

PAMELA G. BEIDLE
Legislative District 32
Anne Arundel County

Chair, Finance Committee

Executive Nominations Committee

Joint Committee on Gaming Oversight

Joint Committee on Management
of Public Funds

Spending Affordability Committee



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Miller Senate Office Building
11 Bladen Street, Suite 3 East
Annapolis, Maryland 21401
410-841-3593 · 301-858-3593
800-492-7122 Ext. 3593
Pamela.Beidle@senate.state.md.us

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SB695

Labor and Employment – Uninsured Employers' Fund Board – Membership and Reserves

Good afternoon, Chair Wilson, Vice Chair Crosby and Members of the Economic Matters Committee;

Thank you for the opportunity to present SB695, Labor and Employment – Uninsured Employers' Fund Board – Membership and Reserves. SB695 requires the Uninsured Employers' Fund (UEF) Board to establish reserve funding to meet potential losses of the UEF and expands their membership from three members to five members appointed by the Governor with approval of the Senate.

The UEF was created to ensure that injured workers without employer coverage can receive necessary medical treatment and indemnity payments as required under workers' compensation statutes. Presently, their board is authorized to establish reserve funding, but not necessarily required to do so. Requiring a reserve fund to be created will align with the UEF's mission and ensure that funding is readily available to workers who need it immediately.

Additionally, SB695 alters the composition of the UEF board and expands it to prioritize qualification and expertise in the area of workers' compensation. These proposed membership modifications will ensure that the UEF has experienced oversight and proper solvency and will amend the board to include two members with expertise in property and casualty insurance, one with accounting or financial experience, a policyholder of workers' compensation insurance in Maryland, and a general member of the public.

This legislation is proposed in response to the Legislative Workgroup Addressing the Long-Term Solvency of the UEF, which presented their concerns and recommendations to the Finance Committee on January 15th of this year. The modifications included in this bill will improve the usability of the UEF and promote more accountability and oversight going forward, so that the UEF can continue serving workers and employers throughout the state.

I respectfully request a "Favorable Report" on SB695.