

## ASSESSMENT INFORMATION

K-WC 121 (Rev. 6-12)

### **For Insurance Carriers, Self-Insurers and Group-Funded Workers Compensation Pools Operating Under the Kansas Workers Compensation Act**

**As an authorized insurance carrier, self-insurer or group-funded workers compensation pool, the following information concerning your responsibility with regard to assessment under the Kansas Workers Compensation Act should be noted:**

#### **Statutory Basis for Assessments: K.S.A. 74-712 through 74-719**

These sections provide the method of financing the administration of the Kansas Workers Compensation Act. Effective July 1, 1962, the Act is supported by direct assessments levied against insurance carriers and self-insurers doing business in Kansas under the Kansas Workers Compensation Act. Effective July 1, 1983, pools were added.

The law requires this office to make the assessments and to collect the same. The assessments are determined as follows: each insurance carrier, self-insurer and pool doing business in Kansas under the Kansas Workers Compensation Act must file with the director an annual report form showing the total amount of benefit payments made pursuant to the Kansas Workers Compensation Act, paid in the state of Kansas for the last complete calendar year. The director then determines what portion of the cost of administering the Act shall be assessed against each such insurance carrier, self-insurer and pool. The Legislature has provided that no carrier, self-insurer or pool shall pay more than 3 percent of the total workers compensation benefits paid by the carrier, self-insurer or pool as listed by the director during the calendar year in question. Insurance companies, self-insurers and pools are assessed **after** their authority to come under the Kansas Workers Compensation Act is cancelled to cover any residual payments begun or awarded prior to cancellation.

The director may require from each insurance carrier, self-insurer or pool and in accordance with regulations of the director, reports of all payments of compensation made by such carrier, self-insurer or pool during any period.

#### **Annual Loss Payment Report, Form K-WC 92**

This form is mailed on or about January 15 by this office, to be used in reporting the total benefit payments made by insurance companies, self-insurers or pools during the calendar year, January 1 thru December 31. Self-insurers, insurance companies and pools should report **actual** amounts **paid out** only.

The reports are to be returned by March 15. If any insurance carrier, self-insurer or pool fails to complete the report and submit it to this office as requested, the director will determine as accurately as possible the total amount of benefit payments made by such insurance carrier, self-insurer or pool. The law provides that the director's determination shall be conclusive. Thus, to ensure that benefit payments are accurately listed, it is imperative that the reports be completed and submitted to this division by March 15. Failure to do so might easily result in your company or pool being assessed more than it should be assessed.

## **Annual Assessment Invoice, Form K-WC 94**

This form is prepared and mailed on or about May 15 of each year, assessing the percentage of the total benefits reported on Form K-WC 92.

Section 74-713 provides in part: "Such amounts shall be paid within 30 days from the date that notice is served upon such carrier, self-insurer or group-funded workers' compensation pool. If such amounts are not paid within such period, the director may assess a civil penalty equal to 10% of the amount so unpaid for each 30 days the liability remains due and unpaid, and such civil penalty shall be collected at the same time and as a part of the original amount as determined by the director under the terms of this act."

Section 74-714 provides "If any carrier fails to pay the amounts assessed by the director as provided in this act for a period of more than 60 days from the time notice of such amount is first served to such carrier, the director shall make a verified report to the commissioner of insurance, who may suspend or revoke the authorization of such carrier to do business in the state. If any self-insurer fails to pay the amounts assessed by the director as provided in this act for a period of more than 60 days from the time notice of such amount is first served to such self-insurer, the self-insurer shall forfeit such self-insurer's bond. The director may set aside such forfeiture if the amount is paid. If any group-funded workers' compensation pool fails to pay the amounts assessed by the director as provided in this act for a period of more than 60 days from the time notice of such amount is first served to such pool, the director shall make a verified report to the commissioner of insurance, who may suspend or revoke such pool's certificate of authority."

**For additional information, companies should contact the Division of Workers Compensation at the contact information below.**