

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 490 (Delegate Donoghue)
Economic Matters

Subsequent Injury Fund - Property and Casualty Insurance Guaranty Corporation

This bill provides that the Property and Casualty Insurance Guaranty Corporation is not subject to the assessment imposed by the Insurance Commissioner and payable to the Subsequent Injury Fund (SIF). Currently the corporation must pay a 6.5% assessment to SIF on each workers' compensation award payable by the corporation on behalf of an insolvent insurer.

Fiscal Summary

State Effect: Eliminating this assessment would reduce special fund revenues payable to the Subsequent Injury Fund by \$105,000 in FY 1997. Future year revenues reflect a full-year reduction in assessments and growth. Expenditures would not be affected.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
SF Revenues	\$105,000	\$144,200	\$148,500	\$153,000	\$157,600
SF Expenditures	0	0	0	0	0
Net Effect	(\$105,000)	(\$144,200)	(\$148,500)	(\$153,000)	(\$157,600)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Fiscal Analysis

State Revenues: Historically, the Subsequent Injury Fund has collected \$140,000 annually from the assessment against the Property and Casualty Insurance Guaranty Corporation. Eliminating this assessment would reduce special fund revenues by \$105,000 in fiscal 1997, which reflects the October 1, 1996 effective date. Future year revenue projections reflect a full-year reduction in assessments and growth at 3%.

Information Source(s): Subsequent Injury Fund, Workers' Compensation Commission

Fiscal Note History: First Reader - February 12, 1996

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