

Act No. 238  
Public Acts of 2014  
Approved by the Governor  
June 21, 2014  
Filed with the Secretary of State  
June 27, 2014  
EFFECTIVE DATE: June 27, 2014

**STATE OF MICHIGAN  
97TH LEGISLATURE  
REGULAR SESSION OF 2014**

**Introduced by Rep. Jacobsen**

# **ENROLLED HOUSE BILL No. 5489**

AN ACT to amend 1969 PA 317, entitled "An act to revise and consolidate the laws relating to worker's disability compensation; to increase the administrative efficiency of the adjudicative processes of the worker's compensation system; to improve the qualifications of the persons having adjudicative functions within the worker's compensation system; to prescribe certain powers and duties; to create the board of worker's compensation magistrates and the worker's compensation appellate commission; to create certain other boards; to provide certain procedures for the resolution of claims, including mediation and arbitration; to prescribe certain benefits for persons suffering a personal injury under the act; to prescribe certain limitations on obtaining benefits under the act; to create, and provide for the transfer of, certain funds; to prescribe certain fees; to prescribe certain remedies and penalties; to repeal certain parts of this act on specific dates; and to repeal certain acts and parts of acts," by amending section 537 (MCL 418.537), as amended by 1992 PA 269.

*The People of the State of Michigan enact:*

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

(2) If an employee becomes disabled or dies because of a compensable injury or disease while in the employ of a private self-insurer who has become insolvent and who is unable to make compensation payments, the employee or a dependent of the employee as described in section 331 may seek payment from the self-insurers' security fund either by request through the fund's administrator or by filing a petition for hearing with the bureau.

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

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

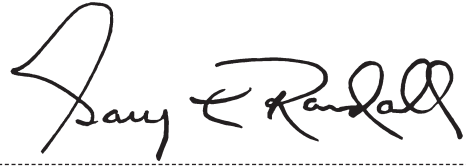
(5) Notwithstanding anything else in this section, the trustees may authorize payments from the self-insurers' security fund that are requested by a disabled employee or a dependent of a disabled employee, as described in section 331, of any employer that was granted authority by the workers' compensation agency under section 611(1)(a) to operate as a self-insurer for the first time in May of 1999 and filed for bankruptcy in 2005, if the employee is entitled to worker's compensation benefits arising out of employment during the period from May 28, 1999 to October 7, 2009. The self-insurers' security fund may redeem any claim by a former employee against an employer described in this subsection if the claimant voluntarily agrees. No other party may object to that redemption. Upon a binding final judgment by any state court or tribunal or a federal court that any carrier is responsible for the worker's compensation benefit payments to a disabled employee or dependent of a disabled employee, as described in section 331, of an

employer described in this subsection, the self-insurers' security fund is entitled to reimbursement from that carrier for any and all benefit payments it makes to the employee or dependent under this act.

(6) Any unexpended balance derived from an appropriation shall be returned to the general fund if, after an annual review, the director determines that the remaining balance in the self-insurer's security fund would exceed the amount necessary to cover the known claims made under subsection (5).

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

This act is ordered to take immediate effect.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor