

SENATE BILL NO. 580

June 5, 1997, Introduced by Senator NORTH and referred to the Committee on Transportation and Tourism.

A bill to amend 1969 PA 317, entitled
"Worker's disability compensation act of 1969,"
by amending section 621 (MCL 418.621), as amended by 1994 PA
271.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 621. (1) Every contract for the insurance of the com-
2 pensation provided in this act for or against liability there-
3 fore, shall be subject to the provisions of this act and provi-
4 sions inconsistent with this act are void.

5 (2) ~~The state accident fund and each~~ EACH insurer issuing
6 an insurance policy to cover any employer not permitted to be a
7 self-insurer under section 611 shall insure, cover, and protect
8 in the same insurance policy, all the businesses, employees,
9 enterprises, and activities of the employer.

1 (3) Under procedures and conditions specifically determined
2 by the director, a separate insurance policy may be issued to
3 cover employers performing work at a specified construction site
4 if the director finds that the liability under this act of each
5 employer to all his or her employees would at all times be fully
6 secured ~~and the cost of construction at the site, not including~~
7 ~~the cost of land acquisition, will exceed \$65,000,000.00,~~ and
8 the contemplated completion period for the construction will be 5
9 years or less.

10 Each construction site shall have an appointed construction
11 safety and health director employed by the owner, construction
12 manager, general contractor of the construction site, or insur-
13 ance carrier for the project. The safety and health director
14 shall have experience in the field of construction safety and
15 health. The construction safety and health director shall be a
16 full-time director with job duties limited to occupational safety
17 and health related issues. The safety and health director shall
18 be located at and work from the construction site, whenever con-
19 struction activity takes place on the site. The owner, construc-
20 tion manager, or general contractor shall designate an alternate
21 construction safety and health director with experience in the
22 field of construction safety and health during multiple shifts
23 and temporary absences of the construction safety and health
24 director. The alternate construction safety and health director
25 shall exercise the same responsibilities and authority as the
26 construction safety and health director and report to the safety
27 and health director on the activities at the site during the

1 safety and health director's absence. The safety and health
2 director shall be responsible for coordination among all employ-
3 ers at the construction site to provide a safe and healthful
4 worksite. The construction safety and health director shall be
5 the final authority for resolution of all disputes related to
6 construction safety and health at the worksite. All construction
7 contractors at the construction site shall accept the services of
8 the education and training personnel from the departments of
9 ~~labor or public health~~ COMMUNITY HEALTH OR CONSUMER AND INDUS-
10 TRY SERVICES, or both, who provide such services ~~pursuant to~~ IN
11 ACCORDANCE WITH the Michigan occupational safety and health act,
12 ~~Act No. 154 of the Public Acts of 1974, being sections 408.1001~~
13 ~~to 408.1094 of the Michigan Compiled Laws~~ 1974 PA 154, MCL
14 408.1001 TO 408.1094. The construction safety and health direc-
15 tor shall assist all contractors at the construction site in
16 developing comprehensive accident prevention programs as required
17 by R 408.40114 of the Michigan administrative code.

18 A notice of issuance of insurance policy shall be filed on a
19 form provided by the bureau for each employer working on the spe-
20 cific construction site. The notice of issuance shall conform to
21 the requirements of section 625.

22 (4) Except as modified by the director as provided for
23 herein, each policy of insurance covering worker's compensation
24 in this state shall contain the following provisions:

25 "Notwithstanding any language elsewhere contained in this
26 contract or policy of insurance, the insurer issuing this policy
27 hereby contracts and agrees with the insured employer:

1 Compensation. (a) That it will pay to the persons that may
2 become entitled thereto all worker's compensation for which the
3 insured employer may become liable under the provisions of the
4 Michigan worker's disability compensation act for all compensable
5 injuries or compensable occupational diseases happening to his or
6 her employees during the life of this contract or policy;

7 Medical services. (b) That it will furnish or cause to be
8 furnished to all employees of the employer, all reasonable medi-
9 cal, surgical, and hospital services and medicines when they are
10 needed which the employer may be obligated to furnish or cause to
11 be furnished to his or her employees under the provisions of the
12 Michigan worker's disability compensation act and that it will
13 pay to the persons entitled thereto for all such services and
14 medicines when they are needed for all compensable injuries or
15 compensable occupational diseases happening to his or her employ-
16 ees during the life of this contract or policy;

17 Rehabilitation services. (c) That it will furnish or cause
18 to be furnished such rehabilitation services for which the
19 insured employer may become liable to furnish or cause to be fur-
20 nished under the provisions of the Michigan worker's disability
21 compensation act for all compensable injuries or compensable
22 occupational diseases happening to his or her employees during
23 the life of this contract or policy;

24 Funeral expenses. (d) That it will pay or cause to be paid
25 the reasonable expense of the last sickness and burial of all
26 employees whose deaths are caused by compensable injuries or
27 compensable occupational diseases happening during the life of

1 this contract or policy and arising out of and in the course of
2 their employment with the employer, which the employer may be
3 obligated to pay under the provisions of the Michigan worker's
4 disability compensation act;

5 Scope of contract. (e) That this insurance contract or
6 policy shall for all purposes be held and deemed to cover all the
7 businesses the ~~said~~ employer is engaged in at the time of the
8 issuance of this contract or policy and all other businesses, if
9 any, the employer may engage in during the life of this contract
10 or policy, and all employees the employer may employ in any of
11 his or her businesses during the period covered by this policy;

12 Obligations assumed. (f) That it hereby assumes all obliga-
13 tions imposed upon the employer by his or her acceptance of the
14 Michigan worker's disability compensation act, as far as the pay-
15 ment of compensation, death benefits, medical surgical, hospital
16 care or medicine and rehabilitation services is concerned;

17 Termination notice. (g) That it will file with the bureau
18 of workmen's compensation at Lansing, Michigan, at least 20 days
19 before the taking effect of any termination or cancellation of
20 this contract or policy, a notice giving the date at which it is
21 proposed to terminate or cancel this contract or policy; and that
22 any termination of this policy shall not be effective as far as
23 the employees of the insured employer are concerned until 20 days
24 after notice of proposed termination or cancellation is received
25 by the bureau of workmen's compensation;

26 Conflicting provisions. (h) That all the provisions of this
27 contract, if any, which are not in harmony with this paragraph

1 are to be construed as modified hereby, and all conditions and
2 limitations in the policy, if any conflicting herewith are hereby
3 made null and void."

4 (5) The provisions shall be printed upon or conspicuously
5 attached to every insurance contract or policy issued by the
6 ~~state accident fund or~~ insurer in type size not smaller than
7 10-point and shall constitute a separate paragraph of the
8 policy. Any provision of the policy inconsistent with the under-
9 takings and agreements of the ~~state accident fund or~~ insurer
10 contained in such provisions shall be null and void.

11 ~~(6) This section applies to the state accident fund until~~
12 ~~the state administrative board certifies in writing to the secre-~~
13 ~~tary of state by December 31, 1994 that an agreement for the~~
14 ~~transfer of all or substantially all of the assets and the~~
15 ~~assumption of all or substantially all of the liabilities of the~~
16 ~~state accident fund has been consummated with a permitted trans-~~
17 ~~feree pursuant to the requirements of section 701a.~~