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H.461

Introduced by Representatives Hill of Wolcott and O’Sullivan of Burlington

Referred to Committee on

Date:

Subject: Labor; banking and insurance; workers’ compensation

Statement of purpose of bill as introduced: This bill proposes to require workers’ compensation insurance carriers to offer short-term and seasonal policies, and to require the Commissioner of Financial Regulation to study measures to make workers’ compensation more affordable for seasonal employers, as well as mechanisms to reduce the cost of providing workers’ compensation through the assigned risk pool.

An act relating to workers’ compensation

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

Sec. 1. 21 V.S.A. § 687 is amended to read:

§ 687. SECURITY FOR COMPENSATION

\* \* \*

(e)(1) All insurance carriers authorized to write workers’ compensation insurance coverage in Vermont shall make available, at the written request of the employer, a workers’ compensation insurance rate that contains a deductible provision that binds the employer to reimburse the workers’

1 compensation insurer for at least the first \$500.00 of benefits, medical or  
2 indemnity, due to an injured employee. Claims shall be adjusted and paid by  
3 the insurer, and the employer shall reimburse the insurer for the amount of the  
4 deductible.

5 (2) All insurance carriers authorized to write workers' compensation  
6 insurance coverage in Vermont shall offer employers the option of purchasing  
7 either annual, semi-annual, or quarterly insurance policies. The Commissioner  
8 of Financial Regulation, in consultation with the Commissioner of Labor, shall  
9 adopt rules as necessary to implement this subdivision.

10 Sec. 2. SHORT-TERM WORKERS' COMPENSATION POLICIES;

11 STUDY; REPORT

12 The Commissioner of Financial Regulation, in consultation with the  
13 Commissioner of Labor, shall examine potential measures to encourage the  
14 creation of affordable seasonal and short-term workers' compensation policies  
15 and measures to reduce the cost of workers' compensation insurance coverage  
16 for small employers in seasonal occupations. On or before January 15, 2018,  
17 the Commissioner shall report to the House Committee on Commerce and  
18 Economic Development and the Senate Committee on Finance regarding his or  
19 her finding and any recommendations for legislative action.

1       Sec. 3. REGIONAL ASSIGNED RISK POOL; STUDY; REPORT

2           The Commissioner of Financial Regulation shall examine potential  
3           mechanisms for joining with neighboring states to create a regional assigned  
4           risk pool for workers' compensation insurance and whether the creation of a  
5           regional assigned risk pool could reduce the cost of administering Vermont's  
6           assigned risk pool. On or before January 15, 2018, the Commissioner shall  
7           submit a written report to the House Committee on Commerce and Economic  
8           Development and the Senate Committee on Finance with his or her findings  
9           and any recommendations for legislative action related to the implementation  
10          of a regional assigned risk pool for workers' compensation insurance.

11       Sec. 4. ADMINISTRATION OF ASSIGNED RISK POOL; STUDY;  
12           REPORT

13           The Commissioner of Financial Regulation shall examine whether any  
14           premium savings or reductions in costs could be realized if the assigned risk  
15           pool for workers' compensation was administered directly by the Department  
16           of Financial Regulation rather than through a third-party. On or before  
17           January 15, 2018, the Commissioner shall submit a written report to the House  
18           Committee on Commerce and Economic Development and the Senate  
19           Committee on Finance with his or her findings and any recommendations for  
20           legislative action.

1       Sec. 5. EFFECTIVE DATE

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