K1 0lr1089 CF HB 99

By: Senators Klausmeier, Feldman, and Reilly

Introduced and read first time: February 3, 2020

Assigned to: Finance

## A BILL ENTITLED

## 1 AN ACT concerning

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## Labor and Employment - Injured Workers' Insurance Fund - Revisions

3 FOR the purpose of requiring, rather than authorizing, the Injured Workers' Insurance 4 Fund to be the third-party administrator for the State's Self-Insured Workers' 5 Compensation Program for State Employees under a contract with the State; 6 authorizing the Fund to use nonsupervisory employees of the Chesapeake 7 Employers' Insurance Company; authorizing nonsupervisory employees of the 8 Company to be assigned to perform certain functions under a certain contract; 9 requiring the Company and the Fund annually to execute a certain agreement; altering the membership of the Board for the Fund; providing that the terms of 10 11 certain members of the Board for the Fund are the same as the members' terms on 12 the Board for the Company; requiring the Board for the Fund to adopt certain rules, 13 bylaws, policies, and procedures; requiring the President of the Fund to be an 14 employee of the Fund, rather than the President of the Company; making stylistic 15 and conforming changes; and generally relating to the Injured Workers' Insurance 16 Fund.

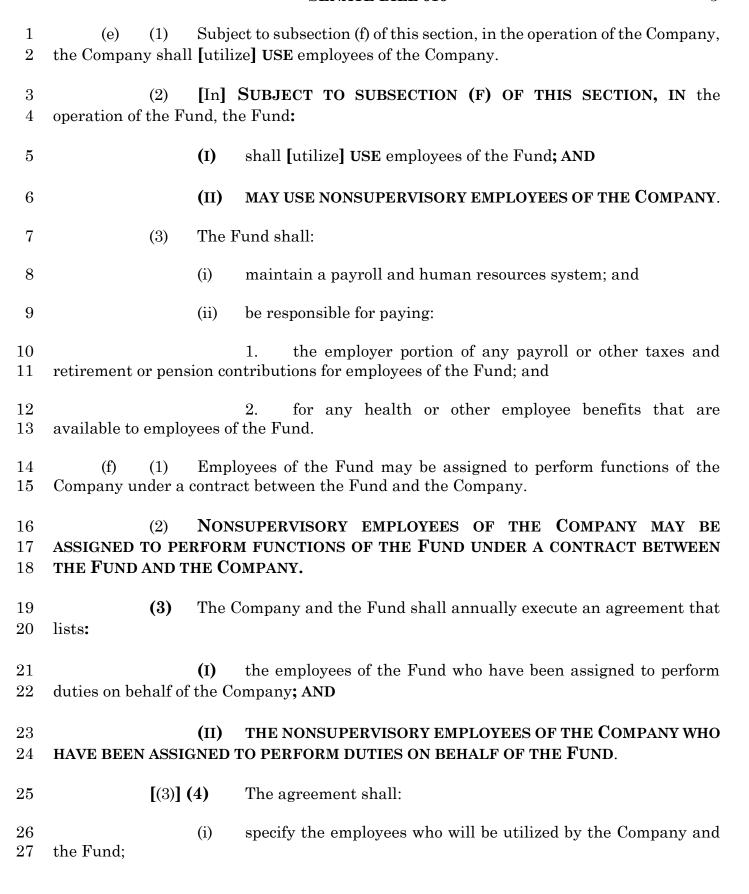
- 17 BY repealing and reenacting, without amendments,
- 18 Article Labor and Employment
- 19 Section 10–101
- 20 Annotated Code of Maryland
- 21 (2016 Replacement Volume and 2019 Supplement)
- 22 BY repealing and reenacting, with amendments,
- 23 Article Labor and Employment
- 24 Section 10–102, 10–105, and 10–106(a)
- 25 Annotated Code of Maryland
- 26 (2016 Replacement Volume and 2019 Supplement)
- 27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 28 That the Laws of Maryland read as follows:



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review.

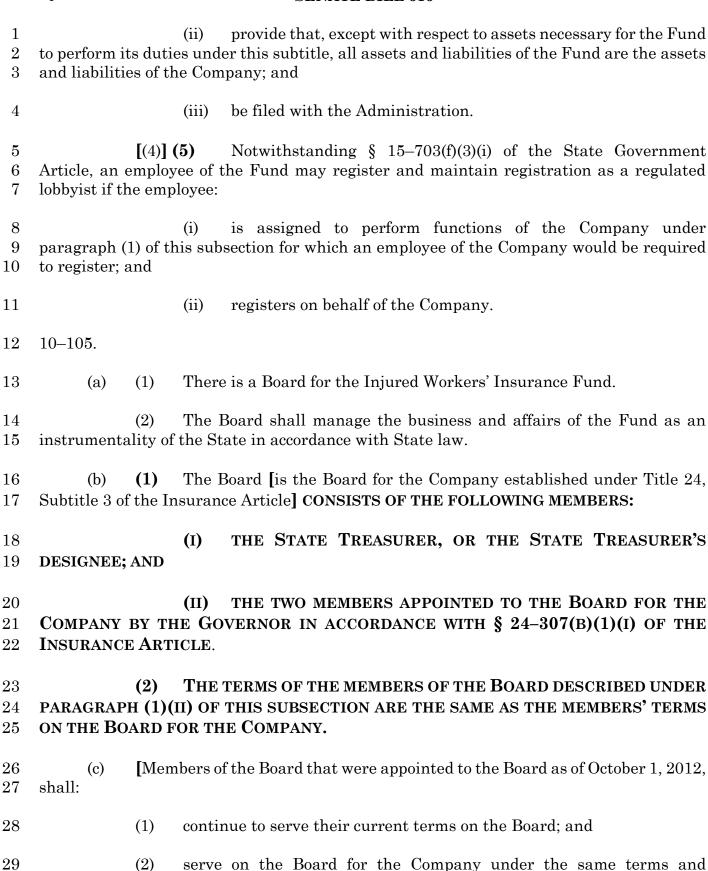
## Article - Labor and Employment 1 2 10–101. 3 In this subtitle the following words have the meanings indicated. (a) "Administration" means the Maryland Insurance Administration. 4 (b) "Board" means the Board for the Injured Workers' Insurance Fund. 5 (c) 6 (d) "Commissioner" means the Maryland Insurance Commissioner. 7 (e) "Company" means the Chesapeake Employers' Insurance Company 8 established under Title 24, Subtitle 3 of the Insurance Article. 9 (f) "Fund" means the Injured Workers' Insurance Fund. 10-102.10 There is an Injured Workers' Insurance Fund. 11 (1) (a) 12(2) The Fund is an instrumentality of the State. On and after October 1, 2013, the Company, and not the Fund, shall serve as 13 (b) 14 the workers' compensation insurer of last resort for workers' compensation insurance. 15 (c) On and after October 1, 2013, the Fund: 16 (1) shall continue to exist; but 17 (2) may not issue new policies or otherwise engage in the business of 18 insurance. On and after October 1, 2013, the Fund [may continue to] SHALL be 19 (d) 20 the third party administrator for the State's Self-Insured Workers' Compensation Program for State Employees under a contract with the State. 2122 (2)At least once every 5 years, the Commissioner shall: 23 review the State's Self-Insured Workers' Compensation Program (i) for State Employees, as administered by the Fund, to determine whether the State is 24receiving effective administrative services at a reasonable cost; and 2526 (ii) submit a report to the State Treasurer on the findings of the



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3 of the Insurance Article.



conditions as if they were appointed to the Board for the Company under Title 24, Subtitle

- 1 (d)] The Board SHALL ADOPT RULES, BYLAWS, POLICIES, AND PROCEDURES [:
- 2 (1) shall be subject to the rules, bylaws, and procedures that the Board for 3 the Company adopts under Title 24, Subtitle 3 of the Insurance Article; and
- 4 (2) may adopt any policy] to carry out this subtitle.
- 5 10-106.
- 6 (a) (1) The Board shall appoint a President of the Fund.
- 7 (2) The President of the Fund shall be [the President] AN EMPLOYEE of 8 the [Company] FUND.
- 9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 10 October 1, 2020.