

HB 893 -- Workers' Compensation and the Second Injury Fund

Sponsor: Richardson

This bill changes the laws regarding workers' compensation and the Second Injury Fund. In its main provisions, the bill:

(1) Prohibits a claim against the Second Injury Fund except in a case of permanent disability where there has been a previous disability prior to July 1, 2011;

(2) Allows the State Treasurer, with the advice and consent of the Attorney General, to enter into a compromise settlement with a claimant or the dependants of a claimant in any amount up to the total sum of 100 weeks of the employee's average weekly wage or into a compromise settlement with dependants of a claimant, whether finally adjudicated or not, arising from the Missouri Supreme Court's decision in Schoemehl v. Treasurer of Missouri, 217 S.W.3d 900 (Mo. 2007);

(3) Requires the Director of the Department of Labor and Industrial Relations to conduct an actuarial study annually, instead of the current every three years, to determine the solvency of the fund with the first study to be completed prior to July 1, 2012;

(4) Specifies the order of priority that liabilities of the fund must be paid and specifies that any unpaid amounts will accrue no interest but must remain an outstanding liability of the fund until it is satisfied;

(5) Requires the department director to transfer funds from the workers' compensation annual surcharge fees to the Second Injury Fund to ensure solvency of the fund for the remainder of the fiscal year. The amount transferred cannot be of an amount to jeopardize the solvency of workers' compensation funds. The amount transferred must be repaid on or before July 1, 2012, and will be collected with a supplemental surcharge during Fiscal Year 2013;

(6) Requires the Director of the Division of Workers' Compensation within the department to collect a supplemental surcharge to the extent required in order to maintain solvency if the estimated liabilities of the fund will exceed the anticipated collections;

(7) Requires the Attorney General to reduce staff defending the fund in proportion to the number of pending cases; and

(8) Specifies that moneys collected under the provisions of

Chapter 287, RSMo, must be the sole funding source of the fund.  
The bill contains an emergency clause.