

# SENATE BILL 8

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(PRE-FILED)

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

Requested: September 16, 2019

Introduced and read first time: January 8, 2020

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Uninsured Employers’ Fund – Additional Assessment on Awards and**  
3 **Settlements – Amount**

4 FOR the purpose of altering the percentage of the additional assessment that the  
5 Uninsured Employers’ Fund Board may direct the Workers’ Compensation  
6 Commission to impose on certain awards and settlements if the Board determines  
7 that the reserves of the Uninsured Employers’ Fund are inadequate to meet  
8 anticipated losses; and generally relating to assessments related to the Uninsured  
9 Employers’ Fund.

10 BY repealing and reenacting, with amendments,  
11 Article – Labor and Employment  
12 Section 9–1007  
13 Annotated Code of Maryland  
14 (2016 Replacement Volume and 2019 Supplement)

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

17 **Article – Labor and Employment**

18 9–1007.

19 (a) (1) Except as provided in subsection (b) of this section, the Commission  
20 shall impose against an employer or, if insured, its insurer an assessment equal to 1% of:

21 (i) each award against the employer for permanent disability or  
22 death, including awards for disfigurement or mutilation; and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) except as provided in paragraph (2) of this subsection, each  
2 amount payable by the employer or its insurer under a settlement agreement approved by  
3 the Commission.

4 (2) The amount of medical benefits specified in a formal set-aside  
5 allocation that is part of an approved settlement agreement shall be excluded from the  
6 assessment imposed by the Commission under paragraph (1)(ii) of this subsection if:

7 (i) 1. the amount of medical benefits is in excess of \$50,000; and  
8 2. the payment of medical benefits by the employer or its  
9 insurer is directly to an authorized insurer that provides periodic payments to the covered  
10 employee pursuant to a single premium annuity; or

11 (ii) 1. the amount of medical benefits is in any amount; and  
12 2. the payment of medical benefits by the employer or its  
13 insurer is to an independent third-party administrator that controls and pays the medical  
14 services in accordance with the formal set-aside allocation, provided there is no  
15 reversionary interest to the covered employee or the covered employee's beneficiaries.

16 (3) (i) Notwithstanding any other provision of law, if the employer is a  
17 corporation the assets of which are not sufficient to satisfy an assessment, any officer of the  
18 corporation who has responsibility for the general management of the corporation in the  
19 State is jointly and severally liable for the assessment if the corporate officer knowingly  
20 failed to secure workers' compensation insurance.

21 (ii) Notwithstanding any other provision of law, if the employer is a  
22 limited liability company the assets of which are not sufficient to satisfy an assessment,  
23 any member of the limited liability company who has responsibility for the general  
24 management of the limited liability company in the State is jointly and severally liable for  
25 the assessment if a member of the limited liability company who has general management  
26 responsibility knowingly failed to secure workers' compensation insurance.

27 (b) Notwithstanding the limit on the balance of the Fund under § 9-1011 of this  
28 subtitle, if the Board determines that the reserves of the Fund are inadequate to meet  
29 anticipated losses, the Board may direct the Commission to assess **UP TO** an additional  
30 **[1%] 3%** under subsection (a) of this section.

31 (c) Any fractional dollar of payment under this section shall be rounded off to the  
32 nearest whole dollar.

33 (d) The Commission shall direct payment of an assessment under subsection (a)  
34 or (b) of this section into the Fund.

35 (e) Payments under this section are in addition to the payment of compensation  
36 to a covered employee or the dependents of a covered employee under this title.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
2   1, 2020.