

SB0745/823820/1

BY: Conference Committee

AMENDMENTS TO SENATE BILL 745
(Third Reading File Bill)

AMENDMENT NO. 1

On page 3, in line 33, strike “a”; and in line 34, strike “liability” and substitute “liabilities; requiring the Fund to begin paying a certain amount to the State Employee and Retiree Health and Welfare Benefits Fund on or before a certain date; requiring the Injured Workers’ Insurance Fund and the Department of Budget and Management, on or before a certain date, to enter into a memorandum of agreement establishing the terms, conditions, and schedule for certain payments by the Fund”.

AMENDMENT NO. 2

On page 17, in line 14, strike “DISCLOSURES” and substitute “DISCLOSES”.

AMENDMENT NO. 3

On page 33, strike beginning with the second comma in line 23 down through “process” in line 25; after line 27, insert:

“(2) In determining the fair value of the items listed in paragraph (1) of this subsection, the study shall consider:

(i) additional costs the Fund incurred from the Fund’s status as the insurer of last resort which required the Fund to provide workers’ compensation insurance to businesses regardless of the degree of risk;

(ii) that the Fund is a nonprofit entity with profits passed on to its policyholders;

(iii) whether the benefit of the taxes not paid was passed on to policyholders since the Fund was not subject to the taxes;

(Over)

(iv) that since the Fund only began advertising and paying commissions to licensed insurance producers beginning in 1996, the Fund's entire book of business was considered the residual market through 1995;

(v) that effective October 1, 2009, the Fund was statutorily required to serve as a competitive insurer in the marketplace, in addition to guaranteeing the availability of workers' compensation insurance in the State, serving as the workers' compensation insurer of last resort, and engaging only in the business of workers' compensation insurance in accordance with State law; and

(vi) that effective October 1, 2003, the Fund was required to be subject to risk-based capital standards.”;

in line 28, strike “(2)” and substitute “(3)”; and strike in their entirety lines 29 through 31, inclusive.

On page 34, strike in their entirety lines 1 through 3, inclusive, and substitute:

“(i) any subsidy that the Fund provided to the State in connection with the State self-insured workers' compensation program; and”;

in line 4, strike “(iii)” and substitute “(ii)”; and strike beginning with the semicolon in line 8 down through “dependents” in line 13.

AMENDMENT NO. 4

On page 35, in line 14, after “(i)” insert “1.”; and in line 15, after “the” insert “Company's risk-based capital ratio is less than 700% of its authorized control level.”

2. If the Company's risk-based capital ratio is 700% or higher than its authorized control level, an installment or other payment shall be suspended or delayed, and may not be paid, in any year in which the”.

AMENDMENT NO. 5

On page 35, after line 33, insert:

“SECTION 9. AND BE IT FURTHER ENACTED, That:

(a) (1) On or before December 1, 2012, the Injured Workers’ Insurance Fund and the Department of Budget and Management shall enter into a memorandum of agreement establishing the terms, conditions, and schedule for payment by the Injured Workers’ Insurance Fund of the projected costs for the State retiree health benefits of current and former Injured Workers’ Insurance Fund employees.

(2) The Injured Workers’ Insurance Fund shall be responsible for the payment of any costs incurred in calculating the Injured Workers’ Insurance Fund’s liability for retiree health benefits.

(b) On or before July 1, 2013, the Injured Workers’ Insurance Fund, in accordance with the schedule established in the memorandum of agreement required under subsection (a) of this section, shall begin to pay to the State Employee and Retiree Health and Welfare Benefits Fund established under § 2-516 of the State Personnel and Pensions Article an amount sufficient to satisfy the projected costs for the State retiree health benefits of current and former Injured Workers’ Insurance Fund employees, as determined by the actuary for the State Employee and Retiree Health Benefits Program.”;

and in line 34, strike “9.” and substitute “10.”.

On page 36, in lines 1 and 3, strike “10.” and “11.”, respectively, and substitute “11.” and “12.”, respectively; and in line 7, strike “9 and 10” and substitute “10 and 11”.