

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0750	Date: February 10, 2014
Prime Sponsor(s): Sen. Jahn Rep. McNulty	Bill Status: Senate Business, Labor, & Technology
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SHORT TITLE: CERTIFICATION OF WORKERS' COMPENSATION FORMS

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	Minimal workload increase.	
FTE Position Change		
Appropriation Required: None.		

** This summary shows changes from current law under the bill for each fiscal year.*

Summary of Legislation

Under current law, any policy of insurance or any endorsement, rider, letter, or other document affecting a workers' compensation carrier must receive pre-approval from the Commissioner of Insurance within the Department of Regulatory Agencies (DORA) before taking effect.

This bill allows workers' compensation carriers to file an annual report to the Division of Insurance (DOI) in the DORA listing any policy documents affecting an insurance policy or contract. The commissioner will create standardized reporting guidelines. Workers' compensation carriers must also submit a list of any new policy forms or other documents at least 31 days before the change is enacted. All annual reports and lists submitted to the DOI must be certified by an officer of the carrier. The DOI may investigate workers' compensation carriers at its discretion to confirm that forms and documents used by the workers' compensation carrier comply with the requirements in this bill.

State Expenditures

The bill has a minimal workload impact on the DOI. Under the bill, the DOI will develop requirements for the self-certification forms submitted by workers' compensation carriers, conduct additional rulemaking, and examine and investigate authorized workers' compensation carriers as deemed necessary. The DOI presently receives about 137 pre-approval filings annually, which is estimated to take approximately 200 hours of work. Under Senate Bill 14-137, the DOI can anticipate an equal number of certifications each year with similar workload and effort. This bill creates a minimal increase in work in the DOI to create rules for workers' compensation carriers and to certify documents, however, this work can be achieved within existing resources and no additional appropriation is required.

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Regulatory Agencies

Labor