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 17, 2019.

<table>
<thead>
<tr>
<th>Illinois</th>
</tr>
</thead>
<tbody>
<tr>
<td>SB 1596 was:</td>
</tr>
<tr>
<td>• Passed by the first chamber on March 6, 2019</td>
</tr>
<tr>
<td>• Included in NCCI’s March 15, 2019 Legislative Activity Report (RLA-2019-09)</td>
</tr>
<tr>
<td>• Passed by the second chamber on March 14, 2019</td>
</tr>
<tr>
<td>• Included in NCCI’s March 22, 2019 Legislative Activity Report (RLA-2019-10)</td>
</tr>
<tr>
<td>• Enacted and effective on May 17, 2019</td>
</tr>
</tbody>
</table>

SB 1596 adds and amends various sections of the Illinois Workers’ Compensation Act and Workers’ Occupational Diseases Act to read as follows:

(820 ILCS 305/1.2)

Sec. 1.2. Permitted civil actions.
Subsection (a) of Section 5 and Section 11 do not apply to any injury or death sustained by an employee as to which the recovery of compensation benefits under this Act would be precluded due to the operation of any period of repose or repose provision. As to any such injury or death, the employee, the employee’s heirs, and any person having standing under the law to bring a civil action at law, including an action for wrongful death and an action pursuant to Section 27-6 of the Probate Act of 1975, has the nonwaivable right to bring such an action against any employer or employers.

(820 ILCS 305/5)

Sec. 5. Damages; minors; third-party liability.
(a) Except as provided in Section 1.2, no common law or statutory right to recover damages from the employer, his insurer, his broker, any service organization that is wholly owned by the employer, his insurer or his broker and that provides safety service, advice or recommendations for the employer or the agents or employees of any of them for injury or death sustained by any employee while engaged in the line of his duty as such employee, other than the compensation herein provided, is available to any employee who is covered by the provisions of this Act, to any one wholly or partially dependent upon him, the legal representatives of his estate, or any one otherwise entitled to recover damages for such injury.

(820 ILCS 305/11)

Sec. 11. Measure of responsibility.
Except as provided in Section 1.2, the compensation herein provided, together with the provisions of this Act, shall be the measure of the responsibility of any employer engaged in any of the enterprises or businesses enumerated in Section 3 of this Act, or of any employer who is not engaged in any such enterprises or businesses, but who has elected to provide and pay
compensation for accidental injuries sustained by any employee arising out of and in the course of the employment according to the provisions of this Act, and whose election to continue under this Act, has not been nullified by any action of his employees as provided for in this Act.

...(820 ILCS 310/1.1)
Sec. 1.1. Permitted civil actions.
Subsection (a) of Section 5 and Section 11 do not apply to any injury or death resulting from an occupational disease as to which the recovery of compensation benefits under this Act would be precluded due to the operation of any period of repose or repose provision. As to any such occupational disease, the employee, the employee’s heirs, and any person having standing under the law to bring a civil action at law, including an action for wrongful death and an action pursuant to Section 27-6 of the Probate Act of 1975, has the nonwaivable right to bring such an action against any employer or employers.

...(820 ILCS 310/5)
Sec. 5. Liability inclusive; third-party liability.
(a) Except as provided in Section 1.1, there is no common law or statutory right to recover compensation or damages from the employer, his insurer, his broker, any service organization retained by the employer, his insurer or his broker to provide safety service, advice or recommendations for the employer or the agents or employees of any of them for or on account of any injury to health, disease, or death therefrom, other than for the compensation herein provided for or for damages as provided in Section 3 of this Act. This Section shall not affect any right to compensation under the “Workers’ Compensation Act”.

...(820 ILCS 310/11)
Sec. 11. Measure of liability.
Except as provided in Section 1.1, the compensation herein provided for shall be the full, complete and only measure of the liability of the employer bound by election under this Act and such employer’s liability for compensation and medical benefits under this Act shall be exclusive and in place of any and all other civil liability whatsoever, at common law or otherwise, to any employee or his legal representative on account of damage, disability or death caused or contributed to by any disease contracted or sustained in the course of the employment.

Nebraska

LB 418 was:
• Passed by the legislature on May 13, 2019*
• Enacted on May 17, 2019, with a projected effective date of September 1, 2019

LB 418, in part, amends sections 48-122, 48-193-197, and 48-1,108, and creates new section 8 in the Nebraska Workers’ Compensation Act to read:

Section 1.
48-122. Compensation; injuries causing death; amount and duration of payments; computation of wages; expenses of burial; alien dependents.

...(5)(a)(i) Except as provided in subdivision (5)(a)(ii) of this section, the consular officer (5) The consul general, consul, vice consul general, or vice consul of the nation of which the employee, whose injury results in death, is a citizen, or the representative of such consul general, consul, vice consul general, or vice consul residing within the State of Nebraska shall be regarded as the sole legal representative of any alien dependents of the employee residing outside of the United States and representing the nationality of the employee. (ii) At any time prior to the final settlement, a nonresident alien dependent may file with the Nebraska Workers’ Compensation Court a power of attorney designating any suitable person residing in this state to act as attorney in fact in proceedings under the Nebraska Workers’ Compensation Act. If the compensation court determines that the interests of the nonresident alien dependent will be better served by such person than by the consular officer, the compensation court shall appoint such person to act as attorney in fact in such proceedings. In making such determination the court shall consider, among other things, whether a consular officer’s jurisdiction includes Nebraska and the responsiveness of the consular officer to attempts made by an attorney representing the employee to engage such consular officer in the proceedings. (b) Such consular officer, or appointed person his or her representative, residing in the State of Nebraska, shall have in behalf of such nonresident alien dependents, the exclusive right to institute proceedings for, adjust, and settle all claims for compensation provided by the Nebraska Workers’ Compensation Act, and to receive the distribution to such nonresident alien dependents of all compensation arising thereunder.
Section 2.
48-193. Terms, defined.
For purposes of sections 48-192 to 48-1,109, unless the context otherwise requires:

... 

(2) State Claims Board shall mean the board created by section 81-8,320; 
(3) Employee of the state shall mean any one or more officers or employees of the state or any state agency and shall include duly appointed members of boards or commissions when they are acting in their official capacity. State employee shall not be construed to include any employee of an entity created pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act or any contractor with the State of Nebraska unless such contractor comes within the provisions of section 48-116; 
(4) Workers’ compensation claim shall mean any claim against the State of Nebraska arising under the Nebraska Workers’ Compensation Act; and 
(5) Award shall mean any amount determined by the Risk Manager and the Attorney General State Claims Board to be payable to a claimant under sections 48-192 to 48-1,109 or the amount of any compromise or settlement under such sections.

Section 3.
48-194. Risk Manager; authority; Attorney General; duties.
The Risk Manager, on behalf of the State Claims Board and with the advice of the Attorney General, shall have the authority to pay claims of all workers’ compensation benefits when liability is undisputed. In any claims when liability or the amount of liability is disputed by the Attorney General, authority is hereby conferred upon the Attorney General to consider, ascertain, adjust, determine, and allow any workers’ compensation claim. If any such claim is compromised or settled, the approval of the claimant, the Risk Manager State Claims Board, and the Attorney General shall be required and such settlements also shall be approved by the Nebraska Workers’ Compensation Court following the procedure in the Nebraska Workers’ Compensation Act.

Section 4.
48-195. State Claims Board; rules and regulations; adopt.
The risk management and state claims division of the Department of Administrative Services may State Claims Board shall, pursuant to the Administrative Procedure Act, adopt and promulgate such rules and regulations as are necessary to carry out sections 48-192 to 48-1,109.

Section 5.
48-196. State agency; handle claims; Attorney General; supervision.
The Risk Manager State Claims Board may delegate to a state agency the handling of workers’ compensation claims of employees of that agency, under the supervision and direction of the Attorney General.

Section 6.
48-197. Claims; filing; investigation; report.
All claims under sections 48-192 to 48-1,109 shall be filed with the Risk Manager. The Risk Manager shall immediately advise the Attorney General of the filing of any claim. It shall be the duty of the Attorney General to cause a complete investigation to be made of all such claims. Whenever any state agency receives notice or has knowledge of any alleged injury under the Nebraska Workers’ Compensation Act, such state agency shall immediately file a first report of such alleged injury with the Nebraska Workers’ Compensation Court and the Risk Manager and shall file such other forms as may be required by such court or the Risk Manager board.

Section 7.
48-1,108. Insurance policy; applicability; company; Attorney General; State Claims Board; cooperate.
Whenever a claim or suit against the state is covered by workers’ compensation insurance, the provisions of the insurance policy on defense and settlement shall be applicable notwithstanding any inconsistent provisions of sections 48-192 to 48-1,109. The Attorney General and the Risk Manager State Claims Board shall cooperate with the insurance company.
Section 8.
(1) After receipt of the notices provided for in this section, no debt collection shall be undertaken by a provider of services, supplier of services, collection agency, collector, or creditor attempting to collect a debt incurred against an employee or his or her spouse for treatment of a work-related injury while the matter is pending in the compensation court until final adjudication of the case regarding such debt.
(2) Notice under this section shall be made in writing and provided to each provider of services, supplier of services, collection agency, collector, or creditor as described in subsection (1) of this section. Notice shall not be imputed to any party from the service of notice upon another party.
(3) The initial notice shall contain the provider’s name, employee’s name, date of the injury, and a description of the injury, together with the filing date and case number pending in the compensation court. Within thirty days after the initial notice, an additional notice shall be provided specifically identifying the debt upon which collection should be stayed, unless identification was made in the initial notice. Notice shall be void if it fails to provide the proper information or is not provided within the required timeframes, or until proper notice is provided.
(4) Notice shall be made by personally delivering the notice to the person on whom it is to be served or by sending it by first-class mail addressed to the person or business entity on whom it is to be served at his or her residence or the principal office address of a business entity, or by a method otherwise agreed to between the parties. Each provider, supplier, collection agency, collector, or creditor shall not be deemed to be notified under this section unless receipt of the notice can be demonstrated.
(5) If collection efforts continue after both notices are received by the entity seeking to collect, the notices may be forwarded to the Attorney General requesting his or her assistance in gaining compliance with this act. The entity seeking to collect shall be copied on such notification to the Attorney General, and shall be given a reasonable period of time to respond to the notice and to cure any noncompliance. If noncompliance continues, the Attorney General may take such reasonable steps as is necessary to ensure compliance with this section. No private cause of action shall exist under this section. A violation of this section shall not be considered a violation of any other state or federal law.
(6) After notice is provided, collection lawsuits may be stayed, where applicable, by the plaintiff in a pending collection case, until final adjudication by the compensation court of the matter of the debt alleged to be subject to this section.
(7) The statute of limitations on the collection of such debt shall be tolled during the pendency of the compensation case from the date the case was filed with the compensation court.
(8) This section shall have no applicability outside of the Nebraska Workers’ Compensation Act and shall not apply to any other cause of action under state or federal law.

Section 9.
48-1,110. Act, how cited.
48-1,110 Sections 48-101 to 48-1,117 and section 8 of this act shall be known and may be cited as the Nebraska Workers’ Compensation Act.

*Note: Nebraska has only one chamber in its legislature. After the legislature passes a bill, it goes to the governor for consideration.

Nevada

AB 455 was:
• Passed by the first chamber on April 19, 2019
• Included in NCCI’s April 26, 2019 Legislative Activity Report (RLA-2019-15)
• Passed by the second chamber on May 7, 2019
• Included in NCCI’s May 17, 2019 Legislative Activity Report (RLA-2019-18)
• Enacted on May 14, 2019, with an effective date of July 1, 2019

AB 455 amends section 616B.012 of the Nevada Revised Statutes to read:
NRS 616B.012 Confidentiality and disclosure of information; penalty for disclosure or use of information; privileged communications.

... 9. The provisions of this section do not prohibit the Administrator or the Division from disclosing:
(a) Disclosing any nonproprietary information relating to an uninsured employer or proof of industrial insurance; or
(b) Notifying an injured employee or the surviving spouse or dependent of an injured employee of benefits to which such persons may be entitled in addition to those provided pursuant to the provisions of chapters 616A to 616D, inclusive, or chapter 617 of NRS but only if:
(1) The notification is solely for the purpose of informing the recipient of benefits that are available to the recipient; and
(2) The content of the notification is limited to information concerning services which are offered by nonprofit entities.
The following workers compensation-related bills passed the second chamber within the one-week period ending May 17, 2019.

**HB 269** was:
- Passed by the first chamber on April 11, 2019
- Included in NCCI’s April 19, 2019 Legislative Activity Report (RLA-2019-14)
- Passed by the second chamber on May 16, 2019

**HB 269** amends sections 820 ILCS 305/4 and 820 ILCS 305/4a-5 of the Illinois Workers’ Compensation Act to read:

820 ILCS 305/4
Sec. 4.

(a-1)

Any penalty under this subsection (a-1) must be imposed not later than one year after the expiration of the applicable limitation period specified in subsection (d) of Section 6 of this Act. Penalties imposed under this subsection (a-1) shall be deposited into the Illinois Workers’ Compensation Commission Operations Fund, a special fund that is created in the State treasury. Subject to appropriation, moneys in the Fund shall be used solely for the operations of the Illinois Workers’ Compensation Commission, the salaries and benefits of the Self-Insurers Advisory Board employees, the operating costs of the Self-Insurers Advisory Board, and by the Department of Insurance for the purposes authorized in subsection (c) of Section 25.5 of this Act.

(d) Whenever a Commissioner, with due process and after a hearing, determines an employer has knowingly failed to provide coverage as required by paragraph (a) of this Section, the failure shall be deemed an immediate serious danger to public health, safety, and welfare sufficient to justify service by the Commission of a work-stop order on such employer, requiring the cessation of all business operations of such employer at the place of employment or job site. If a business is declared to be extra hazardous, as defined in Section 3, a Commissioner may issue an emergency work-stop order on such an employer ex parte, prior to holding a hearing, requiring the cessation of all business operations of such employer at the place of employment or job site while awaiting the ruling of the Commission. Whenever a Commissioner issues an emergency work-stop order, the Commission shall issue a notice of emergency work-stop hearing to be posted at the employer’s places of employment and job sites. Whenever a panel of 3 Commissioners comprised of one member of the employing class, one member of the employee class, and one member not identified with either the employing or employee class, with due process and after a hearing, determines an employer has knowingly failed to provide coverage as required by paragraph (a) of this Section, the failure shall be deemed an immediate serious danger to public health, safety, and welfare sufficient to justify service by the Commission of a work-stop order on such employer, requiring the cessation of all business operations of such employer at the place of employment or job site. Any law enforcement agency in the State shall, at the request of the Commission, render any assistance necessary to carry out the provisions of this Section, including, but not limited to, preventing any employee of such employer from remaining at a place of employment or job site after a work-stop order has taken effect. Any work-stop order shall be lifted upon proof of insurance as required by this Act. Any orders under this Section are appealable under Section 19(f) to the Circuit Court.

All investigative actions must be acted upon within 90 days of the issuance of the complaint. Employers who are subject to and who knowingly fail to comply with this Section shall not be entitled to the benefits of this Act during the period of noncompliance, but shall be liable in an action under any other applicable law of this State. In the action, such employer shall not avail himself or herself of the defenses of assumption of risk or negligence or that the injury was due to a co-employee. In the action, proof of the injury shall constitute prima facie evidence of negligence on the part of such employer and the burden shall be on such employer to show freedom of negligence resulting in the injury. The employer shall not join any other defendant in any such civil action. Nothing in this amendatory Act of the 94th General Assembly shall affect the employee’s rights under subdivision (a)3 of Section 1 of this Act. Any employer or carrier who makes payments under subdivision (a)3 of Section 1 of this Act shall have a right of reimbursement from the proceeds of any recovery under this Section.

An investigator with the Illinois Workers’ Compensation Commission Insurance Compliance Division may issue a citation to any employer that is not in compliance with its obligation to have workers’ compensation insurance under this Act. The amount of the fine shall be based on the period of time the employer was in non-compliance, but shall be no less than $500, and shall not exceed $10,000 or $2,500. An employer that has been issued a citation shall pay the fine to the Commission and provide to the Commission proof that it obtained the required workers’ compensation insurance within 10 days after the citation was issued. This Section does not affect any other obligations this Act imposes on employers.

Upon a finding by the Commission, after reasonable notice and hearing, of the knowing and willful failure or refusal of an employer to comply with any of the provisions of paragraph (a) of this Section, the failure or refusal of an employer, service or
Sec. 413.0112. Reimbursement of Federal Military Treatment Facility.

(a) In this section, “federal military treatment facility” means a medical facility that operates as part of the Military Health System of the United States Department of Defense.

(b) The reimbursement rates for medical services provided to an injured employee by a federal military treatment facility must be the amount charged by the facility as determined under 32 C.F.R. Part 220.

(c) Chapter 1305, Insurance Code, and the following sections of this code do not apply to the reimbursement of a federal military treatment facility’s charges for medical services provided to an injured employee:
(1) Sections 408.027(a) and (f);
(2) Section 408.0271;
(3) Section 408.0272;
(4) Section 408.028;
(5) Section 408.0281;
(6) Section 413.011;
(7) Section 413.014;
(8) Section 413.031, as that section relates to medical fee disputes;
(9) Section 413.041; and
(10) Section 504.053.

(d) The commissioner shall adopt rules necessary to implement this section, including rules establishing:
(1) requirements for processing medical bills for services provided to an injured employee by a federal military treatment facility; and
(2) a separate medical dispute resolution process to resolve disputes over charges billed directly to an injured employee by a federal military treatment facility.

SB 935 also includes the following language:
The commissioner of workers’ compensation shall adopt rules as required by Section 413.0112, Labor Code, as added by this Act, not later than December 1, 2019.
The change in law made by this Act applies only to health care services provided on or after January 1, 2020, in conjunction with a claim for workers’ compensation benefits, regardless of the date on which the compensable injury that is the basis of the claim occurred.

SB 1063 was:
• Passed by the first chamber on April 11, 2019
• Included in NCCI’s April 19, 2019 Legislative Activity Report (RLA-2019-14)
• Passed by the second chamber on May 15, 2019

SB 1063 amends numerous sections of the Texas Property and Casualty Insurance Guaranty Act to read:
Sec. 462.004. General Definitions. In this chapter:

... (5) “Impaired insurer” means a member insurer that is subject to a final, nonappealable order of liquidation that includes a finding of insolvency issued by a court of competent jurisdiction in this state or in the insurer’s state of domicile:
(A) placed in:
(i) temporary or permanent receivership or liquidation under a court order, including a court order of another state, based on a finding of insolvency; or
(ii) conservatorship after the commissioner determines that the insurer is insolvent; and
(B) designated by the commissioner as an impaired insurer.
...

Sec. 462.055. Term; Vacancy.
...
(b) The remaining board members, by majority vote, shall fill a vacancy on the board for the unexpired term of a director who serves as an insurance industry board member, subject to the commissioner’s approval. The commissioner shall appoint a director to fill a vacancy on the board for the unexpired term of a director who serves as a public representative.

Sec. 462.059. Meeting by Conference Call.
(a) Notwithstanding Chapter 551, Government Code, the board may hold an open meeting by telephone conference call if immediate action is required and convening of a quorum of the board at a single location is not reasonable or practical. A meeting held by telephone conference call:
(1) must be audible to the public at the location specified in the notice described by Subsection (c); and
(2) must allow two-way audio communication during the entire meeting between the members of the board attending a meeting authorized by this section.
(a-1) If the two-way audio communication required under Subsection (a) is disrupted during a meeting so that a quorum of the board is no longer able to participate, the meeting may not continue until the two-way audio communication is reestablished.
(b) The meeting is subject to the notice requirements that apply to other meetings of the board of directors.
(c) The notice of the meeting must specify as the location of the meeting the location at which meetings of the board are usually held, and each part of the meeting that is required to be open to the public must be audible to the public at that location. The
association must make an audio recording of the meeting. The recording of the open portion of the meeting must be posted publicly to the association’s Internet website and must be tape recorded. The tape recording shall be made available to the public.

Sec. 462.207. Claims Not Covered: Amounts Due Certain Entities.

... (b) An impaired insurer’s insured is not liable, and the reinsurer, insurer, self-insurer, insurance pool, or underwriting association is not entitled to sue or continue a suit against the insured, for a subrogation recovery, reinsurance recovery, contribution, indemnification, or any other claim asserted directly or indirectly by a reinsurer, insurer, self-insurer, insurance pool, or underwriting association to the extent of the applicable liability limits of the insurance policy written and issued to the insured by the insolvent insurer.

(c) The association is entitled to recover the association’s costs, expenses, and reasonable attorney’s fees incurred in defending the association or an impaired insurer’s insured against a claim brought in violation of this subsection by a reinsurer, insurer, self-insurer, insurance pool, or underwriting association, on that entity’s own behalf or on behalf of the entity’s insured, after the date on which the entity is provided notice by the association or otherwise of the provisions of this section applicable to the entity’s suit.

Sec. 462.212. Net Worth Exclusion.

... (d) In an instance described by Subsection (c), the association is entitled to assert a claim in the bankruptcy or receivership proceeding to recover the amount of any covered claim and costs of defense paid on behalf of the insured. A court shall award the association the association’s costs, expenses, and reasonable attorney’s fees incurred in seeking recovery under this section. The association may establish procedures for requesting financial information from an insured or claimant on a confidential basis for the purpose of applying sections concerning the net worth of insureds, first-party and third-party claimants, subject to any information requested under this subsection being shared with any other association similar to the association and with the liquidator for the impaired insurer on the same confidential basis. If the insured or claimant refuses to provide the requested financial information, the association requests an auditor’s certification of that information, and the auditor’s certification is available but not provided, the association may deem the net worth of the insured or claimant to be in excess of $50 million at the relevant time.

(f) In any lawsuit contesting the applicability of Section 462.308 or this section when the insured or claimant has declined to provide financial information requested by the association under the procedure provided in the plan of operation under Section 462.103, the insured or claimant bears the burden of proof concerning its net worth at the relevant time and shall pay . If the insured or claimant fails to prove that its net worth at the relevant time was less than the applicable amount, the court shall award the association the association’s its full costs, expenses, and reasonable attorney’s fees incurred in attempting to obtain the insured’s financial information in contesting the claim.

Sec. 462.303. Certain Determinations Not Binding.

... (b) A judgment, settlement, or release described by Subsection (a) is not evidence of liability or of damages in connection with a claim brought against the association, an impaired insurer’s insured, or another party under this chapter.

(c) The association is entitled to recover the association’s costs, expenses, and reasonable attorney’s fees incurred in contesting a claim based on a judgment, settlement, or release described by Subsection (a) on the association’s behalf or on behalf of an impaired insurer’s insured after the date on which the party asserting the claim is provided notice by the association or otherwise of the provisions of this section applicable to the judgment, settlement, or release.

Sec. 462.304. Servicing Facility.

(a) The association shall handle claims through:
(1) the association’s employees or contract claims adjusters; or
(2) subject to the approval of the commissioner, through one or more insurers or other persons designated, subject to the approval of the commissioner, as a servicing facility under a servicing agreement or loss portfolio transfer agreement facilities.

(c) The association shall:
(1) reimburse a servicing facility for:
(A) obligations of the association paid by the facility; and
(B) expenses incurred by the facility in handling claims for the association. The association shall reimburse a servicing facility under this subsection in a manner that is consistent with the applicable servicing agreement or loss portfolio agreement ; and
(2) pay the other expenses of the association authorized by this chapter.
Sec. 462.307. Assignment of Rights.

...  
(d) Except as provided by Section 462.308 or 462.212, the association does not have a cause of action against the impaired insurer’s insured for money the association has paid, other than a cause of action that the impaired insurer would have had if the money had been paid by the impaired insurer.

...  
(f) To the extent the association has a right to recover proceeds from the sale of salvage property related to a covered claim, the association’s right to recover the proceeds may not be reduced in the amount of any pre-impairment costs, fees, or expenses related to the salvage property that are not part of a covered claim under Subchapter E. A person or entity in possession of salvage property subject to the association’s right of recovery may not seek recovery from the association for any pre-impairment costs, fees, or expenses related to the salvage property that are not a covered claim under Subchapter E.

Sec. 462.308. Recovery from Certain Persons.

(a) The association is entitled to recover:

...  
(2) the amount of a covered claim for workers’ compensation insurance benefits and the costs of administration and defense of the claim paid under this chapter from an insured employer or any successor entity to the insured employer under state, federal, or international law whose net worth on December 31 of the year preceding the date the insurer becomes an impaired insurer exceeds $50 million.

...  
(d) A court shall award the association the association’s costs, expenses, and reasonable attorney’s fees incurred in seeking recovery under this section.

SB 1063 also includes the following language: Except as provided by this section, the changes in law made by this Act apply only with respect to a property and casualty insurance company that is designated as an impaired insurer on or after the effective date of this Act. The law as it existed immediately before the effective date of this Act applies with respect to a property and casualty insurance company that is designated as an impaired insurer before the effective date of this Act, and that law is continued in effect for that purpose.

Vermont

SB 108 was:
- Passed by the first chamber on March 20, 2019
- Included in NCCI’s March 29, 2019 Legislative Activity Report (RLA-2019-11)
- Amended and passed by the second chamber on May 13, 2019

SB 108, in part, creates new section 712 in Chapter 9: Employer’s Liability and Workers’ Compensation of Title 21: Labor of the Vermont Statutes Annotated to read:

§ 712. Enforcement by Attorney General

(a) Following the referral of a complaint by the Commissioner of Labor pursuant to the provisions of section 3 of this title, the Attorney General may investigate a complaint that an employer has committed a willful, substantial, or systemic violation of section 687 or 708 of this chapter by claiming that it is not an employer as defined pursuant to subdivision 601(3) of this chapter or that an individual is not a worker or employee as defined pursuant to subdivision 601(14) of this chapter and may enforce those provisions by restraining prohibited acts, seeking civil penalties, obtaining assurances of discontinuance, and conducting civil investigations in accordance with the procedures established in 9 V.S.A. §§ 2458–2461 as though an employer that violates section 687 or 708 of this chapter by claiming that it is not an employer as defined pursuant to subdivision 601(3) of this chapter or that an individual is not a worker or employee as defined pursuant to subdivision 601(14) of this chapter is committing an unfair act in commerce. Any employer, employment agency, or labor organization complained against shall have the same rights and remedies as specified in 9 V.S.A. §§ 2458–2461. The Superior Courts may impose the same civil penalties and investigation costs and order other relief to the State of Vermont or an aggrieved employee for a violation of section 687 or 708 of this chapter and any related violations of the provisions of this chapter as they are authorized to impose or order under the provisions of 9 V.S.A. §§ 2458 and 2461 in an unfair act in commerce. In addition, the Superior Courts may order restitution of wages or other benefits on behalf of an employee and may order reinstatement and other appropriate relief on behalf of an employee.

(b)(1) The Attorney General shall share information and coordinate investigatory and enforcement resources with the Departments of Financial Regulation, of Labor, and of Taxes pursuant to the provisions of section 3 of this title.

(2) Upon receiving notice that the Attorney General has determined that an employer committed a violation of section 687 or 708 of this chapter by claiming that it was not an employer as defined pursuant to subdivision 601(3) of this chapter or that an individual was not a worker or employee as defined pursuant to subdivision 601(14) of this chapter, the Commissioners of Financial
Section 1.
(a) (1) Wherever the words “workers’ compensation commissioner”, “compensation commissioner” or “commissioner” are used to denote a workers’ compensation commissioner in the following sections of the general statutes, the words “administrative law judge” shall be substituted in lieu thereof:
(2) Wherever the words “workers’ compensation commissioner”, “compensation commissioner” or “commissioner” are used to denote a workers’ compensation commissioner in any public act of the 2019 session, the words “administrative law judge” shall be substituted in lieu thereof.

(b) The Legislative Commissioners’ Office shall, in codifying said sections of the general statutes pursuant to subdivision (1) of subsection (a) of this section or any public act of the 2019 session pursuant to subdivision (2) of subsection (a) of this section, make such technical, grammatical and punctuation changes as are necessary to carry out the purposes of this section.

Section 2.
Sec. 31-280a. Advisory Board of the Workers’ Compensation Commission.

(c) The advisory board shall meet at least twice once in each calendar quarter and at such other times as the chairman or the chairman of the Workers’ Compensation Commission deem necessary. All actions of the advisory board shall require the affirmative vote of six members of the advisory board. The advisory board may bring any matter related to the operation of the workers’ compensation system to the attention of the chairman of the Workers’ Compensation Commission. The advisory board may adopt any rules of procedure that the board deems necessary to carry out its duties under this chapter.

Section 3.
Sec. 31-283f. Statistical Division.

(a) A Statistical Division shall be established within the Workers’ Compensation Commission. The division shall compile and maintain statistics concerning occupational injuries and diseases, voluntary agreements, status of claims and commissioners’ dockets. The division shall be administered by a full-time salaried director who shall be appointed by the chairman of the Workers’ Compensation Commission under the provisions of chapter 67. The director shall report to the chairman.

Section 4.

(a) The fact that an employee has suffered a previous disability, shall not preclude him from compensation for a second injury, nor preclude compensation for death resulting from the second injury. If an employee having a previous disability incurs a second disability from a second injury resulting in a permanent disability caused by both the previous disability and the second injury which is materially and substantially greater than the disability that would have resulted from the second injury alone, he shall receive compensation for (1) the entire amount of disability, including total disability, less any compensation payable or paid with respect to the previous disability, and (2) necessary medical care, as provided in this chapter, notwithstanding the fact that part of the disability was due to a previous disability. For purposes of this section, “compensation payable or paid with respect to the previous disability” includes compensation payable or paid pursuant to the provisions of this chapter, as well as any other compensation payable or paid in connection with the previous disability, regardless of the source of such compensation.
(b) As a condition precedent to the liability of the Second Injury Fund, the employer or its insurer shall: (1) Notify the custodian of the fund by certified mail no later than three calendar years after the date of injury or no later than ninety days after completion of payments for the first one hundred and four weeks of disability, whichever is earlier, of its intent to transfer liability for the claim to the Second Injury Fund; (2) include with the notification (A) copies of all medical reports, (B) an accounting of all benefits paid, (C) copies of all findings, awards and approved voluntary agreements, (D) the employer’s or insurer’s estimate of the reserve amount to ultimate value for the claim, (E) a two-thousand-dollar notification fee payable to the custodian to cover the fund’s costs in evaluating the claim proposed to be transferred and (F) such other material as the custodian may require. The employer by whom the employee is employed at the time of the second injury, or its insurer, shall, in the first instance pay all awards of compensation and all medical expenses provided by this chapter for the first one hundred four weeks of disability. Failure on the part of the employer or an insurer to comply does not relieve the employer or insurer of its obligation to continue furnishing compensation under the provisions of this chapter. The custodian of the fund shall, by certified mail, notify a self-insured employer or an insurer, as applicable, of the rejection of the claim within ninety days after receiving the completed notification. Any claim which is not rejected pursuant to this section shall be deemed accepted, unless the custodian notifies the self-insured employer or the insurer within the ninety-day period that up to an additional ninety days is necessary to determine if the claim for transfer will be accepted. If the claim is accepted for transfer, the custodian shall file with the workers’ compensation commissioner for the district in which the claim was filed, a form indicating that the claim has been transferred to the Second Injury Fund and the date that such claim was transferred and shall refund fifteen hundred dollars of the notification fee to the self-insured employer or the insurer, as applicable. A copy of the form shall be mailed to the self-insured employer or the insurer and to the claimant. No further action by the commissioner shall be required to transfer said claim. If the custodian rejects the claim of the employer or its insurer, the question shall be submitted by certified mail within thirty days of the receipt of the notice of rejection by the employer or its insurer to the commissioner having jurisdiction, and the employer or insurer shall continue furnishing compensation until the outcome is finally decided. Claims not submitted to the commissioner within said time period shall be deemed withdrawn with prejudice. If the employer or insurer prevails, or if the custodian accepts the claim, all payments made beyond the one-hundred-four week period shall be reimbursed to the employer or insurer by the Second Injury Fund.

(c) If the second injury of an employee results in the death of the employee, and it is determined that the death would not have occurred except for a preexisting permanent physical impairment, the employer or its insurer shall, in the first instance, pay the funeral expense described in this chapter, and shall pay death benefits as may be due for the first one hundred four weeks. The employer or its insurer may thereafter transfer liability for the death benefits to the Second Injury Fund in accordance with the procedures set forth in subsection (b) of this section.

(d) Notwithstanding the provisions of this section, no injury which occurs on or after July 1, 1995, shall serve as a basis for transfer of a claim to the Second Injury Fund under this section. All such claims shall remain the responsibility of the employer or its insurer under the provisions of this section.

(e) All claims for transfer of injuries for which the fund has been notified prior to July 1, 1995, shall be deemed withdrawn with prejudice, unless the employer or its insurer notifies the custodian of the fund by certified mail prior to October 1, 1995, of its intention to pursue transfer pursuant to the provisions of this section. No notification fee shall be required for notices submitted pursuant to this subsection. This subsection shall not apply to notices submitted prior to July 1, 1995, in response to the custodian’s request, issued on March 15, 1995, for voluntary resubmission of notices.

(f) No claim, where the custodian of the Second Injury Fund was served with a valid notice of intent to transfer under this section, shall be eligible for transfer to the Second Injury Fund unless all requirements for transfer, including payment of the one hundred and four weeks of benefits by the employer or its insurer, have been completed prior to July 1, 1999. All claims, pursuant to this section, not eligible for transfer to the fund on or before July 1, 1999, will remain the responsibility of the employer or its insurer.

Section 5.

Sec. 31-354. Second Injury Fund contributions. Duties and powers of State Treasurer.

(a) There shall be a fund to be known as the Second Injury Fund. Each employer, other than the state, shall, within thirty days after notice given by the State Treasurer, pay to the State Treasurer for the use of the state a sum in payment of his liability under this chapter which shall be calculated in accordance with the Second Injury Fund surcharge base, as defined in section 31-349g, and shall be assessed in accordance with subsection (f) of section 31-349, sections 31-349g, 31-349h and 31-349i, this section, section 31-354b and sections 8 and 9 of public act 96-242. Such sum shall be an amount sufficient to (1) pay the debt service on state revenue bond obligations authorized to be issued under and for the purposes set forth in section 31-354b including reserve and covenant coverage requirements, (2) provide for costs and expenses of operating the Second Injury Fund, and (3) pay Second Injury Fund stipulations on claims settled by the custodian or other benefits payable out of the Second Injury Fund and not funded through state revenue bond obligations and shall be determined in accordance with the regulations adopted pursuant to the provisions of section 31-349g. The custodian shall establish a factor for the annual surcharge that caps such surcharge for the fiscal years ending June 30, 1996, 1997 and 1998. In determining such factor the custodian shall consider the funding mechanism authorized by subsection (f) of section 31-349, sections 31-349g, 31-349h and 31-349i, this section, section 31-354b and sections 8 and 9 of public act 96-242, recognize that an acceptable level of employer assessment is important to the vitality of the economy of the state and nevertheless shall assure provision of services to injured workers that enhances their ability to return to work and
improve their quality of life. In any event, such factor shall not exceed, with respect to insured employers, a rate of fifteen per cent on the Second Injury Fund surcharge base with respect to workers’ compensation and employers’ liability policies and, with respect to self-insured employers, a comparable percentage limitation representing their pro rata share of any assessment. Any employer or any insurance company acting as collection agent for the custodian of the Second Injury Fund who fails to pay in accordance with such regulations shall pay a penalty to the State Treasurer of fifteen per cent on the unpaid assessment or surcharge or fifty dollars, whichever is greater. Interest at the rate of six per cent per annum shall be charged on any amounts owed on assessment audits or surcharge audits. For self-insured employers interest shall accrue thirty days after notice from the Second Injury Fund of the unpaid audit assessment. For insurance companies, the interest shall accrue from the date of the notice of audit errors or deficiencies as determined by the date postmarked by the United States Postal Service. The State Treasurer shall notify each employer of the penalty or interest provision with the notice of assessment. Any partial payments made to the fund shall be first applied to any unpaid penalty, then to any unpaid interest and the remainder, if any, to the unpaid assessment or surcharge. Interest or penalties shall be applied if assessment or surcharge reports or payments are postmarked by the United States Postal Service after the designated due date. The sums received shall be accounted for separately and apart from all other state moneys and the faith and credit of the state of Connecticut is pledged for their safekeeping. The State Treasurer shall be the custodian of the fund and all disbursements from the fund shall be made by the Treasurer or the Treasurer’s deputies. The moneys of the fund shall be invested by the Treasurer in accordance with applicable law and section 8 of public act 96-242. Interest, income and dividends from the investments shall be credited to the fund. Each employer, each private insurance carrier acting on behalf of any employer and each interlocal risk management agency acting on behalf of any employer shall annually, on or before April first, report to the State Treasurer, in the form prescribed by the State Treasurer, the amount of money expended by or on behalf of the employer in payments for the preceding calendar year. Each private insurance carrier, each self-insurance group and each interlocal risk management agency shall submit annually, on or before April first, to the State Treasurer, in the form prescribed by the State Treasurer, a report of the total Second Injury Fund surcharge base collected in the preceding calendar year and a report of the projected total Second Injury Fund surcharge base for the current calendar year. The fund shall be used to provide the benefits set forth in section 31-306 for adjustments in the compensation rate and payment of certain death benefits, in section 31-307b for adjustments where there are relapses after a return to work, in section 31-307c for totally disabled persons injured prior to October 1, 1953, in section 31-349, as amended by this act, for disabled or handicapped employees and in section 31-355 for the payment of benefits due injured employees whose employers or insurance carriers have failed to pay the compensation, and medical expenses required by this chapter, or any other compensation payable from the fund as may be required by any provision contained in this chapter or any other statute and to reimburse employers or insurance carriers for payments made under subsection (b) of section 31-307a. The assessment required by this section is a condition of doing business in this state and failure to pay the assessment, when due, shall result in the denial of the privilege of doing business in this state or to self-insure under section 31-284. Any administrative or other costs or expenses incurred by the State Treasurer in connection with carrying out the provisions of this part, including the hiring of necessary employees, shall be paid from the fund. The State Treasurer may adopt regulations, in accordance with the provisions of chapter 54, prescribing the practices, policies and procedures to be followed in the administration of the Second Injury Fund.

Section 6.
(a) Whenever the Second Injury Fund is required, pursuant to section 31-355 or subsection (c) of section 31-349, to pay benefits or compensation mandated by the provisions of this chapter for any employer or insurer who fails or is unable to make such payments, the amount so paid by the fund shall be collectible by any means provided by law for the collection of any tax due the state of Connecticut or any subdivision thereof, including any means provided by section 12-35. Tax warrants referred to in said section 12-35 may be signed by the State Treasurer.

Section 7.
Sections 31-276a, 31-298a and 31-304 of the general statutes are repealed.

Oregon
SB 507-A amends section 656.802 of the Oregon Workers’ Compensation Law to read:
Section 1.
656.802 Occupational disease; mental disorder; proof.

(7)(a) As used in this subsection:
(A) “Acute stress disorder” has the meaning given that term in the DSM-5.
(B) “Covered employee” means an individual who, on the date a claim is filed under this chapter:
(i) Was employed for at least five years by, or experienced a single traumatic event that satisfies the criteria set forth in the DSM-5 as Criterion A for diagnosing post-traumatic stress disorder while employed by, the state, a political subdivision of the state, a special government body, as defined in ORS 174.117, or a public agency in any of these occupations:
   (I) A full-time paid firefighter;
   (II) A full-time paid emergency medical services provider;
   (III) A full-time paid police officer;
   (IV) A full-time paid corrections officer or youth correction officer;
   (V) A full-time paid parole and probation officer; or
   (VI) A full-time paid emergency dispatcher or 9-1-1 emergency operator; and
(ii) Remains employed in an occupation listed in sub-subparagraph (i) of this subparagraph or separated from employment in the occupation not more than seven years previously.
(C) “DSM-5” means the fifth edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.
(D) “Post-traumatic stress disorder” has the meaning given that term in the DSM-5.
(E) “Psychiatrist” means a psychiatrist whom the Oregon Medical Board has licensed and certified as eligible to diagnose the conditions described in this subsection.
(F) “Psychologist” means a licensed psychologist, as defined in ORS 675.010, whom the Oregon Board of Psychology has certified as eligible to diagnose the conditions described in this subsection.
(b) Notwithstanding subsections (2) and (3) of this section, if a covered employee establishes through a preponderance of persuasive medical evidence from a psychiatrist or psychologist that the covered employee has more likely than not satisfied the diagnostic criteria in the DSM-5 for post-traumatic stress disorder or acute stress disorder, any resulting death, disability or impairment of health of the covered employee shall be presumed to be compensable as an occupational disease. An insurer or self-insured employer may rebut the presumption only by establishing through clear and convincing medical evidence that duties as a covered employee were not of real importance or great consequence in causing the diagnosed condition.
(c) An insurer’s or self-insured employer’s acceptance of a claim of post-traumatic stress disorder or acute stress disorder under this subsection, whether the acceptance was voluntary or was a result of a judgment or order, does not preclude the insurer or the self-insured employer from later denying the current compensability of the claim if exposure as a covered employee to trauma that meets the diagnostic criteria set forth as Criterion A in the DSM-5 for post-traumatic stress disorder or acute stress disorder ceases being of real importance or great consequence in causing the disability, impairment of health or a need for treatment.
(d) An insurer or self-insured employer may deny a claim under paragraph (c) of this subsection only on the basis of clear and convincing medical evidence.
(e) Notwithstanding ORS 656.027 (6), a city that provides a disability or retirement system for firefighters and police officers by ordinance or charter that is not subject to this chapter, when accepting and processing claims for death, disability or impairment of health from firefighters and police officers covered by the disability or retirement system, shall apply:
   (A) The provisions of this subsection; and
   (B) For claims filed under this subsection, the time limitations for filing claims that are set forth in ORS 656.807 (1) and (2).

Section 2.
The amendments to ORS 656.802 by section 1 of this 2019 Act apply only to claims for benefits that are filed on or after the effective date of this 2019 Act.

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.

<table>
<thead>
<tr>
<th>State</th>
<th>State Relations Executive</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC, TN</td>
<td>Amy Quinn</td>
<td>561-893-3812</td>
</tr>
<tr>
<td>HI, NM, NV, UT</td>
<td>Brett Barratt</td>
<td>801-401-6464</td>
</tr>
<tr>
<td>IL, MO, OK</td>
<td>Carla Townsend</td>
<td>561-893-3819</td>
</tr>
<tr>
<td>AZ, KS, KY</td>
<td>Clarissa Preston</td>
<td>561-945-4517</td>
</tr>
<tr>
<td>DC, MD, VA, WV</td>
<td>David Benedict</td>
<td>804-380-3005</td>
</tr>
<tr>
<td>FL</td>
<td>Dawn Ingham</td>
<td>561-893-3165</td>
</tr>
<tr>
<td>IN, NC</td>
<td>Michelle Smith</td>
<td>561-893-3016</td>
</tr>
<tr>
<td>CT, ME, NH, RI</td>
<td>Justin Moulton</td>
<td>860-969-7903</td>
</tr>
<tr>
<td>VT</td>
<td>Laura Backus Hall</td>
<td>802-454-1800</td>
</tr>
<tr>
<td>AL, GA, LA, MS</td>
<td>Laura Hart Bryan</td>
<td>225-635-4481</td>
</tr>
<tr>
<td>CO, IA, NE, SD</td>
<td>Stephanie Paswaters</td>
<td>303-200-6728</td>
</tr>
<tr>
<td>Region</td>
<td>Contact Name</td>
<td>Phone Number</td>
</tr>
<tr>
<td>-----------------</td>
<td>------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>AR, TX</td>
<td>Terri Robinson</td>
<td>501-333-2835</td>
</tr>
<tr>
<td>Federal Issues</td>
<td>Tim Tucker</td>
<td>202-403-8526</td>
</tr>
<tr>
<td>AK, ID, MT, OR</td>
<td>Todd Johnson</td>
<td>561-893-3814</td>
</tr>
</tbody>
</table>

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