

Legislative Analysis



WORKERS COMPENSATION: EACH MEMBER OF SELF-INSURED GROUP KEEPS OWN SURPLUS

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House Bill 4362 as introduced
Sponsor: Rep. Jason M. Sheppard
Committee: Commerce and Trade
Complete to 4-17-15

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

The Worker's Disability Compensation Act allows multiple employers in the same industry with combined assets of \$1 million or more, and multiple public employers of the same type of unit, to form self-insured groups for workers compensation coverage. The groups must apply to the Workers' Compensation Agency, within the Department of Licensing and Regulatory Affairs to form a group.

House Bill 4362 would say that each of the employer members participating in a self-insurer group possesses ownership of its proportional share of the assets of the group in excess of group obligations (that is, of the surplus). The trustees of a self-insured group, acting in their fiduciary capacity, would have to establish processes and procedures for the distribution of excess assets with the approval of the director of the Workers' Compensation Agency.

FISCAL IMPACT:

The bill would have no significant fiscal impact on the state or local units of government.

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