

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 1129 (Delegate Frank)

Economic Matters

Workers' Compensation - Funeral Expenses

This bill increases from \$2,500 to \$5,000 the maximum amount to be paid for funeral expenses under workers' compensation law for covered employees who died as a result of an on-the-job injury or occupational disease.

Fiscal Summary

State Effect: Minimal increase in State workers' compensation expenditures as a result of increased funeral benefits.

Local Effect: Minimal increase in local governments' workers' compensation expenditures as a result of increased funeral benefits.

Small Business Effect: Minimal increase in workers' compensation expenditures for employers, including small businesses, as a result of increased funeral benefits.

Fiscal Analysis

State Expenditures: The bill increases from \$2,500 to \$5,000 the maximum amount that an insurer (or self-insurer) must pay for funeral events if a covered employee dies as a result of an accidental injury or occupational disease. The Injured Workers' Insurance Fund (IWIF), which provides workers' compensation coverage to State employees, advises that statewide there were 37 such cases during 1997 for all insurers.

For illustrative purposes, assuming that IWIF has 15 such cases involving funeral expenses annually, IWIF's costs could increase by a maximum of \$37,500 [(15 cases x (\$5,000 - \$2,500)]. It cannot be determined at this time how many of these cases would involve State employees, in which case the additional expenses would be charged to the State, and how many would involve IWIF's other insureds, in which case the increased costs would be passed along in the form of higher insurance premiums.

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

Fiscal Note History: First Reader - February 25, 1998

ncs

Analysis by: Matthew D. Riven

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710