SENATE BILL 227

K1 5lr0067 (PRE-FILED) CF 5lr0068 By: Chair, Finance Committee (By Request - Departmental - Uninsured **Employers' Fund)** Requested: October 12, 2024 Introduced and read first time: January 8, 2025 Assigned to: Finance Committee Report: Favorable with amendments Senate action: Adopted Read second time: February 21, 2025 CHAPTER AN ACT concerning Workers' Compensation – Payment From Uninsured Employers' Fund – Revisions FOR the purpose of authorizing the Workers' Compensation Commission to offset or credit against an award certain benefits paid by the Uninsured Employers' Fund; requiring the Fund to begin paying compensation in accordance with certain provisions of law; altering the process by which an award is payable from the Uninsured Employers' Fund; requiring the Workers' Compensation Commission to make the Fund a party to a claim filed against an uninsured employer; authorizing a covered employee or the dependents of a covered employee to apply to the Director of the Fund for payment from the Fund; altering requirements related to notice of claims, raising of issues, payment of awards, and reimbursement of awards; requiring the Fund to pay certain additional awards under certain circumstances; and generally relating to the Uninsured Employers' Fund. BY repealing and reenacting, with amendments, Article – Labor and Employment Section 9–610.1, 9–727, and 9–1002 Annotated Code of Maryland (2016 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

That the Laws of Maryland read as follows:

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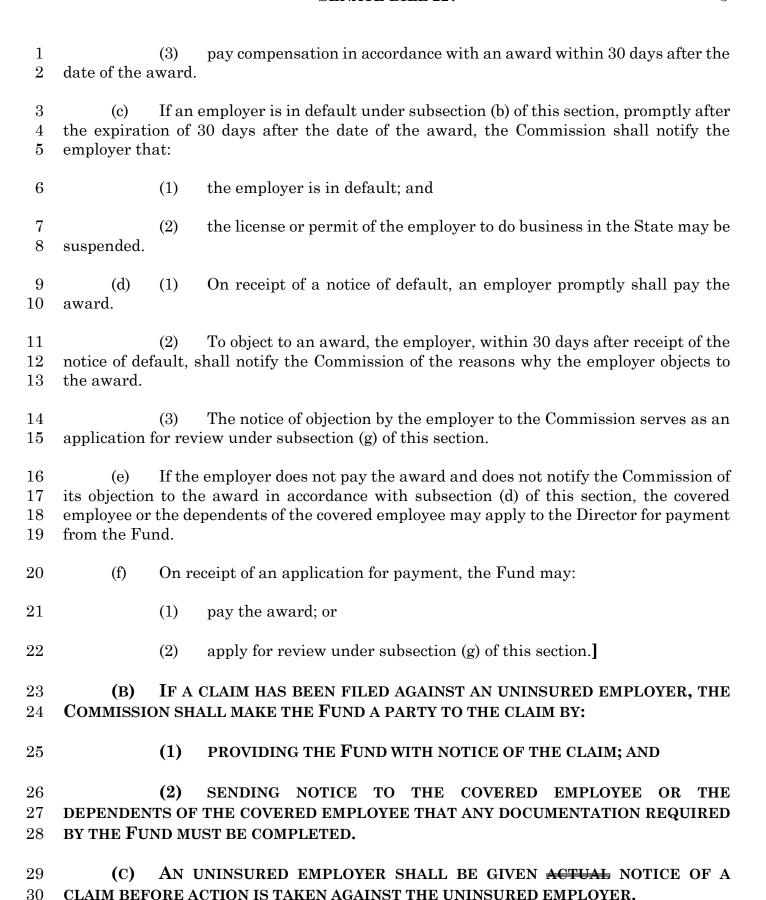
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Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,



1 Article – Labor and Employment 2 9-610.1. 3 The Workers' Compensation Commission may order an offset or credit against an award for permanent partial disability benefits for: 4 5 any vocational rehabilitation benefits previously provided to a covered (1) employee; [or] 6 7 any temporary total disability benefits previously paid to a covered (2) 8 employee; OR ANY BENEFITS PAID BY THE UNINSURED EMPLOYERS' FUND 9 **(3)** 10 THAT WERE ALSO PAID BY THE EMPLOYER. 9-727.11 12 (A) The employer or its insurer shall begin paying compensation to the covered 13 employee within 15 days after the later of the date: 14 (1) an award is made; or (2) 15 payment of an award is due. THE UNINSURED EMPLOYERS' FUND SHALL BEGIN PAYING 16 (B) COMPENSATION TO THE COVERED EMPLOYEE IN ACCORDANCE WITH § 9–1002 OF 17 18 THIS TITLE. 19 9-1002.20 An award is payable out of the Fund in accordance with this section. (a) 21Unless an application for review has been timely filed under subsection (g) of 22 this section or a notice of timely appeal served, an employer is in default on a claim by a 23covered employee or the dependents of a covered employee if the employer fails to: 24secure payment of compensation in accordance with § 9–402 of this title; (1) 25 except for a governmental self-insurance group authorized by § 9-404 of this title, deposit security in accordance with § 9–405 of this title that is: 2627 (i) sufficient to cover a claim by a covered employee; and 28 at least \$100,000; and (ii)

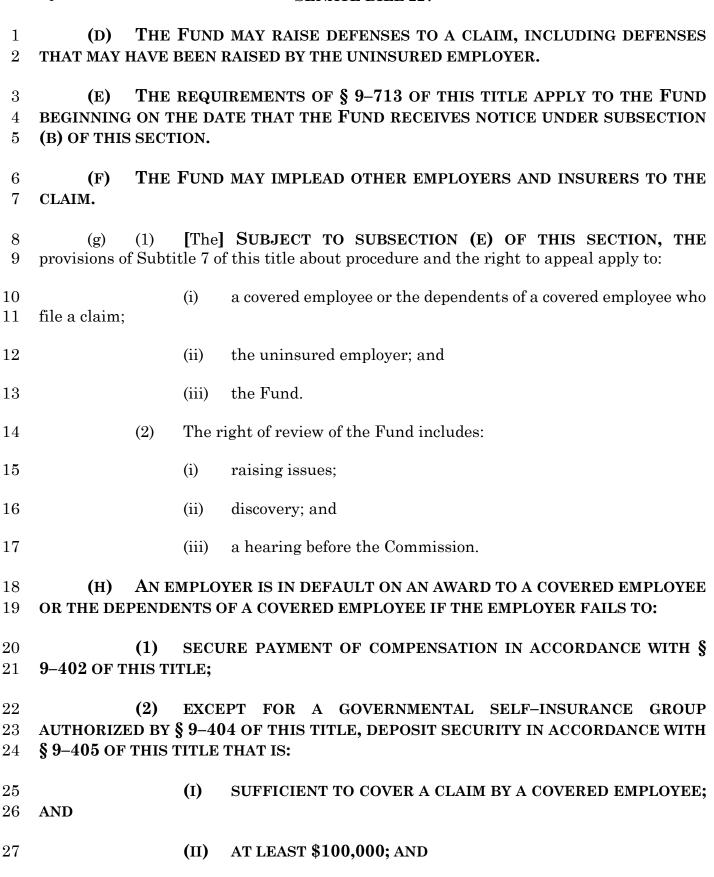


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(3)

DAYS AFTER THE DATE OF THE AWARD.



PAY COMPENSATION IN ACCORDANCE WITH AN AWARD WITHIN 30

1 2 3 4 5	(I) IF AN EMPLOYER IS IN DEFAULT AND THE COVERED EMPLOYEE OR THE DEPENDENTS OF A COVERED EMPLOYEE HAS DEMANDED PAYMENT FROM THE EMPLOYER AT LEAST 15 DAYS BEFORE THE DATE OF APPLICATION, THE COVERED EMPLOYEE OR THE DEPENDENTS OF THE COVERED EMPLOYEE MAY APPLY TO THE DIRECTOR FOR PAYMENT FROM THE FUND.
6	(J) ON RECEIPT OF AN APPLICATION FOR PAYMENT, THE FUND MAY:
7	(1) PAY THE AWARD; OR
8 9	(2) IF THE FUND HAS NOT YET PARTICIPATED IN A HEARING ON COMPENSABILITY, FILE ISSUES REQUESTING A HEARING BEFORE THE COMMISSION.
10 11 12 13	(K) IF THE FUND PAYS AN AWARD IN ACCORDANCE WITH THIS SUBTITLE WHILE AN APPEAL IS PENDING, THE FUND REMAINS ENTITLED TO FULL REIMBURSEMENT FROM THE UNINSURED EMPLOYER FOR AN AWARD PAID, NOTWITHSTANDING THE RESULT OF THE APPEAL.
14 15 16 17	(L) ONCE THE FUND HAS PAID AN AWARD ON A CLAIM, THE FUND SHALL PAY ANY ADDITIONAL AWARD ORDERED WITHOUT REQUIRING A COVERED EMPLOYEE OR THE DEPENDENTS OF A COVERED EMPLOYEE TO COMPLETE AN APPLICATION FOR PAYMENT.
18 19 20 21	(M) IF THE FUND PAYS AN AWARD TO A COVERED EMPLOYEE OR THE DEPENDENTS OF A COVERED EMPLOYEE THAT WAS ALSO PAID BY THE EMPLOYEE, THE FUND IS ENTITLED TO REIMBURSEMENT FROM THE COVERED EMPLOYEE OR THE DEPENDENTS OF A COVERED EMPLOYEE.
22 23	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.
	Approved:
	Governor.
	President of the Senate.
	Speaker of the House of Delegates.