

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

House Bill 477 (Delegates Mossburg and Dembrow)

Economic Matters

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**Workers' Compensation - Compensable Injuries - Repeal of the Term "Accidental"**

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This bill changes the definition of those injuries which are compensable under workers' compensation law from "accidental personal injuries" to "personal injuries." The bill requires that the Annotated Code be revised accordingly.

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**Fiscal Summary**

**State Effect:** Potential significant increase in State expenditures for workers' compensation, due to expansion of definition of compensable injury.

**Local Effect:** Potential significant increase in local government expenditures for workers' compensation.

**Small Business Effect:** Potential significant increase for employers, including small businesses, for workers' compensation insurance (or claims, if self-insured.)

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**Fiscal Analysis**

**State Expenditures:** Under current workers' compensation law, only an "accidental personal" injury is compensable under workers' compensation for covered employees. An "accidental personal" injury is defined as: (1) an accidental injury that arises out of and in the normal course of employment; (2) an injury caused by a willful or negligent act of a third person; or (3) a disease or infection resulting from an accidental injury that arises out of and in the course of employment. The vast majority of workers' compensation claims fall under the first category.

Eliminating the word "accidental" has the effect of broadening the definition of injuries that may be compensable. For example, intentional self-inflicted injuries are not accidental, but

could become compensable under the bill. As another example, a professional football player's injury caused by a tackle is not currently compensable since being tackled is a usual part of the game and hence not "accidental." According to the Injured Workers' Insurance Fund (IWIF), there are numerous types of claims that would become compensable under the bill.

It is impossible to determine the number cost of additional claims under the proposed change, but it could be significant. IWIF estimates a potential impact of \$23 million in additional claims from its insureds, including the State, and a potential statewide impact of \$100 million. (The Workers' Compensation Commission advises that the bill "may have fiscal impact" but that such impact was unknown at this time.) Legislative Services concurs with IWIF that the impact from the bill will be significant, but the total level of additional claims cannot be precisely determined at this time without knowing to what extent the range of compensable injuries will be expanded.

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**Information Source(s):** Injured Workers' Insurance Fund; Workers' Compensation Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - February 9, 1998  
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