

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 616 (Delegate Comeau)

Economic Matters

Workers' Compensation - Limitation of Actions

This bill provides that a covered employee or the dependents of a covered employee, may file a workers' compensation claim no more than five years after the employment has terminated with the employer. Under current law, a covered employee or dependents may file a claim within two years: (1) of the disablement or death; or (2) of when the covered employee or dependents first had actual knowledge that the disablement was caused by the employment. The proposal would limit the latter option to five years after employment has terminated with the employer.

Fiscal Summary

State Effect: Indeterminate effect on State workers' compensation expenditures due to time limit under which an occupational disease claims could be filed.

Local Effect: Indeterminate effect on local governments' workers' compensation expenditures due to time limit under which an occupational disease claims could be filed.

Small Business Effect: Indeterminate effect on workers' compensation expenditures by employers, including small businesses, due to time limit under which an occupational disease claims could be filed.

Fiscal Analysis

State Expenditures: The proposal would limit occupational disease claims to circumstances when the covered employee filed such a claim within five years of leaving the job that caused the occupational disease. Currently, the limitations period may be extended indefinitely because the statute of limitations does not start to run until discovery of the disease is made.

It cannot be determined at this time how many occupational disease claims by former State employees would be barred as a result of the five-year filing requirement. For illustrative purposes, if two potential claims per year were eliminated at \$21,000 per claim, then payments by the Injured Workers' Insurance Fund (IWIF), which administers the State's workers' compensation coverage, would be reduced by \$42,000, resulting in reduced State workers' compensation expenditures. Legislative Services advises that with the possible exception of fire, rescue, health care, and police personnel most State employees are office workers and may be less subject to occupational diseases (with the exception of carpal tunnel syndrome).

Small Business Effect: The effect, if any, on employers' workers' compensation premiums will depend on how many potential claims will be barred as a result of the proposal. To the extent that more claims will be barred, workers' compensation payments will be reduced, which may ultimately result in lower rates. Employers with workers who are subject to occupational diseases that take many years to manifest themselves would experience the greatest reduction in costs. Black lung disease, for instance, may take up to seven years after final exposure to coal dust to show up as a medical problem. It cannot be determined at this time whether small businesses would be affected disproportionately from other businesses by this proposal.

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

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