



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 includes 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 is included in the first report published each month. This report is issued on a weekly basis throughout the legislative season and provides updates on the content of these bills if and when they progress through the legislative process. This report covers 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 May 18, 2018.

### Maryland

**HB 205** was:

- Passed by the first chamber on March 17, 2018
- Included in NCCI's March 30, 2018 **Legislative Activity Report** (RLA-2018-13)
- Passed by the second chamber on March 30, 2018
- Included in NCCI's April 6, 2018 **Legislative Activity Report** (RLA-2018-14)
- Enacted on May 15, 2018, with an effective date of October 1, 2018

**HB 205** amends **section 9-628. Compensation for less than 75 weeks** of the Maryland Workers Compensation Law, related to permanent partial disability benefits, to read as follows:

**§ 9-628. Compensation for less than 75 weeks.**

(a) "Public safety employee" defined.—In this section, "public safety employee" means:

- ...
- (8) an Anne Arundel County deputy sheriff or detention officer; or
- (9) a Baltimore County deputy sheriff, but only when the deputy sheriff sustains an accidental personal injury that arises out of and in the course and scope of performing duties directly related to:
- (i) courthouse security;
  - (ii) prisoner transportation;
  - (iii) service of warrants;
  - (iv) personnel management; or
  - (v) other administrative duties ; or
- (10) a state correctional officer.
- ...

**HB 205** also includes the following clause:

And be it further enacted, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any claims arising from events occurring before the effective date of this Act.

**SB 48** was:

- Passed by the first chamber on February 20, 2018
- Included in NCCI's March 2, 2018 **Legislative Activity Report** (RLA-2018-09)
- Passed by the second chamber on April 6, 2018
- Included in NCCI's April 13, 2018 **Legislative Activity Report** (RLA-2018-15)

- Enacted on May 15, 2018, with an effective date of October 1, 2018

**SB 48** amends *section 9-628. Compensation for less than 75 weeks* of the Maryland Workers Compensation Law, related to permanent partial disability benefits, to read as follows:

**§ 9-628. Compensation for less than 75 weeks**

(a) “Public safety employee” defined.—In this section, “public safety employee” means:

...

(8) an Anne Arundel County deputy sheriff or detention officer; ~~or~~

(9) a Baltimore County deputy sheriff, but only when the deputy sheriff sustains an accidental personal injury that arises out of and in the course and scope of performing duties directly related to:

(i) courthouse security;

(ii) prisoner transportation;

(iii) service of warrants;

(iv) personnel management; or

(v) other administrative duties; or

(10) a state correctional officer.

...

**SB 48** also includes the following clause:

And be it further enacted, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any claims arising from events occurring before the effective date of this Act.

**BILLS PASSING SECOND CHAMBER**

The following workers compensation-related bills passed the second chamber within the one-week period ending May 18, 2018.

**Missouri**

**HB 1719** was:

- Passed by the first chamber on March 15, 2018
- Included in NCCI’s March 23, 2018 *Legislative Activity Report* (RLA-2018-12)
- Amended and passed by the second chamber on May 16, 2018
- Amended by the Conference Committee and passed by both chambers on May 18, 2018

**HB 1719** repeals and adds numerous sections to the Missouri Annotated Statutes, in part, creating the “Professional Employer Organization Act” to provide, in part, that:

- The responsibility to obtain workers compensation coverage shall be specifically allocated in the professional employer agreement to either the professional employment organization (PEO) or the client.
- If the coemployment relationship between a PEO and a client is terminated, the client shall utilize an experience modification rating that reflects its individual experience. The PEO shall provide a client its workers compensation information within five business days of receiving or giving notice that the relationship has been terminated.
- A client may request its workers compensation information at any time and the PEO shall provide such information to the client within five business days of receiving such request. Such information shall also be provided to any future client insurer if requested by such client.
- A client is additionally required to provide prospective insurers with its workers compensation information upon receiving such information from the PEO. A client is further required to disclose to a prospective insurer its current or previous relationship with a PEO. Violation of either of these provisions is subject to a Class A misdemeanor.
- If a third party requests verification of a client’s experience modification factor for a client in certain types of insurance policies from a PEO, the PEO shall, within five business days of receipt of receiving the client’s consent, provide the information to the third party. If the client refuses to grant consent to a request for information, the PEO shall notify the requesting third party that the client has refused to consent to the disclosure of the information.

**SB 981** was:

- Passed by the first chamber on March 29, 2018
- Included in NCCI’s April 6, 2018 *Legislative Activity Report* (RLA-2018-14)
- Passed by the second chamber on May 16, 2018

**SB 981** amends *sections 287.127, 287.690, and 287.715* of the Missouri Workers’ Compensation Law as follows:

**287.127. Notice, employer to post, contents—division to provide notice, when—penalty.—**

...

2. The division of workers' compensation shall develop the notice to be posted ~~and shall~~, distribute such notice free of charge to employers and insurers upon request, and publish the notice on the website of the department of labor and industrial relations. Failure to request such notice does not relieve the employer of its obligation to post the notice. If the employer carries workers' compensation insurance, the carrier shall provide the notice, in paper or electronic format, to the insured within thirty days of the insurance policy's inception date. A carrier who elects to provide the notice in electronic format shall direct the insured to the notice available on the website of the department of labor and industrial relations.

...

**287.690. Premium tax on insurance carriers, purpose, rate, how determined—use of funds for employers mutual insurance company, purpose.—**

1. Prior to December 31, 1993, for the purpose of providing for the expense of administering this chapter and for the purpose set out in subsection 2 of this section, every person, partnership, association, corporation, whether organized under the laws of this or any other state or country, the state of Missouri, including any of its departments, divisions, agencies, commissions, and boards or any political subdivisions of the state who self-insure or hold themselves out to be any part self-insured, company, mutual company, the parties to any interindemnity contract, or other plan or scheme, and every other insurance carrier, insuring employers in this state against liability for personal injuries to their employees, or for death caused thereby, under this chapter, shall pay, as provided in this chapter, tax upon the net deposits, net premiums or net assessments received, whether in cash or notes in this state, or on account of business done in this state, for such insurance in this state at the rate of two percent in lieu of all other taxes on such net deposits, net premiums or net assessments, which amount of taxes shall be assessed and collected as herein provided. Beginning October 31, 1993, and every year thereafter, the director of the division of workers' compensation shall estimate the amount of revenue required to administer this chapter and the director shall determine the rate of tax to be paid in the following calendar year pursuant to this section commencing with the calendar year beginning on January 1, 1994. If the balance of the fund estimated to be on hand on December thirty-first of the year each tax rate determination is made is less than one hundred ten percent of the previous year's expenses plus any additional revenue required due to new statutory requirements given to the division by the general assembly, then the director shall impose a tax not to exceed two percent in lieu of all other taxes on net deposits, net premiums or net assessments, rounded up to the nearest one-half of a percentage point, which amount of taxes shall be assessed and collected as herein provided. The net premium equivalent for individual self-insured employers ~~and any group of political subdivisions of this state qualified to self-insure their liability pursuant to this chapter as authorized by section 537.620~~ shall be based on average rate classifications calculated by the department of insurance, financial institutions and professional registration as taken from premium rates filed by the twenty insurance companies providing the greatest volume of workers' compensation insurance coverage in this state. For employers qualified to self-insure their liability pursuant to this chapter, the rates filed by such group of employers in accordance with subsection 4 of section 287.280 shall be the net premium equivalent. Any group of political subdivisions of this state qualified to self-insure their liability pursuant to this chapter as authorized by section 537.620 may choose either the average rate classification method or the filed rate method, provided that the method used may only be changed once without receiving the consent of the director of the division of workers' compensation. Every entity required to pay the tax imposed pursuant to this section and section 287.730 shall be notified by the division of workers' compensation within ten calendar days of the date of the determination of the rate of tax to be imposed for the following year. **Net premiums, net deposits or net assessments** are defined as gross premiums, gross deposits or gross assessments less cancelled or returned premiums, premium deposits or assessments and less dividends or savings, actually paid or credited.

...

**287.715. Annual surcharge required for second injury fund, amount, how computed, collection—violation, penalty—supplemental surcharge, amount.**

...

2. Beginning October 31, 2005, and each year thereafter, the director of the division of workers' compensation shall estimate the amount of benefits payable from the second injury fund during the following calendar year and shall calculate the total amount of the annual surcharge to be imposed during the following calendar year upon all workers' compensation policyholders and authorized self-insurers. The amount of the annual surcharge percentage to be imposed upon each policyholder and self-insured for the following calendar year commencing with the calendar year beginning on January 1, 2006, shall be set at and calculated against a percentage, not to exceed three percent, of the policyholder's or self-insured's workers' compensation net deposits, net premiums, or net assessments for the previous policy year, rounded up to the nearest one-half of a percentage point, that shall generate, as nearly as possible, one hundred ten percent of the moneys to be paid from the second injury fund in the following calendar year, less any moneys contained in the fund at the end of the previous calendar year. All policyholders and self-insurers shall be notified by the division of workers' compensation within ten calendar days of the determination of the surcharge percent to be imposed for, and paid in, the following calendar year. The net premium equivalent for individual self-insured employers ~~and any group of political subdivisions of this state qualified to self-insure their liability pursuant to this chapter as authorized by section 537.620~~ shall be based on average rate classifications calculated by the department of insurance, financial institutions and professional registration as taken from premium rates filed by the twenty insurance companies providing the greatest volume of workers' compensation insurance coverage in this state. For employers qualified to self-insure their liability pursuant to this

chapter, the rates filed by such group of employers in accordance with subsection 4 of section 287.280 shall be the net premium equivalent. Any group of political subdivisions of this state qualified to self-insure their liability pursuant to this chapter as authorized by section 537.620 may choose either the average rate classification method or the filed rate method, provided that the method used may only be changed once without receiving the consent of the director of the division of workers' compensation. The director may advance funds from the workers' compensation fund to the second injury fund if surcharge collections prove to be insufficient. Any funds advanced from the workers' compensation fund to the second injury fund must be reimbursed by the second injury fund no later than December thirty-first of the year following the advance. The surcharge shall be collected from policyholders by each insurer at the same time and in the same manner that the premium is collected, but no insurer or its agent shall be entitled to any portion of the surcharge as a fee or commission for its collection. The surcharge is not subject to any taxes, licenses or fees.

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#### **BILLS PASSING FIRST CHAMBER**

There were no relevant workers compensation-related bills that passed the first chamber within the one-week period ending May 18, 2018.

#### **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.

<b>State</b>	<b>State Relations Executive</b>	<b>Phone Number</b>
IN, NC, SC, TN	Amy Quinn	803-356-0851
HI, NV, UT	Brett Barratt	801-401-6464
MO, NE, OK, SD	Carla Townsend	314-843-4001
AZ, IA, KS, KY	Clarissa Preston	561-945-4517
DC, MD, NM, VA, WV	David Benedict	804-380-3005
CO, FL	Dawn Ingham	561-893-3165
CT, ME, NH, RI	Justin Moulton	860-969-7903
VT	Laura Backus Hall	802-454-1800
AL, GA, LA, MS	Laura Hart Bryan	225-618-8168
AR, IL, TX	Terri Robinson	501-333-2835
Federal Issues	Tim Tucker	202-403-8526
AK, ID, MT, OR	Todd Johnson	503-892-8919

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