

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 763

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Compensation” and substitute “Compensation -”; in the same line, strike “- Regulation”; strike beginning with “transferring” in line 3 down through “revoked” in line 13 and substitute “establishing certain obligations for certain workers’ compensation self-insurance groups”; in line 13, after the second semicolon insert “requiring the Maryland Insurance Administration to report to certain committees of the General Assembly on or before a certain date,”; strike beginning with “group” in line 14 down through “of” in line 15 and substitute “workers’ compensation”; strike in their entirety lines 16 through 27, inclusive; and strike in their entirety, lines 29 through 31, inclusive, and substitute:

“Article - Insurance  
Section 25-301 and 25-304  
Annotated Code of Maryland  
(1997 Volume and 2000 Supplement)”.

On page 2, strike in their entirety lines 1 and 2; strike beginning with “That” in line 4 down through “ENACTED,” in line 10; and in line 12, strike “Labor and Employment” and substitute “Insurance”.

AMENDMENT NO. 2

On page 2, strike line 13 in its entirety; in line 14, strike “9-4A-01.” and substitute “25-301.”; strike beginning with “THAT” in line 20 down through “STATE” in line 21 and substitute “IN WHICH EACH INDIVIDUAL MEMBER OF THE GROUP IS UNABLE TO MEET THE MEMBER’S DEBTS AS THEY MATURE IN THE ORDINARY COURSE OF BUSINESS, AS DETERMINED BY THE COMMISSIONER”; in line 28, strike the bracket; and in line 29, strike “[ THIS TITLE”.

(Over)

On pages 2 through 4, strike in their entirety the lines beginning with line 30 on page 2 through line 6 on page 4 and substitute “25-304.”; in line 8, strike the brackets; in the same line, strike “COMMISSION”; in lines 10 and 11, in each instance, strike the bracket; strike beginning with “IN” in line 11 down through “MILLION” in line 12; and after line 12, insert:

“(C) (1) A SELF-INSURANCE GROUP SHALL PAY ALL WORKERS’ COMPENSATION BENEFITS FOR WHICH EACH MEMBER INCURS LIABILITY DURING ITS PERIOD OF MEMBERSHIP.

(2) EACH MEMBER OF A SELF-INSURANCE GROUP IS JOINTLY AND SEVERALLY LIABLE FOR THE WORKERS’ COMPENSATION OBLIGATIONS OF THE GROUP AND ITS MEMBERS THAT ARE INCURRED DURING ITS PERIOD OF MEMBERSHIP.

(3) A MEMBER WHO ELECTS TO TERMINATE ITS MEMBERSHIP IN OR IS CANCELED BY A GROUP REMAINS JOINTLY AND SEVERALLY LIABLE FOR WORKERS’ COMPENSATION OBLIGATIONS OF THE GROUP AND ITS MEMBERS WHICH WERE INCURRED DURING THE CANCELED OR TERMINATED MEMBER’S PERIOD OF MEMBERSHIP.

(4) THE INSOLVENCY OR BANKRUPTCY OF A MEMBER DOES NOT RELIEVE THE SELF-INSURANCE GROUP OR ANY OTHER MEMBER OF LIABILITY FOR THE PAYMENT OF WORKERS’ COMPENSATION BENEFITS INCURRED DURING THE INSOLVENT OR BANKRUPT MEMBER’S PERIOD OF MEMBERSHIP.”.

On pages 4 through 7, strike in their entirety the lines beginning with line 13 on page 4 through line 9 on page 7, inclusive.

AMENDMENT NO. 3

On page 7, after line 9, insert:

“SECTION 2. AND BE IT FURTHER ENACTED That, on or before December 1, 2001, the Maryland Insurance Administration shall report to the Senate Finance Committee and the House Economic Matters Committee, in accordance with § 2-1246 of the State Government Article, on:

(1) the name of each workers' compensation self-insurance group, the type of businesses that generally become members of each group, the number of employers that belong to each group, and the total number of employees that are served by each group;

(2) the status of the regulation and operation of the workers' compensation self-insurance groups; and

(3) any recommendations for changes to the law regarding the regulation of workers' compensation self-insurance groups."