

SUBSTITUTE FOR
HOUSE BILL NO. 5489

A bill to amend 1969 PA 317, entitled
"Worker's disability compensation act of 1969,"
by amending section 537 (MCL 418.537), as amended by 1992 PA 269.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 537. (1) The trustees may authorize payments from the
2 self-insurers' security fund upon request to the fund's
3 administrator by a disabled employee or a dependent of the disabled
4 employee as ~~defined~~**DESCRIBED** in section 331 who is receiving or is
5 entitled to receive worker's compensation benefits from a private
6 self-insurer who becomes insolvent after November 16, 1971, and is
7 unable to continue the payments.

8 (2) If an employee becomes disabled or dies because of a
9 compensable injury or disease while in the employ of a private

1 self-insurer who has become insolvent and who is unable to make
2 compensation payments, the employee or a dependent of the employee
3 as ~~defined~~**DESCRIBED** in section 331 may seek payment from the self-
4 insurers' security fund either by request through the fund's
5 administrator or by filing a petition for hearing with the bureau.

6 (3) Payments shall not be made from the self-insurers'
7 security fund to an employee or a dependent of the employee as
8 ~~defined~~**DESCRIBED** in section 331 for any period of disability that
9 is before the date of the request to the administrator or the date
10 of the petition for hearing before the bureau.

11 (4) If there is an apportionment as provided in section 435,
12 the trustees may reimburse subsequent employers.

13 (5) **NOTWITHSTANDING ANYTHING ELSE IN THIS SECTION, THE**
14 **TRUSTEES MAY AUTHORIZE PAYMENTS FROM THE SELF-INSURERS' SECURITY**
15 **FUND THAT ARE REQUESTED BY A DISABLED EMPLOYEE OR A DEPENDENT OF A**
16 **DISABLED EMPLOYEE, AS DESCRIBED IN SECTION 331, OF ANY EMPLOYER**
17 **THAT WAS GRANTED AUTHORITY BY THE WORKERS' COMPENSATION AGENCY**
18 **UNDER SECTION 611(1) (A) TO OPERATE AS A SELF-INSURER FOR THE FIRST**
19 **TIME IN MAY OF 1999 AND FILED FOR BANKRUPTCY IN 2005, IF THE**
20 **EMPLOYEE IS ENTITLED TO WORKER'S COMPENSATION BENEFITS ARISING OUT**
21 **OF EMPLOYMENT DURING THE PERIOD FROM MAY 28, 1999 TO OCTOBER 7,**
22 **2009. THE SELF-INSURERS' SECURITY FUND MAY REDEEM ANY CLAIM BY A**
23 **FORMER EMPLOYEE AGAINST AN EMPLOYER DESCRIBED IN THIS SUBSECTION IF**
24 **THE CLAIMANT VOLUNTARILY AGREES. NO OTHER PARTY MAY OBJECT TO THAT**
25 **REDEMPTION. UPON A BINDING FINAL JUDGMENT BY ANY STATE COURT OR**
26 **TRIBUNAL OR A FEDERAL COURT THAT ANY CARRIER IS RESPONSIBLE FOR THE**
27 **WORKER'S COMPENSATION BENEFIT PAYMENTS TO A DISABLED EMPLOYEE OR**

1 DEPENDENT OF A DISABLED EMPLOYEE, AS DESCRIBED IN SECTION 331, OF
2 AN EMPLOYER DESCRIBED IN THIS SUBSECTION, THE SELF-INSURERS'
3 SECURITY FUND IS ENTITLED TO REIMBURSEMENT FROM THAT CARRIER FOR
4 ANY AND ALL BENEFITS PAYMENTS IT MAKES TO THE EMPLOYEE OR DEPENDENT
5 UNDER THIS ACT.

6 (6) ANY UNEXPENDED BALANCE DERIVED FROM AN APPROPRIATION SHALL
7 BE RETURNED TO THE GENERAL FUND IF, AFTER AN ANNUAL REVIEW, THE
8 DIRECTOR DETERMINES THAT THE REMAINING BALANCE IN THE SELF-
9 INSURER'S SECURITY FUND WOULD EXCEED THE AMOUNT NECESSARY TO COVER
10 THE KNOWN CLAIMS MADE UNDER SUBSECTION (5).

11 Enacting section 1. This amendatory act does not take effect
12 unless House Bill No. 5487 of the 97th Legislature is enacted into
13 law.