SENATE BILL 227

K1 5lr0067 CF 5lr0068 (PRE-FILED)

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

A BILL ENTITLED

1 AN ACT concerning

2 Workers' Compensation - Payment From Uninsured Employers' Fund -3 Revisions

- FOR the purpose of altering the process by which an award is payable from the Uninsured Employers' Fund; requiring the Workers' Compensation Commission to make the 6 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.
- 12 BY repealing and reenacting, with amendments,
- 13 Article – Labor and Employment
- 14 Section 9–1002
- 15 Annotated Code of Maryland
- (2016 Replacement Volume and 2024 Supplement) 16
- SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, 17
- 18 That the Laws of Maryland read as follows:
 - Article Labor and Employment

20 9-1002.

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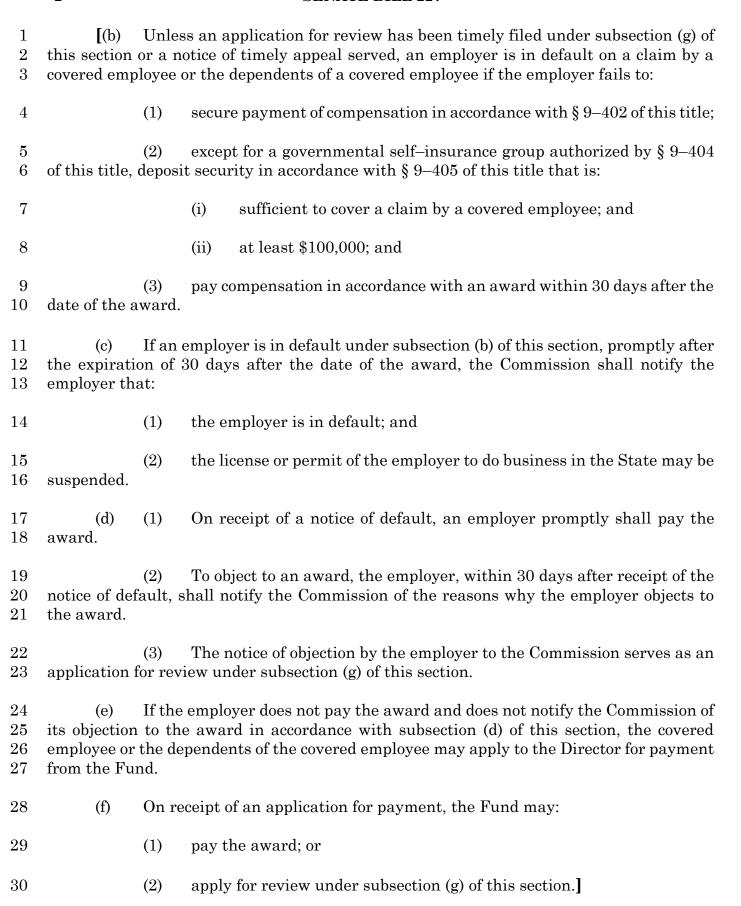
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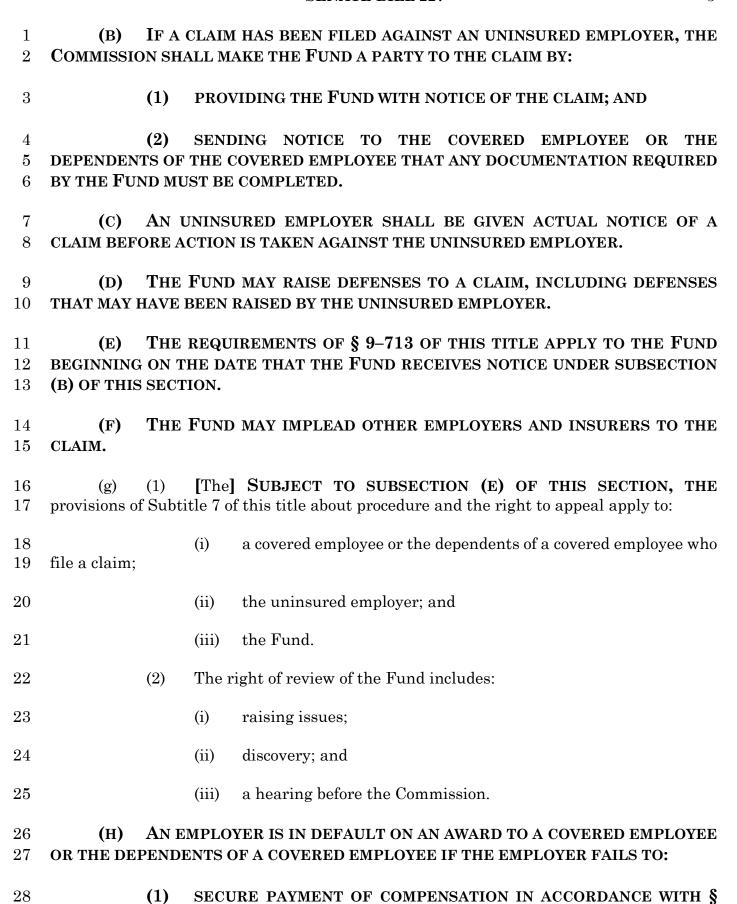
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21 (a) An award is payable out of the Fund in accordance with this section.





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9-402 OF THIS TITLE;

- 1 (2) EXCEPT FOR A GOVERNMENTAL SELF-INSURANCE GROUP 2 AUTHORIZED BY § 9–404 OF THIS TITLE, DEPOSIT SECURITY IN ACCORDANCE WITH 3 § 9–405 OF THIS TITLE THAT IS:
- 4 (I) SUFFICIENT TO COVER A CLAIM BY A COVERED EMPLOYEE;

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- (II) AT LEAST \$100,000; AND
- 7 (3) PAY COMPENSATION IN ACCORDANCE WITH AN AWARD WITHIN 30 8 DAYS AFTER THE DATE OF THE AWARD.
- 9 (I) IF AN EMPLOYER IS IN DEFAULT AND THE COVERED EMPLOYEE OR THE
 10 DEPENDENTS OF A COVERED EMPLOYEE HAS DEMANDED PAYMENT FROM THE
 11 EMPLOYER AT LEAST 15 DAYS BEFORE THE DATE OF APPLICATION, THE COVERED
 12 EMPLOYEE OR THE DEPENDENTS OF THE COVERED EMPLOYEE MAY APPLY TO THE
 13 DIRECTOR FOR PAYMENT FROM THE FUND.
- 14 (J) ON RECEIPT OF AN APPLICATION FOR PAYMENT, THE FUND MAY:
- 15 (1) PAY THE AWARD; OR
- 16 (2) IF THE FUND HAS NOT YET PARTICIPATED IN A HEARING ON COMPENSABILITY, FILE ISSUES REQUESTING A HEARING BEFORE THE COMMISSION.
- 18 **(K)** If the Fund pays an award in accordance with this subtitle 19 while an appeal is pending, the Fund remains entitled to full 20 reimbursement from the uninsured employer for an award paid, 21 notwithstanding the result of the appeal.
- 22 (L) ONCE THE FUND HAS PAID AN AWARD ON A CLAIM, THE FUND SHALL 23 PAY ANY ADDITIONAL AWARD ORDERED WITHOUT REQUIRING A COVERED 24 EMPLOYEE OR THE DEPENDENTS OF A COVERED EMPLOYEE TO COMPLETE AN 25 APPLICATION FOR PAYMENT.
- 26 (M) IF THE FUND PAYS AN AWARD TO A COVERED EMPLOYEE OR THE
 27 DEPENDENTS OF A COVERED EMPLOYEE THAT WAS ALSO PAID BY THE EMPLOYER,
 28 THE FUND IS ENTITLED TO REIMBURSEMENT FROM THE COVERED EMPLOYEE OR
 29 THE DEPENDENTS OF A COVERED EMPLOYEE.
- 30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.