
By: Chairman, Economic Matters Committee (Departmental - Uninsured Employers' Fund)

Introduced and read first time: February 7, 1996

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Uninsured Employers' Fund - Liability of Corporate Officers**

3 FOR the purpose of imposing liability against any officer of a corporation having
4 responsibility for the general management of the corporation in the State whose
5 assets are not sufficient to satisfy certain workers' compensation awards and
6 assessments.

7 BY repealing and reenacting, with amendments,
8 Article - Labor and Employment
9 Section 9-1003, 9-1005, and 9-1007
10 Annotated Code of Maryland
11 (1991 Volume and 1995 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Labor and Employment**

15 9-1003.

16 (a) If the Fund makes payment to a covered employee or the dependents of a
17 covered employee as directed by the Commission, the Fund is subrogated to the rights of
18 the covered employee or dependents against the uninsured employer.

19 (b) The Fund may:

20 (1) institute a civil action to recover the money paid under the award;

21 (2) refer the matter to the appropriate authority for prosecution under §
22 9-1108 of this title; or

23 (3) do both.

24 (C) WHERE AN EMPLOYER IS A CORPORATION WHOSE ASSETS ARE NOT
25 SUFFICIENT TO SATISFY THE AWARD, ANY OFFICER OF THE CORPORATION HAVING
26 RESPONSIBILITY FOR THE GENERAL MANAGEMENT OF THE CORPORATION IN THE
27 STATE SHALL BE LIABLE FOR PAYMENT OF THE AWARD IN ANY ACTION BROUGHT
28 UNDER SUBSECTION (B)(1) OF THIS SECTION.

2

1 9-1005.

2 (a) When the Commission makes a decision on a claim for compensation against
3 an uninsured employer, the Commission shall impose against the uninsured employer an
4 assessment of:

5 (1) At least \$150 but not exceeding \$500; and

6 (2) 15% of any award made in the claim, not exceeding \$2,500 in any 1
7 claim.

8 (b) The Commission shall direct payment of an assessment under subsection (a)
9 of this section into the Fund.

10 (C) WHERE AN EMPLOYER IS A CORPORATION WHOSE ASSETS ARE NOT
11 SUFFICIENT TO SATISFY THESE ASSESSMENTS, ANY OFFICER OF THE CORPORATION
12 HAVING RESPONSIBILITY FOR THE GENERAL MANAGEMENT OF THE CORPORATION
13 IN THE STATE SHALL BE LIABLE FOR THE ASSESSMENTS REQUIRED UNDER
14 SUBSECTION (A) OF THIS SECTION.

15 9-1007.

16 (a) Except as provided in subsection (b) of this section, the Commission shall
17 impose against an employer or, if insured, its insurer an assessment equal to 1% of:

18 (1) each award against the employer for permanent disability or death,
19 including awards for disfigurement or mutilation; and

20 (2) each amount payable by the employer or its insurer under a settlement
21 agreement approved by the Commission.

22 (b) Notwithstanding the limit on the balance of the Fund under § 9-1011 of this
23 subtitle, if the Board determines that the reserves of the Fund are inadequate to meet
24 anticipated losses, the Board may direct the Commission to assess an additional 1% under
25 subsection (a) of this section.

26 (c) Any fractional dollar of payment under this section shall be rounded off to the
27 nearest whole dollar.

28 (d) The Commission shall direct payment of an assessment under subsection (a)
29 or (b) of this section into the Fund.

30 (e) Payments under this section are in addition to the payment of compensation
31 to a covered employee or the dependents of a covered employee under this title.

32 (F) IN ANY CASE WHERE THE EMPLOYER IS A CORPORATION WHOSE ASSETS
33 ARE NOT SUFFICIENT TO SATISFY THIS PAYMENT, ANY OFFICER OF THE
34 CORPORATION HAVING RESPONSIBILITY FOR THE GENERAL MANAGEMENT OF THE
35 CORPORATION IN THE STATE SHALL BE LIABLE FOR THE PAYMENT UNDER
36 SUBSECTION (A) OF THIS SECTION.

37 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
38 October 1, 1996.