



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 4362 (Substitute S-2 as reported)
Sponsor: Representative Jason M. Sheppard
House Committee: Commerce and Trade
Senate Committee: Commerce

CONTENT

The bill would amend the Worker's Disability Compensation Act to specify that each employer member that participated in a self-insurer group would possess ownership in its proportional share of the assets of the group in excess of the group obligations.

Each employer subject to the Act must secure the payment of compensation by either: a) receiving authorization from the Director of the Workers' Compensation Agency to be a self-insurer, or b) insuring against liability with an authorized insurer within this State. Two or more employers in the same industry with combined assets of \$1.0 million or more, or two or more public employers of the same type of unit, may enter into agreements to pool their liabilities for the purpose of qualifying as self-insurers.

Under the bill, each of the employer members that participated in a self-insurer group would possess ownership in its proportional share of the assets of the group in excess of the self-insurer group obligations. The trustees of a self-insurer group, acting in their fiduciary capacity, would have to establish processes and procedures for distributing excess assets with the Director's approval.

The bill would take effect 90 days after its enactment.

MCL 418.611

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 10-15-15

Fiscal Analyst: Josh Sefton