



LEGISLATIVE POSITION:

Favorable

Senate Bill 438

Workers' Compensation Act – Death Benefits – Release of Claim

Senate Finance Committee

Tuesday, February 11, 2020

Dear Chairwoman Kelley and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 4,500 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees and families.

Senate Bill 438 specifies that a dependent of an employee who dies from an accidental personal injury or occupational disease is not entitled to workers' compensation death benefits if the covered employee has signed a final compromise and settlement agreement. The bill also requires the Workers' Compensation Commission (WCC) to develop a procedure that allowing a dependent of a covered employee to agree to the application of a final compromise and settlement agreement entered into by a covered employee to the dependent and the release of any future death benefits by the dependent as part of that agreement.

The Maryland Chamber of Commerce believes parties should feel secure that Agreements of Final Compromise and Settlements, approved by the WCC, are binding and fully and finally resolve all disputes and causes of action between parties arising out of workers' compensation claims. Additionally, establishing a procedure by which dependents of a Covered Employee can release the employer and insurer from future separate actions would effectuate such security.

Finally, establishing such procedures as laid out in SB 438 would protect all parties against the untenable situation revealed in the *Collins* decision whereby the employer and insurer fully compensated the covered employee via a settlement but was then forced to compensate anew the surviving spouse of the covered employee after the death of the covered employee; even though the community and industry has always understood that Agreements of Final Compromise and Settlement fully resolve all disputes arising out of the claim.

The Maryland Chamber of Commerce has long been committed to and remains invested in promoting an innovative, pro-business climate throughout the state and fostering a robust economy. SB 438 furthers that goal and provides additional transparency and process to help improve Maryland's overall economic competitiveness. For these reasons, the Maryland Chamber of Commerce respectfully requests a **favorable report** on **SB 438**.