

Taken from KANSAS WORKERS COMPENSATION LAWS & REGULATIONS

44-505. Application of act. (a) Subject to the provisions of K.S.A.44-506 and amendments thereto, the workers compensation act shall apply to all employments wherein employers employ employees within this state except that such act shall not apply to:

(2) any employment, other than those employments in which the employer is the state, or any department, agency or authority of the state, wherein the employer had a total gross annual payroll for the preceding calendar year of not more than \$20,000 for all employees and wherein the employer reasonably estimates that such employer will not have a total gross annual payroll for the current calendar year of more than \$20,000 for all employees. Except that no wages paid to an employee who is of the employer's family by marriage or consanguinity shall be included as part of the total gross annual payroll of such employer. **NOTE: Director's Rule 51-11-6 states "The provision in K.S.A. 44-505 excluding the payroll of workers who are members of the employer's family shall not apply to corporate employers. A corporate employer's payroll for purposes of determining whether the employer is subject to the workers' compensation act shall be determined by the total amount of payroll paid to all corporate employees even when a corporate employee has elected out of the workers' compensation act pursuant to K.S.A. 44-543."**

(3) any employment, other than those employments in which the employer is the state, or any department, agency or authority of the state, wherein the employer has not had a payroll for a calendar year and wherein the employer reasonably estimates that such employer will not have a total gross annual payroll for the current calendar year of more than \$20,000 for all employees. Except that no wages paid to an employee who is of the employer's family by marriage or consanguinity shall be included as part of the total gross annual payroll of such employer.

44-532. (b) Every employer shall secure the payment of compensation to the employer's employees by insuring in one of the following ways: (1) By insuring and keeping insured the payment of such compensation with an insurance carrier authorized to transact the business of workers compensation insurance in the state of Kansas; (2) by showing to the director that the employer carries such employer's own risk and is what is known as a self-insurer and by furnishing proof to the director of the employer's financial ability to pay such compensation for the employer's self; (3) by maintaining a membership in a qualified group-funded workers compensation pool. The cost of carrying such insurance or risk shall be paid by the employer and not the employee.

(c) The knowing and intentional failure of an employer to secure the payment of workers compensation to the employer's employees as required in subsection (b) of this section is a class A misdemeanor.

(d) In addition, whenever the director has reason to believe that any employer has engaged or is engaging in the knowing and intentional failure to secure the payment of workers compensation to the employer's employees as required in subsection (b) of this section, the director shall issue and serve upon such employer a statement of the charges with respect thereto and shall conduct a hearing in accordance with the Kansas administrative procedure act, wherein the employer may be liable to the state for a civil penalty in an amount equal to twice the annual premium the employer would have paid had such employer been insured or \$25,000, whichever amount is greater.

(e) Any civil penalty imposed or final action taken under this section shall be subject to review in accordance with the act for judicial review of agency actions in the district court of Shawnee county.

(f) All moneys received under this section for costs assessed or monetary penalties imposed shall be deposited in the state treasury and credited to the workers compensation fund.

74-711. The director shall order employers coming under this act and who have not qualified as self-insurers or group-funded workers' compensation pools and who have not filed a statement of insurance as provided by this act to so qualify or to file such statement or to cease doing business in the state of Kansas within a period to be set by the director but not less than 10 days from the date of the order.

In the event that such an employer fails to comply with the order of the director of workers' compensation issued as provided in this section, the attorney general or the district attorney or county attorney of any county in which such employer is doing business shall prepare and file in the district court of any county in which such employer is doing business a petition in the name of the state signed and verified by the director of workers' compensation, and asking that such employer be enjoined from doing business in this state for such a period of time as the director may deem proper and until such employer has complied with the workers' compensation law, and the district court shall have jurisdiction and venue to enter its order without requiring bond or evidence to be filed or presented. In all other respects such action shall be governed by the laws governing civil procedure.