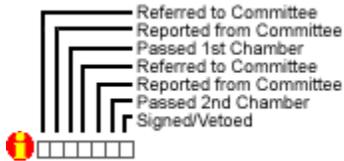


MISSOURI SELF-INSURERS ASSOCIATION
Bill Summary and Status Report
05-21-2013 - 12:30:19



HB 321 	Haahr	Changes the laws regarding the Second Injury Fund.
Last Action: 1-31-13 H Referred to House Committee on House-Workforce Dev. and Workplace Safety		
HB 333 	Kelly	Changes the laws regarding the collection of sales and use taxes and funding the Second Injury Fund.
Last Action: 2-14-13 H Referred to House Committee on House-Workforce Dev. and Workplace Safety		
HB 404 	Conway-104 Kehoe	Recognizes psychological stress as an occupational disease for paid police officers of a paid police department certified under Chapter 590 if a direct causal relationship is established.
Last Action: 5-17-13 H Truly Agreed to and Finally Passed		
HB 430 	Schatz	Changes the laws regarding the uniform experience rating plan of workers' compensation insurance.
Last Action: 5- 7-13 S Referred to Senate Committee on Senate-Small Bus./Insurance/Industry		
HB 466 	Curtman	Establishes the Family Business Growth Act which allows up to two members of an employer's family to opt out of workers' compensation insurance.
Last Action: 5-17-13 H Referred to House Committee on House-Workforce Dev. and Workplace Safety		
HB 614 	Webber	Specifies that psychological stress may be recognized as an occupational disease for paid peace officers for workers' compensation purposes if a direct causal relationship is established.
Last Action: 4- 3-13 H Superseded by - see HB 404		
HB 687 	Colona	Allows an employee who is injured on the job to select his or her own health care provider to cure and relieve the effects of the injury at the expense of the employer.
Last Action: 5-17-13 H Referred to House Committee on House-Insurance Policy		
HB 1036 	Schatz	Specifies that an employer within the construction group of code classifications may submit payroll information for any quarter of the year prior to the workers' compensation policy beginning or renewal date.
Last Action: 4-18-13 H Referred to House Committee on House-Workforce Dev. and Workplace Safety		
SB 1 	Rupp	(HCS) HCS/SS#2/SCS/SB 1 - This act modifies the law relating to the Second Injury Fund, occupational disease within the workers' compensation system, and workers' compensation insurer experience rating plans.

The act affirmatively states that occupational diseases are exclusively covered under workers' compensation laws.

The act defines "occupational diseases due to toxic exposure" and creates an expanded benefit for occupational diseases due to toxic exposure equal to 200% of the State's average weekly wage for 100 weeks. For mesothelioma cases when the employer is an asbestos manufacturer, an additional amount of 300% of the state's average weekly wage for 191 weeks shall be paid. Upon death, such payments shall be provided to the employee's spouse or children or to the employee's estate if no spouse or children exist. Such amounts are to be paid by the employer with 50% contribution from the toxic disease fund if the employer seeks such contribution.

The act requires medical providers to apply for reimbursement within 2 years from the date services are rendered for those rendered before July 1, 2013, and within one year if they are rendered after that date.

Where third persons are liable to the employee for injury or death, the Attorney General, on behalf of the Toxic Disease fund, shall be subrogated to the rights of the employee. Any recovery shall be apportioned between the Attorney General and the employee of the employee's dependents.

Currently, in workers' compensation cases an employee shall submit to reasonable medical examination at the request of the employer, the employer's insurer, the commission, the division, or an administrative law judge. This act requires the same treatment in claims against the Second Injury Fund at the request of the Attorney General, on behalf of the fund if the employer has not obtained a medical examination report.

The Toxic Disease Fund is established for employers with 15 or more employees for the purposes of paying the expanded benefits for occupational diseases due to toxic exposure. The Director of the Division of Workers' Compensation shall establish and assess a surcharge for each year based on certain criteria. The Attorney General is charged with defending the fund.

Claims filed after the effective date of the act against the fund involving subsequent compensable injuries that are occupational diseases are to be compensated as other second injury fund claims are compensated.

Claims for permanent partial disability shall not be allowed against the Second Injury Fund after the effective date of the act. Claims for permanent total disability shall only be allowed going forward for instances when there exists a medically documented preexisting permanent disability caused by military duty or a preexisting permanent partial disability equaling a minimum of 50 weeks of compensation according to the medical standards that are used in determining compensation which is:

1. A direct result of active military duty;
2. A direct result of a compensable injury;
3. Not compensable but aggravates the subsequent injury; or

4. A preexisting permanent partial disability of an extremity, loss of eyesight in one eye, or loss of hearing in one ear and there is subsequent work-related injury to the opposite extremity, loss of eyesight or hearing in the other eye or ear.

There must then be a subsequent work-related compensable injury that, in combination, creates a permanent total disability.

Employers at the time of the last injury are only liable for the disability resulting from the subsequent injury.

The act places limitations on when the Treasurer may enter agreed statements of fact and compromise settlements. Settlements are capped at \$60,000 for claims other than permanent total disability claims filed prior to the effective date of the act and capped at 200 times the employee's permanent total disability rate for all permanent total disability claims. Settlements may be made in any amount with the advice and consent of the Attorney General.

The Treasurer, with the advice and consent of the Attorney General, may enter into compromise settlements with dependents of claimants arising from the Schoemehl v. Treasurer decision.

Currently, the Second Injury Fund covers the fair, reasonable, and necessary expenses relating to the death and injury of employees of uninsured employers. The fund will no longer cover those costs going forward.

Currently, an actuarial study of the fund is conducted ever 3 years. This act requires a yearly study beginning in 2014.

Compensation shall not be payable from the Second Injury Fund when employees elect to pursue workers' compensation outside of the state.

Life payments paid out of the Second Injury Fund shall be suspended for all injured employees when the employee is able to obtain suitable gainful employment or be self-employed in view of the nature and severity of the injury.

The act establishes a priority for paying fund liabilities as follows:

1. Expenses relating to legal defense of the fund.
2. Permanent total disability awards in the order in which they are settled or finally adjudicated.
3. Permanent partial disability awards in the order in which they are settled or finally adjudicated.
4. Medical expenses incurred prior to July 1, 2012.
5. Interest on unpaid awards.

This act allows the Director of Revenue to set the post award interest, with respect to the Second Injury Fund, to equal the adjusted prime rate charged by banks in certain instances or 5%, whichever is greater.

The act requires 3 or more no confidence votes under 2 successive performance audits for removal of an ALJ instead of 2 or more such votes under any audit.

Currently, a 2% tax is levied on insurance carriers when the balance of the workers' compensation fund estimated to be on hand on December 31 is less than 110% of the previous year's expenses. This act requires that amount to actually be on hand on July 1 of the year of the determination which shall be made on October 31.

The act repeals a provision allowing loans to be made to the Missouri Employers Mutual Insurance Company.

The act institutes a funding mechanism to bolster the Second Injury Fund when usual collections are inadequate. If funds fall short, the Director of the Division of Workers' Compensation shall determine the shortfall which shall be collected with a supplemental surcharge not to exceed 1 1/2% for 2013 and 3% for subsequent years. The provisions containing the authorization of additional surcharges expire on December 31, 2020.

Sections 287.220 and 287.715 that establish the type of claims to be paid out of the fund, limitations on settlement agreements, and funding mechanisms for the Second Injury Fund carry an emergency clause.

Currently, tax overpayments are credited against the tax for the following year. Under the act, the taxpayer may elect to receive a refund in lieu of a credit.

Currently, insurers are required to adhere to a uniform classification system and experience rating plan filed with the Director of the Division. This act allows insurers the option of submitting rating methodologies that further refine the uniform rating process. Insurers are also allowed to develop, submit, and use other rating mechanisms if approved by the Director.

This act is similar to SB 430 (2011), SB 8 (2011), SB 807 (2012), SB 878 (2012), HCS/HB 1403 (2012), HB 1881 (2012), and SCS/SB 572 (2012).

CHRIS HOGERTY

Last Action: 5-16-13 H Truly Agreed to and Finally Passed

[SB 34](#)



[Cunningham](#)

(HCS) HCS/SB 34 - This act requires the Division of Workers' Compensation to develop and maintain a workers' compensation claims database that is searchable by an employee's name and social security number.

CHRIS HOGERTY

Last Action: 5-13-13 H Truly Agreed to and Finally Passed

[SB 115](#)



[Schmitt](#)

(FIL) SB 115 - Under the terms of this act, the director of the Department of Insurance is directed to perform all acts necessary to dissolve the Missouri Employers Insurance Company (MEMIC). The dissolution of MEMIC shall occur no later than January 1, 2015. The director is authorized to enter into and consummate an agreement in the name of the state of Missouri for the sale of all of the assets of MEMIC to a qualified purchaser and assumption of all or substantially all of the liabilities of the company by the qualified

purchaser.

The act sets forth the conditions for selling MEMIC. For example, the act requires the director to have received before the effective date of the transfer an opinion of a nationally recognized investment banking firm that the consideration for MEMIC's assets is fair from a financial point of view. Similarly, the act requires the director to have received before the effective date of the transfer an opinion of a nationally recognized actuarial firm that the assets of the company transferred to a qualified purchaser are adequate to permit the payment of all liabilities under policies of insurance assumed by the qualified purchaser based upon sound actuarial principles.

The act further authorizes the director to:

(1) Sell, convey, lease, exchange, transfer, or otherwise dispose of the assets and liabilities, including any real or personal property of MEMIC, wherever situated;

(2) Sell, exchange, transfer, or otherwise dispose of bonds and other obligations, shares or other securities, or interests issued by others, whether engaged in similar or different businesses, or governmental or other activities, including banking corporations or trust companies; and

(3) Exercise all powers necessary or convenient to effect or complete the transactions permitted under the act.

MEMIC's purchaser shall be a Missouri corporation organized and authorized to transact workers compensation insurance business in this state. Each debt, claim, and cause of action of MEMIC, and all property rights, privileges, franchises, and other interests of the company, shall become the property of the purchaser. The rights of all policyholders and creditors and the standing of all claims against MEMIC shall be preserved and unimpaired and become the obligation of the purchaser. Each debt, liability, and duty of MEMIC shall become a debt, liability, or duty of the purchaser and may be enforced against the purchaser as if it were incurred or contracted by the purchaser.

On the date of the transfer, the purchaser shall provide for the delivery in this state of workers' compensation insurance and for the transaction of workers' compensation insurance business to the same extent as any other insurance carrier transacting workers' compensation insurance business in this state. The purchaser shall be subject to all of the requirements of the Missouri insurance statutes and regulations applicable to insurers licensed and authorized to write workers' compensation insurance in the state of Missouri.

The consideration received from the sale of MEMIC shall be the property of the state of Missouri. Upon receipt of such consideration, the director shall transmit such consideration to the state treasurer, who shall credit such funds to the general revenue fund. Proceeds from the consideration may be used to pay the reasonable and necessary expenses incurred by the director in administering the dissolution of MEMIC, including but not limited to the retaining and hiring of accountants, actuaries, attorneys, or consultants, the cost of printing, copying, or other expenses.

Upon dissolution, MEMIC shall not transact workers compensation insurance in this state, and all operations of such company shall cease.

This act is similar to SB 660(2012) and SB 866 (2012).

STEPHEN WITTE

Last Action: 2-26-13 S Hearing conducted

[SB 255](#)



[Schmitt](#)

(FIL) SB 255 - This act removes the Director of the Division of Workers' Compensation as a member of the Administrative Law Judge Review Committee.

CHRIS HOGERTY

Last Action: 4-15-13 S Voted do pass as substitute from committee on Senate-Financial/Gov. Org. and Elections