

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1091 (Chairman, Economic Matters Committee)
(Departmental - Uninsured Employers' Fund)

Economic Matters

Uninsured Employers' Fund - Liability of Corporate Officers

This departmental bill provides that if a corporation's assets are not sufficient to satisfy a workers' compensation award and certain assessments, any officer of the corporation having general management responsibility is liable for the payments. The Uninsured Employers' Fund may institute a civil action to recover any claims paid, refer the matter to the appropriate authority for prosecution, or both.

Fiscal Summary

State Effect: Potential increase in general fund revenues, as discussed below. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: The Uninsured Employers' Fund has determined that this bill has minimal or no impact on small business (attached). Fiscal Services concurs with this assessment.

Fiscal Analysis

State Revenues: General fund revenues could increase to the extent that the State collects workers' compensation claim reimbursements and assessments from the officers of corporations whose assets are insufficient to cover these payments.

In fiscal 1995, the Uninsured Employers' Fund paid out \$2.17 million in workers' compensation claims for uninsured employers. It is not known what percentage of these claims were paid on behalf of corporations or if the State would have been able to recover

any payments from responsible corporate officers.

In addition, there is no way of knowing how much money the State could recover from the officers of corporations whose assets are insufficient to cover certain assessments payable on workers' compensation awards.

Information Source(s): Uninsured Employers' Fund, Injured Workers' Insurance Fund, Subsequent Injury Fund, Department of Fiscal Services

Fiscal Note History: First Reader - March 1, 1996
ncs Revised - Small Business Impact Statement Received
lc - March 18, 1996

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