



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

There were no relevant workers compensation-related bills enacted within the one-week period ending June 15, 2018.

### BILLS PASSING SECOND CHAMBER

There were no relevant workers compensation-related bills that passed the second chamber within the one-week period ending June 15, 2018.

### BILLS PASSING FIRST CHAMBER

The following workers compensation-related bill passed the first chamber within the one-week period ending June 15, 2018.

#### Rhode Island

**SB 2924 Substitute A** amends numerous sections of the Rhode Island General Laws—Title 28. Labor and Labor Relations as follows:  
**§ 28-29-19. Waiver of claim of common law rights.**

(a) Any employee, ~~or corporate officer, or manager, managing member or member of a limited liability company,~~ or the parent or guardian of any minor employee, who has given notice to the employer that he or she claimed his or her right of action at common law may waive that claim by filing a notice in writing with the director and the employer or his or her agent which shall take effect five (5) days after the filing with the director.

(b) Any corporate officer, or manager, managing member or member of a limited liability company who has given notice to the employer and its workers' compensation insurance carrier that they claimed their right of action at common law may waive that claim by filing a notice in writing with the director and the employer or their agent and its workers' compensation insurance carrier which shall take effect five (5) days after the filing with the director. The insurance carrier shall keep a copy of the notice consistent with the rules and regulations of the department.

~~(b) (c)~~ (c) Any person who is appointed a corporate officer between January 1, 1999 and December 31, 2001 and was not previously an employee of the corporation may elect to become subject to chapters 29–38 of this title upon filing a notice in writing with the director and his or her employer and its workers' compensation insurance carrier which notice takes effect five (5) days after the filing of his or her notice.

**§ 28-29-30. Advisory council.**

(a) There is created a workers' compensation advisory council consisting of ~~sixteen (16)~~ seventeen (17) members as follows:

(1) The chief judge of the workers' compensation court and ~~one~~ two (2) additional ~~judge~~ judges of the workers' compensation court and one member of the Bar who primarily represents injured workers before the workers' compensation court, both to be selected by the chief judge;

...

(5) Three (3) representatives from business appointed by the governor, ~~one of whom shall be a self-insured employer,~~ and one of whom shall represent cities and towns;

...

**§ 28-30-4. Workers' compensation administrator—Appointment—Powers and duties.**

...  
(b) The administrator shall:

...  
(7) Have the power to act as a notary public as provided in § 42-30-14.

**CHAPTER 28-53**

**~~Rhode Island Uninsured Employers Fund~~ Rhode Island Uninsured Protection Fund**

**§ 28-53-1. Preamble and legislative findings.**

...  
WHEREAS, Professionals providing services covered under the provisions of the Workers' Compensation Act have taken into account, in the performance of their service, the important public policy benefit of a sound and properly functioning workers' compensation system in this state, and have tirelessly committed themselves to protect and ~~maintained~~maintain the integrity of this system; and

...  
WHEREAS, Additional reform is required to provide ~~appropriate compensation, health care and rehabilitative services~~ payments to employees who are injured while in the service of uninsured employers and to eliminate the flagrant abuse of the system by illegally uninsured employers by requiring them to accept their legal responsibility to pay the appropriate benefits to their insured employees; now, therefore be it

RESOLVED, That it is declared to be the intent of the legislature that an uninsured ~~employers protection~~ fund be created to ensure that injured workers who are employed by illegally uninsured employers are not deprived of ~~workers' compensation benefits~~ payments. The fund shall have enforcement mechanisms as are necessary to induce illegally uninsured employers to acknowledge their malfeasance, provide legally mandated ~~benefits payments~~ for injured workers; and to assure that all participants in the system recognize their obligation to conduct themselves in a manner consistent with the overall integrity of the compensation system. All amounts owed to the uninsured ~~employers protection~~ fund from illegally uninsured employers are intended to be excise taxes and as such, all ambiguities and uncertainties are to be resolved in favor of a determination that such assessments are excise taxes.

**§ 28-53-2. Establishment—Sources—Administration.**

(a)(1) There shall be established within the department of labor and training a special restricted receipt account to be known as the Rhode Island uninsured ~~employers protection~~ fund. The department shall maintain the fund for the exclusive purpose of making payments to an injured employee otherwise entitled to benefits pursuant to chapters 29 through 38 of title 28, or in the case of death of the injured employee, to person(s) presumed wholly dependent for support upon the deceased employee, as defined in § 28-33-13, and any costs specifically associated therewith, where the employer required to secure payment of such compensation failed to insure or self-insure its liability at the time the injury took place as determined by the director and the workers' compensation court.

(2) The fund shall be capitalized from excise taxes assessed against uninsured employers pursuant to the provisions of § 28-53-9 and from general revenues appropriated by the legislature. Beginning in state fiscal year ending ~~June 30, 2018~~ June 30, 2019, the legislature may appropriate up to two million dollars (\$2,000,000) in general revenue funds annually for deposit into the Rhode Island uninsured ~~employers protection~~ fund.

...  
(c) All amounts owed to the uninsured ~~employers protection~~ fund from illegally uninsured employers are intended to be excise taxes and as such, all ambiguities and uncertainties are to be resolved in favor of a determination that such assessments are excise taxes.

**§ 28-53-3. Powers and duties of the fund.**

The fund shall:

(a) Be ~~obligated~~ authorized to pay covered claims as determined by the director ~~or~~ and the workers' compensation court pursuant to the provisions of this section and promulgate all rules and regulations necessary to effectuate the provisions and overall purpose of this chapter. The rules and regulations shall be promulgated in accordance with the administrative procedures act, chapter 35 of title 42, and shall include, but not be limited to, the filing of claim forms and other documentation supporting the claim, and proof of dependency, if relevant. All claims must contain a release necessary to allow the director to investigate the claim;

**§ 28-53-7. Payments to employees of uninsured employers.**

(a) Where it is determined that the employee was injured in the course of employment while working for an employer who fails to maintain a policy of workers' compensation insurance as required by § 28-36-1 et seq., in accordance with the provisions of this chapter, the uninsured employers protection fund shall be authorized to pay the benefits to which the injured employee would be entitled pursuant to chapters 29 to 38 of this title subject to the limitations set forth herein.

(b) The workers' compensation court shall hear all petitions for payment from the fund pursuant to § 28-30-1 et seq.; provided, however, that the uninsured employers protection fund and the employer shall be named as parties to any petition seeking payment of benefits from the fund.

(c) Where an employee is deemed to be entitled to benefits from the uninsured employers protection fund, the fund shall pay benefits for ~~disability and medical expenses~~ incapacity as provided pursuant to chapters 29 to 38 of this title except that the employee shall not be entitled to receive benefits for medical expenses pursuant to the provisions of § 28-33-5 or loss of function and disfigurement pursuant to the provisions of § 28-33-19.

(d) The fund shall pay costs, counsel, and witness fees, as provided in § 28-35-32, to any employee who successfully prosecutes any petitions for ~~compensation; petitions for medical expenses payment; petitions to amend a pretrial order or memorandum of agreement;~~ and all other employee petitions; and to employees who successfully defend, in whole or in part, proceedings seeking to reduce or terminate any and all ~~workers' compensation benefits payments;~~ provided, however, that the attorney's fees awarded to counsel who represent the employee in petitions for lump-sum commutation filed pursuant to § 28-33-25, or in the settlement of disputed cases pursuant to § 28-33-25.1, shall be limited to the maximum amount paid to counsel who serve as court-appointed attorneys in workers' compensation proceedings as established by rule or order of the Rhode Island supreme court. Any payment ordered by the court or due under this section shall not be subject to liens set forth in § 28-33-27(b), nor shall such payments be assignable or subject to assignment in any way.

(e) In the event that the uninsured employer makes payment of any monies to the employee to compensate the employee for lost wages or medical expenses, the fund shall be entitled to a credit for all such monies received by, or on behalf of, the employee against any future benefits payable directly to the employee The fund shall be entitled to full reimbursement from the uninsured employer for any and all payments made to employee as well as all costs, counsel and witness fees paid out by the fund in connection with any claim and/or petition plus any and all costs and attorney fees associated with collection and reimbursement of the fund.

(f) This section shall apply to injuries that occur on or after ~~July 1, 2018~~ February 1, 2019.

#### **§ 28-53-8. Limitations on payments to injured employees.**

(a) Where the director determines by experience or other appropriate accounting and actuarial methods that the reserves in the fund are insufficient to pay all claims presented or pending, the director shall petition the workers' compensation court for an order to make appropriate, proportionate reductions in the payments being made to injured employees by the fund or to suspend all payments to injured employees until such time as the reserves maintained by the fund are sufficient to resume the payment of benefits. The matter shall be heard by the chief judge. If the court determines that the monies held by the fund are insufficient to ~~fully pay all claims~~ make payments as they fall due, the court shall issue an order directing that a proportionate reduction be made in the payments made to those employees receiving ~~benefits payments~~ from the fund. In considering the fund's request for relief, the court shall give due weight to the policy of the workers' compensation act that ~~benefits payments~~ are to be paid weekly and that the unwarranted reduction or interruption in the employee's weekly ~~compensation benefit payment~~ will impose financial hardship upon the injured worker.

...

(d) Payments under this chapter shall not be awarded to any injured employee or dependent if the award would directly or indirectly inure to the benefit of the uninsured employer.

(e) No payment shall be awarded when the director or the court, in its discretion, determines that unjust enrichment to or on behalf of the illegally uninsured employer would result.

(f) No interest shall be included in or added to payments under this chapter.

(g) No payments will be awarded under this chapter to an injured employee, or in the case of death of the injured employee, to person(s) presumed wholly dependent for support upon the deceased employee, as defined in § 28-33-13, in a total amount in excess of fifty thousand dollars (\$50,000) plus any attorneys' fees awarded in connection with petitions for payment from the fund.

(h) Applications for payment under this chapter shall be filed with the director within the time limits set forth in § 28-35-57.

#### **§ 28-53-9. Penalties, taxes and assessments against non-complying employers.**

(a) Where it is determined that an employer has failed to maintain a policy of workers' compensation insurance as required by Rhode Island general laws § 28-36-1 et seq. and that while the employer was uninsured in violation of the statute, an employee suffered a compensable injury, the uninsured employers protection fund shall commence the payment of weekly ~~benefits and medical expenses necessary to cure, relieve or rehabilitate the employee from the effects of the work related injury~~ payment to the employee as set forth herein, subject to fund availability. ~~The~~ On behalf of the fund, the director shall acquire a lien against the goods and chattels of the uninsured employer to the extent of any payments made by it to the injured employee. The lien(s) shall

arise and attach as of the date on which the fund makes payment to the injured employee without further action by the fund or the court. The lien shall have priority over all subsequently perfected liens and security interests.

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