



**Testimony of Chesapeake Employers' Insurance Company
and the Injured Workers' Insurance Fund in Support of Senate Bill 695
and in Support of Senate Bill 219, being heard in the House Economic
Matters Committee**

Senate Bill 219 and Senate Bill 695, both being heard in the House Economic Matters Committee, aim to support the Uninsured Employers' Fund ("UEF").

Senate Bill 219, as amended by the Senate and also voted as amended House Bill 193 grants an additional assessment of .05% to the UEF on awards and settlements from the Workers' Compensation Commission. Senate Bill 219 provided additional amendments by way of directing the UEF to have a special monitor to review the financial condition of the Fund and report back to the Senate Finance Committee and House Economic Matters Committee by December 1, 2025 and June 1, 2026. Finally, the Senate amendment increases the Fund's threshold before assessments can be suspended under Labor and Employment, § 9-1011.

Senate Bill 695 seeks to amend the composition of the UEF's board to include members with expertise in property and casualty insurance, accounting or financial experience, a policyholder of workers' compensation insurance in Maryland, and a general member of the public, replacing the current representation of labor, management, and the general public. Senate Bill 695 also mandates the UEF to establish reserves.

Both bills are in response to the Legislative Workgroup Addressing the Long-Term Solvency of the UEF, of which Chesapeake Employers' Insurance was a member of same. As stakeholders in workers' compensation, Chesapeake Employers' Insurance and the Injured Workers' Insurance Fund support essential changes to the UEF's funding and oversight to ensure that injured workers without employer coverage receive necessary medical treatment and indemnity payments.

The proposed board membership modifications will ensure that the UEF has experienced oversight. Additionally, requiring the UEF to establish reserves will provide a clearer picture of their liabilities for future funding considerations. The monitor will ensure the additional assessment is used effectively. Chesapeake Employers' Insurance and the Injured Workers' Insurance Fund believe these structural changes will ensure proper oversight and the solvency of the UEF.

For these reasons Chesapeake Employers' Insurance and the Injured Workers' Insurance Fund support Senate Bill 695 and Senate Bill 219 with Senate amendments, as heard in the House Economics Matter Committee.

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