

**Department of Legislative Services**  
Maryland General Assembly  
2019 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 435  
Finance

(Senator Klausmeier)

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**Workers' Compensation Commission - Continuing Jurisdiction**

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This bill clarifies that the date of the last compensation payment, which is a date that limits the authority of the Workers' Compensation Commission (WCC) to modify compensation awards, is the last compensation payment from the self-insured employer, insurer, or Uninsured Employers' Fund (UEF).

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**Fiscal Summary**

**State Effect:** None. The bill is clarifying in nature.

**Chesapeake Employers' Insurance Company Effect:** None. The bill is clarifying in nature.

**Local Effect:** None. The bill is clarifying in nature.

**Small Business Effect:** None. The bill is clarifying in nature.

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**Analysis**

**Current Law/Background:** All employers in Maryland are required to provide workers' compensation coverage for their employees. The cost to the employer varies by industry, and there are approximately 600 industrial classifications. Certain entities (such as the local governments and the State itself) are allowed to be self-insured, meaning they pay claims and benefits directly instead of through an insurer.

For compensable injuries and occupational diseases, workers' compensation benefits include wage replacement, medical treatment, death and funeral costs, and vocational

rehabilitation expenses. The medical care and treatment must be provided for an appropriate time period, depending on the nature and type of personal injury, compensable hernia, or occupational disease. Wage replacement benefits are based on the employee's average weekly wage and on the type of injury, as prescribed in statute; however, in all cases, an employee's weekly benefits may not exceed a certain percentage of the State average weekly wage.

WCC receives, processes, and adjudicates claims for injured employees in the State and works to provide equitable and timely administration of the provisions of the Maryland Workers' Compensation Law to injured workers and their employers. WCC has continuing powers and jurisdiction over every workers' compensation claim and, to that end, is expressly authorized to readjust claims payments and, if appropriate, terminate claims payments. Even so, WCC may not modify a compensation award unless the modification is applied within five years after the later of (1) the date of the accident; (2) the date of disablement; or (3) the last compensation payment.

If an injured employee who should be receiving workers' compensation benefits is not properly compensated by their employer or the employers' insurer (which may happen because the employer has not purchased workers' compensation insurance or becomes insolvent), then UEF directly pays the claimant's compensation benefits and medical expenses.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 799 (Delegate Valderrama) - Economic Matters.

**Information Source(s):** Workers' Compensation Commission; Chesapeake Employers' Insurance Company; Subsequent Injury Fund; Uninsured Employers' Fund; Department of Legislative Services

**Fiscal Note History:** First Reader - February 17, 2019  
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