

Legislative Analysis



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

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4362 as enacted
Public Act 195 of 2015
Sponsor: Rep. Jason M. Sheppard
House Committee: Commerce and Trade
Senate Committee: Commerce
Complete to 6-27-18

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 says 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, must establish processes and procedures for the distribution of excess assets with the approval of the director of the Workers' Compensation Agency.

The bill took effect February 14, 2016 (90 days after its enactment).

MCL 418.611

FISCAL IMPACT:

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

Legislative Analysts: Chris Couch
Jenny McInerney
Fiscal Analyst: Paul Holland

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.