

1 AN ACT relating to workers compensation.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) Notwithstanding any other provision of this chapter, the Horsemen's Benevolent*
6 *and Protective Association is hereby authorized and empowered to:*

7 *(a) Establish, operate, and administer an insurance program for the purpose of*
8 *providing workers' compensation insurance coverage to members of the*
9 *Horsemen's Benevolent and Protective Association and other persons,*
10 *including owners of race horses, licensed by the Kentucky Horse Racing*
11 *Commission;*

12 *(b) Administer the insurance program as part of its corporate activity or to*
13 *carry out the insurance program through one (1) or more other entities that*
14 *may include a trust established under applicable state law;*

15 *(c) Establish criteria for eligibility of persons participating in the insurance*
16 *program and be the sole arbiter of the criteria and eligibility for*
17 *participation;*

18 *(d) Declare as surplus and distribute a portion of all accumulated funds derived*
19 *from the insurance program to the persons participating in the program*
20 *and be the sole arbiter of which funds to declare as surplus and which*
21 *funds to distribute;*

22 *(e) Contract with one (1) or more insurers authorized to do business in this*
23 *state for the purpose of implementing the program; and*

24 *(f) Take other such acts as may be necessary or helpful in establishing,*
25 *operating, and administering the insurance program, including the*
26 *establishment of premiums which may lower the cost of workers'*
27 *compensation insurance coverage and related benefits to horsemen and*

1 other licensees of the Kentucky Horse Racing Commission.

2 (2) Notwithstanding any other provision of this chapter, the Horsemen's Benevolent
3 and Protective Association is encouraged to do the following to implement the
4 insurance program:

5 (a) Immediately and diligently seek to secure and provide workers'
6 compensation insurance coverage and related benefits from an insurance
7 company authorized to do business in this state, for the benefit of trainers
8 and others licensed by the Kentucky Horse Racing Commission; and

9 (b) Utilize assets, revenues, and revenue sources received by or due to it for the
10 benefit of horsemen to create a reserve fund for the purpose of securing and
11 providing workers' compensation insurance coverage and related benefits at
12 reasonable rates. The assets, revenues, and revenue sources may be used or
13 pledged as security for use in creating the fund. The total sum of such
14 revenues used shall not exceed six million dollars (\$6,000,000). Use of
15 moneys in and expenditures from the reserve fund shall be solely for the
16 purposes of establishing, operating, and administering the insurance
17 program.

18 (3) Once the workers' compensation insurance coverage and related benefits
19 program as authorized in this section is available through the Horsemen's
20 Benevolent and Protective Association for the benefit of trainers, owners, and
21 others licensed by the Kentucky Horse Racing Commission, the following
22 conditions shall apply:

23 (a) In addition to all other requirements for a trainer's license, each applicant
24 for a trainer's license shall furnish to the Kentucky Horse Racing
25 Commission, prior to being licensed, a certificate of workers' compensation
26 insurance coverage issued by the Horsemen's Benevolent and Protective
27 Association or its authorized insurer indicating that:

- 1 1. Workers' compensation insurance coverage is in full force and effect
2 for the employees of the applicant; or
3 2. The applicant applied for workers' compensation insurance coverage
4 but was declined for good cause;
- 5 (b) If the certificate of workers' compensation insurance coverage indicates
6 that the trainer applied for the coverage under the insurance program, but
7 was declined for good cause, that trainer shall provide a certificate of
8 workers' compensation insurance coverage and related benefits from
9 another insurance company authorized to do business in this state or
10 otherwise acceptable to the Kentucky Horse Racing Commission;
- 11 (c) No racing association in this state shall admit any trainer into its racing
12 facilities prior to obtaining from the trainer a certificate of workers'
13 compensation insurance coverage issued by the Horsemen's Benevolent and
14 Protective Association or its authorized insurer. This certificate shall
15 indicate that workers' compensation insurance coverage is in full force and
16 effect for the employees of the trainer. If the certificate of workers'
17 compensation insurance coverage indicates that the trainer applied for
18 coverage under the insurance program, but was declined for good cause,
19 then that trainer shall provide a certificate of workers' compensation
20 insurance coverage and related benefits from another insurance company
21 authorized to do business in this state or otherwise acceptable to the racing
22 association. Acceptance of the proof of coverage shall not be unreasonably
23 withheld by the racing association;
- 24 (d) All racing associations in this state are encouraged to cooperate with the
25 Horsemen's Benevolent and Protective Association in the implementation
26 of the insurance program; and
- 27 (e) The total amount of purses and purse supplements authorized for use by the

1 Horsemen's Benevolent and Protective Association for establishment,
2 operation, or administration of the insurance program shall not exceed two
3 percent (2%) of the total amount of purses and purse supplements available
4 for purses for any race meet.