

SENATE BILL 62

K1

9lr0042

(PRE-FILED)

By: **Chair, Finance Committee (By Request – Departmental – Uninsured Employers’ Fund)**

Requested: October 26, 2018

Introduced and read first time: January 9, 2019

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 15, 2019

CHAPTER _____

1 AN ACT concerning

2 **Uninsured Employers’ Fund – Solvency and Suspension and Resumption of**
3 **Assessments – ~~Repeal~~ Study**

4 FOR the purpose of ~~repealing a certain provision of law providing that the payment of~~
5 ~~assessments to the Uninsured Employers’ Fund by employers and insurers is~~
6 ~~suspended when the amount of the Fund equals at least a certain amount; repealing~~
7 ~~the requirement that the Director of the Fund notify self-insured employers and~~
8 ~~insurers of the suspension of the payment of assessments; repealing the requirement~~
9 ~~that the payment of assessments resume under certain circumstances; repealing the~~
10 ~~requirement that the Director of the Fund notify self-insured employers and~~
11 ~~insurers of the resumption of the payment of certain assessments; making a~~
12 ~~conforming change; and generally relating to the assessments paid to requiring the~~
13 ~~Executive Director of the Uninsured Employers’ Fund to report to certain~~
14 ~~committees of the General Assembly on or before a certain date; and generally~~
15 ~~relating to the Uninsured Employers’ Fund.~~

16 ~~BY repealing and reenacting, with amendments,~~
17 ~~Article – Labor and Employment~~
18 ~~Section 9-1007(b)~~
19 ~~Annotated Code of Maryland~~
20 ~~(2016 Replacement Volume and 2018 Supplement)~~

21 ~~BY repealing~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 ~~Article—Labor and Employment~~
 2 ~~Section 9-1011~~
 3 ~~Annotated Code of Maryland~~
 4 ~~(2016 Replacement Volume and 2018 Supplement)~~

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 6 That ~~the Laws of Maryland read as follows:~~

7 ~~Article—Labor and Employment~~

8 ~~9-1007.~~

9 ~~(b) [Notwithstanding the limit on the balance of the Fund under § 9-1011 of this~~
 10 ~~subtitle, if] IF the Board determines that the reserves of the Fund are inadequate to meet~~
 11 ~~anticipated losses, the Board may direct the Commission to assess an additional 1% under~~
 12 ~~subsection (a) of this section.~~

13 ~~§ 9-1011.~~

14 ~~(a) (1) When the amount of the Fund equals at least \$5,000,000, the payment~~
 15 ~~of assessments by employers and insurers is suspended.~~

16 ~~(2) The Director shall notify each self-insured employer and insurer of the~~
 17 ~~suspension of the payment of assessments under paragraph (1) of this subsection.~~

18 ~~(b) (1) Payment of assessments shall be resumed if:~~

19 ~~(i) the amount of the Fund becomes less than \$3,000,000 because of~~
 20 ~~payments made under § 9-1002 of this subtitle or other payments; or~~

21 ~~(ii) the Director determines that payments that are likely to be made~~
 22 ~~from the Fund in the next 3 months will reduce the amount of the Fund to less than~~
 23 ~~\$3,000,000.~~

24 ~~(2) When the payment of assessments is to be resumed under paragraph~~
 25 ~~(1) of this subsection, the Director shall notify each self-insured employer and insurer that~~
 26 ~~payment of assessments is to:~~

27 ~~(i) resume on a specified date; and~~

28 ~~(ii) continue until the amount of the Fund becomes at least~~
 29 ~~\$5,000,000.]~~

30 (a) On or before October 1, 2019, the Executive Director of the Uninsured
 31 Employers' Fund shall report to the Senate Finance Committee, the House Economic
 32 Matters Committee, and the Joint Committee on Workers' Compensation Benefit and
 33 Insurance Oversight, in accordance with § 2-1246 of the State Government Article, on:

1 (1) the solvency of the Uninsured Employers' Fund, including the Fund's
2 solvency during the period from October 1, 2009, through September 30, 2019, both
3 inclusive; and

4 (2) whether the General Assembly should increase or provide authority to
5 increase the assessment required under § 9-1007 of the Labor and Employment Article.

6 (b) The report required under subsection (a) of this section shall include:

7 (1) a discussion and analysis of claims made against the Uninsured
8 Employers' Fund and payments made from the Fund, including types of claims and
9 amounts paid, from October 1, 2009, through September 30, 2019, both inclusive; and

10 (2) a discussion and analysis of the Uninsured Employers' Fund's
11 prospective liabilities, including Bethlehem Steel Corporation hearing loss claims.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
13 1, 2019.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.