be effective on the ____ day of _____, 201____, provided that the requirements of numerical paragraphs (2) and (3) of this agreement have been satisfied by that date.
- (12) This agreement constitutes the entire agreement between the parties as of the date executed. This agreement may not be modified except by written addendum signed by an authorized representative for both parties. No waiver of any provision of this agreement will be valid unless it is in writing and signed by an authorized representative of the party to be charged.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Agency or Organization

Commonwealth

Authorized Signature

Authorized Signature

Printed Name

J. Christian Lewis

Printed Name

Title

Executive Director

Title

STATE OF KENTUCKY
COUNTY OF _____

The foregoing has been subscribed and sworn to before me by _____,
_____ on this the _____ day of _____, 201__.

NOTARY PUBLIC, STATE AT LARGE

MY COMMISSION EXPIRES: _____

STATE OF KENTUCKY
COUNTY OF _____

The foregoing has been subscribed and sworn to before me by J. Christian Lewis,
Executive Director, Kentucky Personnel Cabinet, on this the _____ day of _____,
201__.

NOTARY PUBLIC, STATE AT LARGE

MY COMMISSION EXPIRES: _____

Revised: 12/08/17