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Uninsured Employers' Fund  
Testimony  
SB0227 – Workers' Compensation – Payment from Uninsured Employers' Fund -  
Revisions  
Position – Favorable

Please accept the following as the written testimony of the Maryland Uninsured Employers' Fund (UEF/Fund/Agency) requesting a Favorable report on SB0227 – Workers' Compensation – Payment from Uninsured Employers' Fund – Revisions.

Last year the Maryland Association for Justice (MAJ) submitted a bill intended to remove a statutory impediment to the UEF being triggered to pay benefits when there was an appeal challenging the compensability of an award which would have allowed the UEF to pay before the appeal was adjudicated. Currently, the UEF is the only workers compensation system agency that has a STAY on the payment of benefits when an appeal challenging the compensability of an award is pending. The UEF contested the bill because, as written, the bill would not achieve what the MAJ hoped to achieve and would have damaged the Fund the fund without helping injured workers receive their benefits. Ultimately the stakeholders decided to withdraw that bill and to agree to work on a joint bill to solve this issue.

The new bill (SB0227) drafted after interaction between the UEF and representatives from the MAJ fundamentally rewrites the relevant statute (Labor and Employment 9-1002) that explains the procedures and policies regarding the UEF payment system. This new bill achieves several important things:

- First, it changes the law to finally match the reality of how Awards have actually been paid by the UEF for years. The current statute requires several administrative steps to be done by the Workers Compensation Commission before the UEF can be lawfully triggered to pay an Award. For instance, the current statute calls for written default notices that are to be issued generated by the WCC. To our knowledge and experience this has never occurred and had the UEF waited for them to be prepared and for notices to be issued, injured

workers would never get paid. The new law removes these unnecessary hurdles and requirements which are unnecessary for the payment process to work.

-Second, the proposed bill further clarifies and streamlines the process to make the payment of awards and benefits quicker and more efficient. Benefits under the new statute will be paid sooner (from the current 60 days to 30 days) while still maintaining and protecting the full due process rights of uninsured employers and the Fund.

Currently, the UEF is the only agency that has a STAY on the payment of benefits when there is an appeal on the compensability of a claim. of award has made to circuit court. These appeals begin in the Circuit Court, and can take several years to resolve and can drastically delay the payment of benefits to injured workers. This bill remedies that situation by authorizing the UEF to pay awards pending appeal and specifically grants the Fund the right to recover those benefits paid from uninsured employers regardless of the success of that appeal.

The Uninsured Employer's Fund exists to protect workers who are injured on the job and whose employers fail to obtain Worker's Compensation Insurance. We ensure that benefits and medical expenses are properly paid to injured workers, and that uninsured employers are held accountable with penalties and sanctions for their failure to comply with Maryland law to ensure and protect their employees.

This legislation ensures that the rights of the State are protected and that injured workers get paid their benefits faster, simpler and easier.

This agency requests a favorable report on this proposed legislation.

Thank you.

Sincerely,

*Michael W. Burns*

Michael W. Burns, Esquire  
Director  
Uninsured Employers' Fund