

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 543 (Senator Derr)
(Workers' Compensation Benefit and Insurance Oversight
Committee)

Finance

Workers' Compensation - Claim Application Form

This bill requires an employer or its insurer to notify covered employees or their personal representative of their right to file a workers' compensation claim application form if: (1) the employee gives notice, or the employer has knowledge, of a work related injury; or (2) the employee has received compensation or medical expenses under the Workers' Compensation Article. The notice must be in writing, include a blank application form, and inform the employee of the two-year statute of limitations for filing the claim application form and that failure to file the claim within the two-year period will result in denial of the claim. If the employer or its insurer fails to comply with the notification requirement, a statute of limitations defense cannot be raised. The Workers' Compensation Commission is required to develop a new standardized claim form that employers and insurers can include with their notification.

Fiscal Summary

State Effect: None. The Injured Workers' Insurance Fund (IWIF) currently complies with the notice and application form requirement.

Local Effect: Minimal increase in workers' compensation administrative expenditures (and resulting increase in premiums) as a result of the notification requirement (if the insurer does not currently provide notice). Indeterminate increase in workers' compensation benefits paid (and hence premiums), if more covered employees file for benefits as a result of the notification.

Small Business Effect: Minimal increase in workers' compensation administrative expenditures (and resulting increase in premiums) for employers, including small businesses, as a result of the notification requirement (if the insurer does not currently provide notice). Indeterminate increase in workers' compensation benefits paid (and hence premiums), if more covered employees file for benefits as a result of the notification.

Fiscal Analysis

State Expenditures: The Injured Workers' Insurance Fund (IWIF), which administers the State's workers' compensation coverage, advises that it already complies with the requirements of the bill by providing notification and claims forms (although its current notice of right to file does not include information regarding the statute of limitations and would need to be amended).

The Workers' Compensation Commission provided no response to Legislative Services' request for information other than to indicate that there would be no fiscal impact. Legislative Services anticipates, however, a minimal fiscal impact on the commission to develop standardized notification language and application forms.

Information Source(s): Injured Workers' Insurance Fund; Uninsured Employers' Fund; Workers' Compensation Commission; National Council on Compensation Insurance; Department of Legislative Services

Fiscal Note History: First Reader - February 13, 1998

tlw

Analysis by: Matthew D. Riven

Reviewed by: John Rixev

Direct Inquiries to:

John Rixev, Coordinating Analyst

(410) 841-3710

(301) 858-3710