

BY: Finance Committee

AMENDMENTS TO SENATE BILL 507
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “and” and substitute a comma; in the same line, after “Renaming” insert “, and Study”; in line 4, strike “Mutual”; strike beginning with “requiring” in line 4 down through “employees;” in line 29 and substitute “providing that employees are not subject to certain laws, regulations, or executive orders governing State compensation;”; and in line 31, after “Company;” insert “authorizing the Company to trade under the name of the Fund for a certain period of time; requiring the Maryland Insurance Administration to conduct a certain two-part study; requiring the Administration to consult with certain persons; allowing the Administration to retain certain expert consultants; requiring the Administration to report certain findings and recommendations to the General Assembly on or before a certain date; requiring the Department of Budget and Management, in consultation with the State Retirement Agency, to conduct a certain study; requiring the Department to consult with certain persons; requiring the Department to report certain findings and recommendations to the General Assembly on or before a certain date; providing for the applicability of a certain provision;”.

On page 2, strike beginning with “altering” in line 3 down through “date;” in line 4; strike in their entirety lines 18 through 22, inclusive; and strike in their entirety lines 33 through 41, inclusive.

On page 3, strike in their entirety lines 1 and 2.

AMENDMENT NO. 2

On page 3 in lines 9, 12, and 17, on page 5 in line 8, on page 15 in line 25, on page 16 in line 29, and on page 17 in line 21, in each instance, strike “**MUTUAL**”.

(Over)

On page 17 in line 33 and on page 18 in lines 8, 9, and 11, in each instance, strike “Mutual”.

On page 2, in line 15, after “10-138” insert “to be under the amended subtitle “Subtitle 1. Chesapeake Employers’ Insurance Company”.”.

On page 3, after line 5, insert:

“Subtitle 1. [Injured Workers’ Insurance Fund] CHESAPEAKE EMPLOYERS’
INSURANCE COMPANY.”.

On page 3, in line 16, strike “(A)”; strike in their entirety lines 18 through 22, inclusive; in lines 24, 25, 28, and 31, in each instance, strike the bracket; strike beginning with “§§” in line 24 down through “3-123.1,” in the line 25; and in lines 28 and 30, in each instance, strike “Fund” and substitute “COMPANY”.

On page 4, in line 3, in each instance, strike the brackets; in the same line, strike “AS”; strike beginning with “IS” in line 13 down through “AND” in line 15; in line 17, in each instance, strike the bracket; in the same line, strike “OTHERWISE SPECIFICALLY”; in line 18, strike the first bracket; in the same line, strike “LAW”; in line 21, strike “Fund” and substitute “COMPANY”; in the same line, strike the bracket; and in line 28, strike the bracket.

On page 5, in line 17, strike “Fund” and substitute “COMPANY”; in lines 16 and 26, in each instance, strike the bracket; in line 21, before “Fund” insert “[”]; strike beginning with “EXCEPT” in line 22 down through “COMPENSATION” in line 25 and substitute “COMPANY”; in line 26, strike “Except as otherwise provided by law, the” and substitute “THE”; and strike beginning with “To” in line 28 down through “plan” in line 29 and substitute “EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, AN EMPLOYEE OF THE COMPANY IS NOT SUBJECT TO ANY LAW, REGULATION, OR EXECUTIVE ORDER GOVERNING STATE COMPENSATION, INCLUDING”.

FURLOUGHS, PAY CUTS, OR ANY OTHER GENERAL FUND COST SAVINGS MEASURE .

On page 6, in line 1, strike “Fund” and substitute “COMPANY”; in line 6, strike the bracket; in lines 24 and 25, strike “**ALL REVENUE RECEIVED BY THE COMPANY INCLUDING**”; and strike beginning with “**EARNINGS**” in line 27 down through “**ACTIVITIES;**” in line 28.

On page 7, in line 1, strike “**(3)**”; in the same line, strike “**AND**”; in line 2, in each instance, strike the brackets; in the same line, strike “**(4)**”; in line 3, after “Fund” insert “COMPANY”; in line 5, strike the bracket; and in the same line, strike “**COMPANY**”.

On pages 7 and 8, strike beginning with line 11 on page 7 through line 23 on page 8, inclusive.

On page 9, in line 26, strike the first set of brackets; in lines 28 and 30, in each instance, strike the bracket.

On page 11, in line 4, strike “, **AT LEAST ONCE EVERY 5 YEARS,**”; in line 26, in each instance, strike the brackets; and strike beginning with “**IN**” in line 26 down through “**ARTICLE**” in line 27.

On page 12, in line 1, in each instance, strike the brackets; in the same line, strike “**PURSUE**”; in the same line, strike “**OF**”; in lines 3 and 27, in each instance, strike the bracket; in line 28, strike “[**(d)**] **(C)**” and substitute “**(D)**”; in line 29, strike “[**is**” and substitute “**IS**”; in line 30, strike the bracket; and in the same line, strike “**THE COMPANY IS PURSUING FOR**”.

On page 13, in lines 9, 16, and 28, in each instance, strike the bracket; in line 9, before “the” insert “[”]; and strike beginning with “IN” in line 10 down through “ARTICLE,” in line 11.

On page 14, in line 23, after “Fund” insert “1 CHESAPEAKE EMPLOYERS’ INSURANCE COMPANY”; in lines 24, 25, and 26, in each instance, strike the bracket; and in lines 25 and 26, strike “(III)” and “(IV)”, respectively.

On page 15, in lines 1, 2, 3, 4, 5, 7, 9, and 10, in each instance, strike the bracket; and in lines 1, 2, 3, 4, 5, 7, 9, and 10, strike “(V)”, “(VI)”, “(VII)”, “(VIII)”, “(IX)”, “(X)”, “(XI)”, and “(XII)”, respectively.

On pages 15 through 18, strike in their entirety the lines beginning with line 11 on page 15 through line 6 on page 18, inclusive.

AMENDMENT NO. 3

On page 18, in line 7, strike “3.” and substitute “2.”; in the same line, strike “, as” and substitute “:

(a) As;

after line 15, insert:

“(b) Notwithstanding any other provision of this Act, the Chesapeake Employers’ Insurance Company may trade under the name Injured Workers’ Insurance Fund for up to one year after the effective date of this Act.”;

strike in their entirety lines 16 through 19, inclusive, and substitute:

“SECTION 3. AND BE IT FURTHER ENACTED, That:

(1) The Maryland Insurance Administration shall conduct a two-part study of the Chesapeake Employers' Insurance Company. The first part of the study shall determine the extent to which the Company should be subject to the premium tax, as specified under subsection (2) of this section. The second part of the study shall determine the extent to which the State has an interest in the assets of the Company.

(2) The premium tax part of the study shall evaluate whether the Company should be subject to the 2% tax or a lesser amount in light of the Chesapeake Employers' Insurance Company's role under § 10-106 of the Labor and Employment Article. The Maryland Insurance Administration shall consider the impact on Maryland businesses and local government, the premium rates for employers who cannot obtain workers' compensation insurance from any insurer other than the Chesapeake Employers' Insurance Company, and on the Chesapeake Employers' Insurance Company ability to fulfill its statutory mission as an insurer of last resort and a competitive insurer. The Maryland Insurance Administration shall also consider the fact that the Company is exempt from being a member of a workers' compensation rating organization and is limited to engaging in one line of business and in only one state.

(3) In conducting the two-part study, the Maryland Insurance Administration:

(i) shall consult with the Chesapeake Employers' Insurance Company, other insurers offering workers' compensation insurance in the State, the business community, and State and local governments; and

(ii) may retain expert consultants at the Chesapeake Employers' Insurance Company's expense.

(4) On or before December 1, 2010, the Maryland Insurance Administration shall report its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

(Over)

SECTION 4. AND BE IT FURTHER ENACTED, That:

(1) The Department of Budget and Management, in consultation with the State Retirement Agency, shall conduct a study to determine the fairest and most effective way to phase out the Chesapeake Employers' Insurance Company's participation in the Maryland State Retirement and Pension System.

(2) The study shall consider whether it is feasible to allow current employees who have vested rights to remain in the system while excluding newly hired employees from participating in the system.

(3) In conducting the study, the Department of Budget and Management shall consult with the Chesapeake Employers' Insurance Company and may consult with any other appropriate entity.

(4) On or before December 1, 2010, the Department of Budget and Management shall report its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.”;

and in line 27, strike “2011” and substitute “2010”.