

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Bill No. 303, Page 14, Section 287.480, Line 30,
2 by inserting after all of said section and line the following:

3
4 "287.715. 1. For the purpose of providing for revenue
5 for the second injury fund, every authorized self-insurer,
6 and every workers' compensation policyholder insured
7 pursuant to the provisions of this chapter, shall be liable
8 for payment of an annual surcharge in accordance with the
9 provisions of this section. The annual surcharge imposed
10 under this section shall apply to all workers' compensation
11 insurance policies and self-insurance coverages which are
12 written or renewed on or after April 26, 1988, including the
13 state of Missouri, including any of its departments,
14 divisions, agencies, commissions, and boards or any
15 political subdivisions of the state who self-insure or hold
16 themselves out to be any part self-insured. Notwithstanding
17 any law to the contrary, the surcharge imposed pursuant to
18 this section shall not apply to any reinsurance or
19 retrocessional transaction.

20 2. Beginning October 31, 2005, and each year
21 thereafter, the director of the division of workers'
22 compensation shall estimate the amount of benefits payable
23 from the second injury fund during the following calendar
24 year and shall calculate the total amount of the annual
25 surcharge to be imposed during the following calendar year
26 upon all workers' compensation policyholders and authorized

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1 self-insurers. The amount of the annual surcharge
2 percentage to be imposed upon each policyholder and self-
3 insured for the following calendar year commencing with the
4 calendar year beginning on January 1, 2006, shall be set at
5 and calculated against a percentage, not to exceed three
6 percent, of the policyholder's or self-insured's workers'
7 compensation net deposits, net premiums, or net assessments
8 for the previous policy year, rounded up to the nearest one-
9 half of a percentage point, that shall generate, as nearly
10 as possible, one hundred ten percent of the moneys to be
11 paid from the second injury fund in the following calendar
12 year, less any moneys contained in the fund at the end of
13 the previous calendar year. All policyholders and self-
14 insurers shall be notified by the division of workers'
15 compensation within ten calendar days of the determination
16 of the surcharge percent to be imposed for, and paid in, the
17 following calendar year. The net premium equivalent for
18 individual self-insured employers shall be based on average
19 rate classifications calculated by the department of
20 commerce and insurance as taken from premium rates filed by
21 the twenty insurance companies providing the greatest volume
22 of workers' compensation insurance coverage in this state.
23 For employers qualified to self-insure their liability
24 pursuant to this chapter, the rates filed by such group of
25 employers in accordance with subsection 4 of section 287.280
26 shall be the net premium equivalent. Any group of political
27 subdivisions of this state qualified to self-insure their
28 liability pursuant to this chapter as authorized by section
29 537.620 may choose either the average rate classification
30 method or the filed rate method, provided that the method
31 used may only be changed once without receiving the consent
32 of the director of the division of workers' compensation.
33 The director may advance funds from the workers'

1 compensation fund to the second injury fund if surcharge
2 collections prove to be insufficient. Any funds advanced
3 from the workers' compensation fund to the second injury
4 fund must be reimbursed by the second injury fund no later
5 than December thirty-first of the year following the
6 advance. The surcharge shall be collected from
7 policyholders by each insurer at the same time and in the
8 same manner that the premium is collected, but no insurer or
9 its agent shall be entitled to any portion of the surcharge
10 as a fee or commission for its collection. The surcharge is
11 not subject to any taxes, licenses or fees.

12 3. All surcharge amounts imposed by this section shall
13 be deposited to the credit of the second injury fund.

14 4. Such surcharge amounts shall be paid quarterly by
15 insurers and self-insurers, and insurers shall pay the
16 amounts not later than the thirtieth day of the month
17 following the end of the quarter in which the amount is
18 received from policyholders. If the director of the
19 division of workers' compensation fails to calculate the
20 surcharge by the thirty-first day of October of any year for
21 the following year, any increase in the surcharge ultimately
22 set by the director shall not be effective for any calendar
23 quarter beginning less than sixty days from the date the
24 director makes such determination.

25 5. If a policyholder or self-insured fails to make
26 payment of the surcharge or an insurer fails to make timely
27 transfer to the division of surcharges actually collected
28 from policyholders, as required by this section, a penalty
29 of one-half of one percent of the surcharge unpaid, or
30 untransferred, shall be assessed against the liable
31 policyholder, self-insured or insurer. Penalties assessed
32 under this subsection shall be collected in a civil action
33 by a summary proceeding brought by the director of the

1 division of workers' compensation.

2 6. Notwithstanding subsection 2 of this section to the
3 contrary, the director of the division of workers'
4 compensation shall collect a supplemental surcharge not to
5 exceed three percent for calendar years 2014 to ~~2021~~ 2022
6 of the policyholder's or self-insured's workers'
7 compensation net deposits, net premiums, or net assessments
8 for the previous policy year, rounded up to the nearest one-
9 half of a percentage point. For calendar year 2023, the
10 director of the division of workers' compensation shall
11 collect a supplemental surcharge not to exceed two and one-
12 half percent of the policyholder's or self-insured's
13 workers' compensation net deposits, net premiums, or net
14 assessments for the previous policy year, rounded up to the
15 nearest one-half of a percentage point. All policyholders
16 and self-insurers shall be notified by the division of the
17 supplemental surcharge percentage to be imposed for such
18 period of time as part of the notice provided in subsection
19 2 of this section. The provisions of this subsection shall
20 expire on December 31, ~~2021~~ 2023.

21 7. Funds collected under the provisions of this
22 chapter shall be the sole funding source of the second
23 injury fund."; and

24
25 Further amend said bill by amending the title, enacting clause, and intersectional references
26 accordingly.