



State or Federal Issues Contacts: Please refer to the list of State Relations Executives at the end of this report.

## LEGISLATIVE ACTIVITY—LEGISLATIVE SESSION UPDATES

*This report contains descriptions and/or excerpts of relevant bills that passed the first chamber, passed the second chamber, or were enacted during the specific periods. In addition, a recap of significant legislative and judicial activity impacting the workers compensation system will be included in the first report published each month. This report is issued on a weekly basis throughout the legislative season, and it provides updates on the content of these bills if and when they progress through the legislative process. This report includes bills from states where NCCI provides ratemaking services (see state list under Contact Information) and the US Congress.*

### BILLS ENACTED

The following workers compensation-related bills were enacted within the one-week period ending July 7, 2017.

#### Connecticut

**HB 7132** was:

- Passed by the first chamber on May 18, 2017
- Included in NCCI's May 26, 2017 **Legislative Activity Report** (RLA-2017-20)
- Passed by the second chamber on June 6, 2017
- Included in NCCI's June 16, 2017 **Legislative Activity Report** (RLA-2017-23)
- Enacted on July 5, 2017, with an effective date of October 1, 2017

**HB 7132** amends **section 31-294c Notice of claim for compensation. Notice contesting liability. Exception for dependents of certain deceased employees** of the Connecticut General Statutes Annotated as follows:

**Section 31-294c Notice of claim for compensation. Notice contesting liability. Exception for dependents of certain deceased employees.**

(a) No proceedings for compensation under the provisions of this chapter shall be maintained unless a written notice of claim for compensation is given within one year from the date of the accident or within three years from the first manifestation of a symptom of the occupational disease, as the case may be, which caused the personal injury, provided, if death has resulted within two years from the date of the accident or first manifestation of a symptom of the occupational disease, a dependent or dependents, or the legal representative of the deceased employee, may make claim for compensation within the two-year period or within one year from the date of death, whichever is later. Notice of claim for compensation may be given to the employer or any commissioner and shall state, in simple language, the date and place of the accident and the nature of the injury resulting from the accident, or the date of the first manifestation of a symptom of the occupational disease and the nature of the disease, as the case may be, and the name and address of the employee and of the person in whose interest compensation is claimed. An employee of the state shall send a copy of the notice to the Commissioner of Administrative Services. An employee of a municipality shall send a copy of the notice to the town clerk of the municipality in which he or she is employed. An employer, other than the state or a municipality, may opt to post a copy of where notice of a claim for compensation shall be sent by an employee in the workplace location where other labor law posters required by the Labor Department are prominently displayed. In addition, an employer opting to post where notice of a claim for compensation by an employee shall be sent, shall forward the address of where notice of a claim for compensation shall be sent to the Workers' Compensation Commission and the commission shall post such address on its Internet web site. An employer shall be responsible for verifying that information posted at a workplace location is consistent with the information posted on the commission's Internet web site. If an employee, other than an employee of the state or a municipality, opts to mail to his or her employer the written notice of a claim for compensation required under the provisions of this section, such written notice shall be sent by the employee to the employer by certified mail.

As used in this section, “manifestation of a symptom” means manifestation to an employee claiming compensation, or to some other person standing in such relation to him that the knowledge of the person would be imputed to him, in a manner that is or should be recognized by him as symptomatic of the occupational disease for which compensation is claimed.

(b) Whenever liability to pay compensation is contested by the employer, he shall file with the commissioner, on or before the twenty-eighth day after he has received a written notice of claim, a notice in accord with a form prescribed by the chairman of the Workers’ Compensation Commission stating that the right to compensation is contested, the name of the claimant, the name of the employer, the date of the alleged injury or death and the specific grounds on which the right to compensation is contested. The employer shall send a copy of the notice to the employee in accordance with section 31-321. If the employer or his legal representative fails to file the notice contesting liability on or before the twenty-eighth day after he has received the written notice of claim, the employer shall commence payment of compensation for such injury or death on or before the twenty-eighth day after he has received the written notice of claim, but the employer may contest the employee’s right to receive compensation on any grounds or the extent of his disability within one year from the receipt of the written notice of claim, provided the employer shall not be required to commence payment of compensation when the written notice of claim has not been properly served in accordance with section 31-321 or when the written notice of claim fails to include a warning that (1) the employer, if he has commenced payment for the alleged injury or death on or before the twenty-eighth day after receiving a written notice of claim, shall be precluded from contesting liability unless a notice contesting liability is filed within one year from the receipt of the written notice of claim, and (2) the employer shall be conclusively presumed to have accepted the compensability of the alleged injury or death unless the employer either files a notice contesting liability on or before the twenty-eighth day after receiving a written notice of claim or commences payment for the alleged injury or death on or before such twenty-eighth day. An employer shall be entitled, if he prevails, to reimbursement from the claimant of any compensation paid by the employer on and after the date the commissioner receives written notice from the employer or his legal representative, in accordance with the form prescribed by the chairman of the Workers’ Compensation Commission, stating that the right to compensation is contested. Notwithstanding the provisions of this subsection, an employer who fails to contest liability for an alleged injury or death on or before the twenty-eighth day after receiving a written notice of claim and who fails to commence payment for the alleged injury or death on or before such twenty-eighth day, shall be conclusively presumed to have accepted the compensability of the alleged injury or death. If an employer has opted to post an address of where notice of a claim for compensation by an employee shall be sent, as described in subsection (a) of this section, the twenty-eight-day period set forth in this subsection shall begin on the date when such employer receives written notice of a claim for compensation at such posted address.

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## Missouri

**SB 66** was:

- Passed by the first chamber on March 9, 2017
- Included in NCCI’s March 17, 2017 **Legislative Activity Report** (RLA-2017-10)
- Amended and passed by the second chamber on April 20, 2017
- Included in NCCI’s April 28, 2017 **Legislative Activity Report** (RLA-2017-16)
- Enacted on July 5, 2017, with an effective date of August 28, 2017

**SB 66** amends numerous sections of the Missouri Workers’ Compensation Law, in part, as follows:

**287.020. Definitions—intent to abrogate earlier case law.**

...

12. For the purposes of this chapter, “maximum medical improvement” shall mean the point at which the injured employee’s medical condition has stabilized and can no longer reasonably improve with additional medical care, as determined within a reasonable degree of medical certainty.

**287.037. Member of limited liability company to receive coverage, rejection of coverage, rescission of rejection.**

1.

...

2. Notwithstanding any other provision of law to the contrary, beginning January 1, 2018, a shareholder of an S corporation, as defined in subsection 1 of section 143.471, with at least forty percent or greater interest in the S corporation, may individually elect to reject coverage under this chapter by providing a written notice of such rejection to the S corporation and its insurer. Failure to provide notice to the S corporation shall not be grounds for any shareholder to claim that the rejection of such coverage is not legally effective. A shareholder who elects to reject such coverage shall not thereafter be entitled to workers’ compensation benefits under the policy, even if serving or working in the capacity of an employee of the S corporation, at least until such time as such shareholder provides the S corporation and its insurer with a written notice that rescinds the prior rejection of such coverage. Any rescission shall be prospective in nature and shall entitle the shareholder only to such benefits that accrue on or after the date the notice of rescission is received by the insurance company.

**287.120. Liability of employer set out—compensation increased or reduced, when—use of alcohol or controlled substances or voluntary recreational activities, injury from—effect on compensation—mental injuries, requirements, firefighter stress not affected.**

...

2. The rights and remedies herein granted to an employee shall exclude all other rights and remedies of the employee, ~~his wife, her husband and the employee's spouse~~, parents, personal representatives, dependents, heirs or next kin, at common law or otherwise, on account of such injury or death by accident or occupational disease, except such rights and remedies as are not provided for by this chapter.

...

6.

...

(4) Any positive test result for a nonprescribed controlled drug or the metabolites of such drug from an employee shall give rise to a rebuttable presumption, which may be rebutted by a preponderance of evidence, that the tested nonprescribed controlled drug was in the employee's system at the time of the accident or injury and that the injury was sustained in conjunction with the use of the tested nonprescribed controlled drug if:

(a) The initial testing was administered within twenty-four hours of the accident or injury;

(b) Notice was given to the employee of the test results within fourteen calendar days of the insurer or group self-insurer receiving actual notice of the confirmatory test results;

(c) The employee was given an opportunity to perform a second test upon the original sample; and

(d) The initial or any subsequent testing that forms the basis of the presumption was confirmed by mass spectrometry using generally accepted medical or forensic testing procedures.

...

11. The provisions of subsections 1 and 2 of this section govern all civil lawsuits or legal causes of action filed on or after January 1, 2014.

**287.149. Benefits to be paid, when—reduction of benefits, when.**

1. Temporary total disability or temporary partial disability benefits shall be paid throughout the rehabilitative process until the employee reaches maximum medical improvement, unless such benefits are terminated by the employee's return to work or are terminated as otherwise specified in this chapter.

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**287.170. Temporary total disability, amount to be paid—method of payment—disqualification, when—post injury misconduct defined.**

...

5. If an employee voluntarily separates from employment with an employer at a time when the employer had work available for the employee that was in compliance with any medical restriction imposed upon the employee within a reasonable degree of medical certainty as a result of the injury that is the subject of a claim for benefits under this chapter, neither temporary total disability nor temporary partial disability benefits available under this section or section 287.180 shall be payable.

**287.200. Permanent total disability, amount to be paid—suspension of payments, when—toxic exposure, treatment of claims.**

1. Compensation for permanent total disability shall be paid during the continuance of such disability from the date of maximum medical improvement for the lifetime of the employee at the weekly rate of compensation in effect under this subsection on the date of the injury for which compensation is being made. The word "employee" as used in this section shall not include the injured worker's dependents, estate, or other persons to whom compensation may be payable as provided in subsection 1 of section 287.020. The amount of such compensation shall be computed as follows:

...

3. All claims for permanent total disability shall be determined in accordance with the facts. When an injured employee receives an award for permanent total disability but by the use of glasses, prosthetic appliances, or physical rehabilitation the employee is restored to his or her regular work or its equivalent, the life payment mentioned in subsection 1 of this section shall be suspended during the time in which the employee is restored to his or her regular work or its equivalent. The employer and the division shall keep the file open in the case during the lifetime of any injured employee who has received an award of permanent total disability. In any case where the life payment is suspended under this subsection, the commission may at reasonable times review the case and either the employee or the employer may request an informal conference with the commission relative to the resumption of the employee's weekly life payment in the case.

...

**287.203. Termination of compensation by employer, employee right to hearing—assessment of costs.**

Whenever the employer has provided compensation under section 287.170, 287.180 or 287.200, and terminates such compensation, the employer shall notify the employee of such termination and shall advise the employee of the reason for such termination. If the employee disputes the termination of such benefits, the employee may request a hearing before the division and the division shall set the matter for hearing within ~~sixty~~ thirty days of such request and the division shall hear the matter on the date of hearing and no continuances or delays may be granted except upon a showing of good cause or by consent of the parties. The division shall render a decision within thirty days of the date of hearing. If the division or the commission determines that any proceedings have been brought, prosecuted, or defended without reasonable grounds, the division may assess the whole cost of the proceedings upon the party who brought, prosecuted, or defended them.

**287.240. Death benefits and burial expenses, amount, to whom paid and when paid—dependent defined—death benefits, how distributed—record of dependents, employer to keep—dependents to report to division, procedure.**

If the injury causes death, either with or without disability, the compensation therefor shall be as provided in this section:

(1) In all cases the employer shall pay direct to the persons furnishing the same the reasonable expense of the burial of the deceased employee not exceeding five thousand dollars. But no person shall be entitled to compensation for the burial expenses of a deceased employee unless he or she has furnished the same by authority of the widow or widower, the nearest relative of the deceased employee in the county of his or her death, his or her personal representative, or the employer, who shall have the right to give the authority in the order named. All fees and charges under this section shall be fair and reasonable, shall be subject to regulation by the division or the commission and shall be limited to such as are fair and reasonable for similar service to persons of a like standard of living. The division or the commission shall also have jurisdiction to hear and determine all disputes as to the charges. If the deceased employee leaves no dependents, the death benefit in this subdivision provided shall be the limit of the liability of the employer under this chapter on account of the death, except as herein provided for burial expenses and except as provided in section 287.140; provided that in all cases when the employer admits or does not deny liability for the burial expense, it shall be paid within thirty days after written notice, that the service has been rendered, has been delivered to the employer. The notice may be sent by registered mail, return receipt requested, or may be made by personal delivery;

(2) The employer shall also pay to the ~~total~~ dependents of the employee a death benefit based on the employee's average weekly earnings during the year immediately preceding the injury that results in the death of the employee, as provided in section 287.250. The amount of compensation for death, which shall be paid in installments in the same manner that compensation is required to be paid under this chapter, shall be computed as follows:

(a) If the injury which caused the death occurred on or after September 28, 1983, but before September 28, 1986, the weekly compensation shall be an amount equal to sixty-six and two-thirds percent of the employee's average weekly earnings during the year immediately preceding the injury; provided that the weekly compensation paid under this paragraph shall not exceed an amount equal to seventy percent of the state average weekly wage, as such wage is determined by the division of employment security, as of the July first immediately preceding the date of injury. ~~If there is a total dependent, no death benefits shall be payable to partial dependents or any other persons except as provided in subdivision (1) of this section;~~

(b) If the injury which caused the death occurred on or after September 28, 1986, but before August 28, 1990, the weekly compensation shall be an amount equal to sixty-six and two-thirds percent of the employee's average weekly earnings during the year immediately preceding the injury; provided that the weekly compensation paid under this paragraph shall not exceed an amount equal to seventy-five percent of the state average weekly wage, as such wage is determined by the division of employment security, as of the July first immediately preceding the date of injury. ~~If there is a total dependent, no death benefit shall be payable to partial dependents or any other persons except as provided in subdivision (1) of this section;~~

...

~~(3) If there are partial dependents, and no total dependents, a part of the death benefit herein provided in the case of total dependents, determined by the proportion of his contributions to all partial dependents by the employee at the time of the injury, shall be paid by the employer to each of the dependents proportionately;~~

~~(4) The word "dependent" as used in this chapter shall be construed to mean a relative by blood or marriage of a deceased employee, who is actually dependent for support, in whole or in part, upon his or her wages at the time of the injury. The following persons shall be conclusively presumed to be totally dependent for support upon a deceased employee, and any death benefit shall be payable to them to the exclusion of other total dependents:~~

~~(a) A wife upon a husband with whom she lives or who is legally liable for her support, and a husband upon a wife with whom he lives or who is legally liable for his support; provided that on the death or remarriage of a widow or widower, the death benefit shall cease unless there be other total dependents entitled to any death benefits under this chapter. In the event of remarriage, a lump sum payment equal in amount to the benefits due for a period of two years shall be paid to the widow or widower.~~

~~Thereupon the periodic death benefits shall cease unless there are other ~~total~~ dependents entitled to any death benefit under this chapter, in which event the periodic benefits to which such widow or widower would have been entitled had he or she not died or remarried shall be divided among such other ~~total~~ dependents and paid to them during their period of entitlement under this chapter; or~~

~~(b) A natural, posthumous, or adopted child or children, whether legitimate or illegitimate, including any stepchild claimable by the deceased on his or her federal tax return at the time of injury, under the age of eighteen years, or over that age if physically or~~

mentally incapacitated from wage earning, upon the parent legally liable for the support or with whom he, she, or they are living at the time of the death of the parent. In case there is a wife or a husband mentally or physically incapacitated from wage earning, dependent upon a wife or husband, and a child or more than one child thus dependent, the death benefit shall be divided among them in such proportion as may be determined by the commission after considering their ages and other facts bearing on the dependency. In all other cases questions of ~~total or partial~~ the degree of dependency shall be determined in accordance with the facts at the time of the injury, and in such other cases if there is more than one person wholly dependent the death benefit shall be divided equally among them. The payment of death benefits to a child or other dependent as provided in this paragraph shall cease when the dependent dies, attains the age of eighteen years, or becomes physically and mentally capable of wage earning over that age, or until twenty-two years of age if the child of the deceased is in attendance and remains as a full-time student in any accredited educational institution, or if at eighteen years of age the dependent child is a member of the Armed Forces of the United States on active duty; provided, however, that such dependent child shall be entitled to compensation during four years of full-time attendance at a fully accredited educational institution to commence prior to twenty-three years of age and immediately upon cessation of his or her active duty in the Armed Forces, unless there are other ~~total~~ dependents entitled to the death benefit under this chapter

...

**287.243. Line of duty compensation—definitions—claim procedure—no subrogation rights for employers or insurers—grievance procedures—sunset date—fund created, use of moneys—rulemaking authority.**

...

(3) “Child”, any natural, illegitimate, adopted, (or posthumous child or stepchild of a deceased law enforcement officer, emergency medical technician, air ambulance pilot, air ambulance registered professional nurse, or firefighter who, at the time of the law enforcement officer’s, emergency medical technician’s, air ambulance pilot’s, air ambulance registered professional nurse’s, or firefighter’s fatality is:

(a) Eighteen years of age or under;

(b) Over eighteen years of age and a student, as defined in 5 U.S.C. Section 8101; or

(c) Over eighteen years of age and incapable of self-support because of physical or mental disability;

(4) “Emergency medical technician”, a person licensed in emergency medical care in accordance with standards prescribed by sections 190.001 to 190.245 and by rules adopted by the department of health and senior services under sections 190.001 to 190.245;

...

3. (1) A claim for compensation under this section shall be filed by ~~the estate of~~ survivors of the deceased with the division of workers’ compensation not later than one year from the date of death of a law enforcement officer, emergency medical technician, air ambulance pilot, air ambulance registered professional nurse, or firefighter. If a claim is made within one year of the date of death of a law enforcement officer, emergency medical technician, air ambulance pilot, air ambulance registered professional nurse, or firefighter killed in the line of duty, compensation shall be paid, if the division finds that the claimant is entitled to compensation under this section.

...

4. Any compensation awarded under the provisions of this section shall be distributed as follows:

(1) To the surviving spouse of the law enforcement officer, emergency medical technician, air ambulance pilot, air ambulance registered professional nurse, or firefighter if there is no child who survived the law enforcement officer, emergency medical technician, air ambulance pilot, air ambulance registered professional nurse, or firefighter;

(2) Fifty percent to the surviving child, or children, in equal shares, and fifty percent to the surviving spouse if there is at least one child who survived the law enforcement officer, emergency medical technician, air ambulance pilot, air ambulance registered professional nurse, or firefighter, and a surviving spouse of the law enforcement officer, emergency medical technician, air ambulance pilot, air ambulance registered professional nurse, or firefighter;

(3) To the surviving child, or children, in equal shares, if there is no surviving spouse of the law enforcement officer, emergency medical technician, air ambulance pilot, air ambulance registered professional nurse, or firefighter;

(4) If there is no surviving spouse of the law enforcement officer, emergency medical technician, air ambulance pilot, air ambulance registered professional nurse, or firefighter and no surviving child:

(a) To the surviving individual, or individuals, in shares per the designation or, otherwise, in equal shares, designated by the law enforcement officer, emergency medical technician, air ambulance pilot, air ambulance registered professional nurse, or firefighter to receive benefits under this subsection in the most recently executed designation of beneficiary of the law enforcement officer, emergency medical technician, air ambulance pilot, air ambulance registered professional nurse, or firefighter on file at the time of death with the public safety agency, organization, or unit; or

(b) To the surviving individual, or individuals, in equal shares, designated by the law enforcement officer, emergency medical technician, air ambulance pilot, air ambulance registered professional nurse, or firefighter to receive benefits under the most recently executed life insurance policy of the law enforcement officer, emergency medical technician, air ambulance pilot, air

ambulance registered professional nurse, or firefighter on file at the time of death with the public safety agency, organization, or unit if there is no individual qualifying under paragraph (a);

(5) To the surviving parent, or parents, in equal shares, of the law enforcement officer, emergency medical technician, air ambulance pilot, air ambulance registered professional nurse, or firefighter if there is no individual qualifying under subdivisions (1), (2), (3) or (4) of this subsection; or

(6) To the surviving individual, or individuals, in equal shares, who would qualify under the definition of the term "child" but for age if there is no individual qualifying under subdivision (1), (2), (3), (4) or (5) of this subsection.

...

**287.280. Employer's entire liability to be covered, self-insurer or approved carrier—exception—group of employers may qualify as self-insurers—uniform experience rating plan—failure to insure, effect—rules—confidential records.**

...

5. When considering applications for new trust self-insurers, as described under 8 CSR 50-3.010, the division shall require proof of payment by each member of not less than twenty-five percent of the estimated annual premium; except that, for new members who wish to join an existing trust self-insurer during the policy year rather than at the beginning of the policy year, the division shall require proof of payment of the lesser of the estimated premium of three months or the estimated premium for the balance of the policy year.

6. Self-insured trusts, as described under 8 CSR 50-3.010, may invest surplus moneys from a prior trust year not needed for current obligations. Notwithstanding any provision of law to the contrary, upon approval by the division, a self-insured trust may invest up to one hundred percent of surplus moneys in securities designated by the state treasurer as acceptable collateral to secure state deposits under section 30.270.

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**287.390. Compromise settlements, how made—validity, effect, settlement with minor dependents—employee entitled to one hundred percent of offer, when.**

...

7. (1) In the case of compromise settlements offered after a claimant has reached maximum medical improvement, upon receipt of a permanent disability rating from the employer's physician, a claimant shall have a period of twelve months from such date to acquire a rating from a second physician of his or her own choosing.

(2) Absent a finding of extenuating circumstances by an administrative law judge or the commission, if after twelve months a claimant has not acquired a rating from a second physician, any compromise settlement entered into under this section shall be based upon the initial rating.

(3) A finding of extenuating circumstances by an administrative law judge or the commission shall require more than failure of the claimant to timely obtain a rating from a second physician.

(4) The provisions of this subsection may be waived by the employer with or without stating a cause.

**287.780. Discrimination because of exercising compensation rights prohibited—civil action for damages.**

No employer or agent shall discharge or in any way discriminate against any employee for exercising any of his or her rights under this chapter when the exercising of such rights is the motivating factor in the discharge or discrimination. Any employee who has been discharged or discriminated against in such manner shall have a civil action for damages against his or her employer. For purposes of this section, "motivating factor" shall mean that the employee's exercise of his or her rights under this chapter actually played a role in the discharge or discrimination and had a determinative influence on the discharge or discrimination.

## BILLS PASSING SECOND CHAMBER

There were no relevant workers compensation-related bills that were passed by the second chamber within the one-week period ending July 7, 2017.

## BILLS PASSING FIRST CHAMBER

### Rhode Island

**SB 1003** repeals multiple sections of the State of Rhode Island General Laws related to insurance, including, but not limited to the following:

~~**§ 27-9-51. Excess profits for workers' compensation and employer's liability insurance prohibited.**~~

~~(a) Each insurance group shall file with the department prior to July 1 of each year, on a form prescribed by the department, the following data for workers' compensation and employers' liability insurance:~~

~~(1) The calendar year earned premium;~~

~~(2) Accident year incurred losses and loss adjustment expenses;~~

~~(3) The administrative and selling expenses incurred in Rhode Island or allocated to Rhode Island for the calendar year; and~~

(4) Policyholder dividends applicable to the calendar year.

(b) (1) Excess profit has been realized if the underwriting gain is greater than the anticipated underwriting profit plus five percent (5%) of earned premiums for the three (3) most recent calendar years;

(2) As used in this section with respect to any three (3) year period, "anticipated underwriting profit" means the sum of the dollar amounts obtained by multiplying, for each rate filing of the insurance group in effect during that period, the earned premiums applicable to the rate filing during that period by the percentage factor included in the rate filing for profit and contingencies, the percentage factor having been determined with due recognition to investment income from funds generated by Rhode Island business. Separate calculations need not be made for consecutive rate filings containing the same percentage factor for profits and contingencies.

(c) Each insurance group shall also file a schedule of Rhode Island loss and loss adjustment experience for each of the three (3) most recent accident years. The incurred losses and loss adjustment expenses shall be valued as of December 31 of the accident year, developed to an ultimate basis, and two (2) twelve (12) month intervals after this, each developed to an ultimate basis so that a total of three (3) evaluations will be provided for each accident year. For reporting purposes unrelated to determining excessive profits, the loss and loss adjustment experience of each accident year shall continue to be reported until each accident year has been reported at eight (8) stages of development.

(d) Each insurance group's underwriting gain or loss for each calendar accident year shall be computed as follows: The sum of the accident year incurred losses and loss adjustment expenses as of December 31 of the year, developed to an ultimate basis, plus the administrative and selling expenses incurred in the calendar year, plus policyholder dividends applicable to the calendar year, shall be subtracted from the calendar year earned premium to determine the underwriting gain or loss.

(e) For the three (3) most recent calendar accident years, the underwriting gain or loss shall be compared to the anticipated underwriting profit.

(f) If the insurance group has realized an excess profit, the department shall order a return of the excess amounts after affording the insurance group an opportunity for a hearing and complying with the provisions of the Administrative Procedures Act, chapter 35 of title 42. The excess amounts shall be refunded in all instances unless the insurance group affirmatively demonstrates to the department that the refund of the excess amounts will render the insurance group insolvent under the provisions of this title.

(g) Any excess profit of an insurance group offering workers' compensation or employers' liability insurance shall be returned to policyholders in the form of a cash refund or be returned to policyholders in the form of a credit toward the future purchase of insurance. The excess amount shall be refunded on a pro rata basis in relation to the final compilation year earned premiums to the workers' compensation policyholders of record of the insurance group on December 31 of the final compilation year.

(h) (1) Cash refunds to policyholders may be rounded to the nearest dollar;

(2) Data in required reports to the department may be rounded to the nearest dollar;

(3) Rounding, if elected by the insurance group, shall be applied consistently.

(i) (1) Refunds shall be completed in one of the following ways:

(i) If the insurance group elects to make a cash refund, the refund shall be completed within sixty (60) days of the entry of a final order indicating that excess profits have been realized; or

(ii) If the insurance group elects to make refunds in the form of a credit to renewal policies, the credits shall be applied to policy renewal premium notices which are forwarded to insured more than sixty (60) calendar days after the entry of a final order indicating that excess profits have been realized. If an insurance group has made this election, but an insured after this cancels his or her policy or allows his or her policy to terminate, the insurance group shall make a cash refund not later than sixty (60) days after the termination of the coverage;

(2) Upon completion of the renewal credits or refund payments, the insurance group shall immediately certify to the department that the refunds have been made.

(j) Any refund or renewal credit made pursuant to this section, for the purposes of reporting under this section for subsequent years, shall be treated as a policyholder dividend applicable to the year in which it is incurred.

## Contact Information

If you have any questions about the legislation or proposals mentioned, please contact the appropriate NCCI state relations executive (listed below) or a representative of your local insurance trade association.

State	State Relations Executive	Phone Number
CT, ME, NH, RI, VT	Laura Backus Hall	802-454-1800
FL, ID, MT, NV, OR	Peter Burton	610-964-8852
AL, GA, KY, LA, MS	Laura Hart Bryan	225-618-8168
AK, AZ, CO, NM, UT	Maggie Karpuk	818-707-8374
DC, MD, VA, WV	David Benedict	804-380-3005
HI	Carolyn Pearl	808-524-6239
IN, NC, SC, TN	Amy Quinn	803-356-0851
AR, IL, KS, TX	Terri Robinson	501-333-2835
IA, MO, NE, OK, SD	Carla Townsend	314-843-4001
Federal Issues	Tim Tucker	202-403-8526

This report is informational and is not intended to provide an interpretation of state and federal legislation.