

**44-581. Group-funded workers compensation pools; requirements.** (a) Five or more employers, regardless of domicile, who are members of the same bona fide trade, merchant or professional association, regardless of domicile, which has been in existence for not less than five years and who are engaged in the same, similar or closely related type of business may enter into agreements to pool their liabilities for Kansas workers compensation benefits and employers' liability.

(b) Five or more employers, regardless of domicile, who are members of the same bona fide trade, merchant or professional association, regardless of domicile, which has been in existence for not less than five years and who are engaged in dissimilar types of businesses for which the commissioner of insurance finds an accurate prediction of loss can be made, may enter into agreements to pool their liabilities for Kansas workers compensation benefits and employers' liability.

(c) All such arrangements shall be known as group-funded workers compensation pools, which shall not be deemed to be insurance or insurance companies and shall not be subject to the provisions of chapter 40 of the Kansas Statutes Annotated, except as otherwise provided herein.

(d) For purposes of this section:

(1) "Same, similar or closely related type of business" means, but is not limited to, a business in which the principal payroll is in a manual classification or combination of classifications representing occupations which contribute to an essential part of the end product or service which is the primary business interest of the membership of the bona fide trade, merchant or professional association; and

(2) "principal payroll" means not less than 51% of the total payroll for the preceding policy year or, in the case of an employer who has no preceding full-year's payroll, not less than 51% of estimated annual payroll; principal payroll or estimated annual payroll shall not include the annual payroll of those employees set forth in the standard exceptions contained in the rules promulgated by the national council on compensation insurance.

**History:** L. 1983, ch. 166, § 1; L. 1993, ch. 286, § 71; L. 1995, ch. 49, § 3; July 1.