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H.374

Introduced by Representatives Botzow of Pownal, Partridge of Windham,
Lawrence of Lyndon, Marcotte of Coventry, Bartholomew of
Hartland, Bock of Chester, Buckholz of Hartford, Graham of
Williamstown, Higley of Lowell, Hill of Wolcott, Kimbell of
Woodstock, Myers of Essex, Norris of Shoreham, O’Sullivan of
Burlington, and Smith of New Haven

Referred to Committee on

Date:

Subject: Labor; banking and insurance; workers’ compensation

Statement of purpose of bill as introduced: This bill proposes to direct the
Department of Financial Regulation to identify industries and occupations
whose workers’ compensation insurance pools are characterized by high risk,
high premiums, and few policy holders, and to examine various approaches to
reducing the cost of workers’ compensation for these industries and
occupations, including the use of risk pooling, self-insured trusts, voluntary
safety practice certifications, and best practices from other states.

An act relating to reducing the cost of workers’ compensation in high-risk
occupations and industries

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 Sec. 1. WORKERS' COMPENSATION; INDUSTRIES AND

3 OCCUPATIONS WITH HIGH RISK, HIGH PREMIUMS, AND

4 FEW POLICY HOLDERS; STUDY; REPORT

5 (a) The Commissioner of Financial Regulation, in consultation with the
6 Commissioner of Labor, the National Council on Compensation Insurance, and
7 other interested stakeholders, shall identify and study industries and
8 occupations in Vermont that experience a high risk of workplace and on-the-
9 job injuries and whose workers' compensation insurance is characterized by
10 high premiums and few policy holders in the insurance pool. The industries
11 and occupations addressed in the study shall include, among others, logging
12 and log hauling, as well as arborists, roofers, and occupations in saw mills and
13 wood manufacturing operations. In particular, the Commissioner shall:

14 (1) examine difference in the potential for loss, premium rates, and
15 experience and participation in the workers' compensation marketplace
16 between the industries and occupations identified, and the average for all
17 industries and occupations in Vermont;

18 (2) study potential methods for reducing workers' compensation
19 premium rates and costs for high-risk industries and occupations, including
20 risk pooling between multiple high-risk industries or occupations, creating

1 self-insured trusts; creating voluntary safety certification programs, and
2 programs or best practices employed by other states; and

3 (3) model the potential impact on workers' compensation premiums and
4 costs from each of the methods identified pursuant to subdivision (2) of this
5 subsection.

6 (b) On or before January 15, 2018, the Commissioner of Financial
7 Regulation shall submit a written report to the House Committee on Commerce
8 and Economic Development and the Senate Committee on Finance regarding
9 his or her findings and any recommendations for legislative action to reduce
10 the workers' compensation premium rates and costs for the industries
11 identified in the study.

12 Sec. 2. EFFECTIVE DATE

13 This act shall take effect on July 1, 2017.