S T A T E O F N E W Y O R K

7896

I N S E N A T E

June 17, 2014

Introduced by Sen. GOLDEN -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the workers' compensation law, in relation to group self insurers; and providing for the repeal of such provisions upon expiration thereof

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Paragraph 10 of subdivision 3-a of section 50 of the workers' compensation law is amended by adding a new subparagraph (c) to read as follows:

(C) ANY OTHER PROVISION OF THIS PARAGRAPH TO THE CONTRARY NOTWITHSTANDING, A GROUP SELF INSURER PLAN THAT IN ADDITION TO MEETING OTHER REQUIREMENTS OF THIS PARAGRAPH, DEMONSTRATES ITS ABILITY TO SECURE ANTICIPATED PRESENT AND FUTURE CLAIMS OF THE MEMBERS OF THE GROUP SHALL, UPON APPROVAL BY THE BOARD, BE PERMITTED TO MAINTAIN RESERVES OF NOT LESS THAN EIGHTY PERCENT OF THE AMOUNTS THAT WOULD OTHERWISE BE REQUIRED PURSUANT TO CLAUSE TWO OF SUBPARAGRAPH (A) OF THIS PARAGRAPH. THE BOARD SHALL APPROVE SUCH GROUP SELF-INSURER PLAN THAT DEMONSTRATES THE FOLLOWING:

(1) THE EXISTENCE OF A COLLECTIVE BARGAINING AGREEMENT WHICH REQUIRES THAT EMPLOYERS OBTAIN WORKERS' COMPENSATION COVERAGE FROM THE GROUP;

(2) THE GROUP HAS THE ABILITY TO SET, REVISE, OR RE-SET RATES ON AT LEAST A MONTHLY SCHEDULE AS MAY BE NECESSARY TO PROVIDE FOR COLLECTION OF ADDITIONAL FUNDS FROM GROUP MEMBERS IN THE EVENT THE DEPOSIT WITH THE BOARD IS INSUFFICIENT TO MEET THE LIABILITIES OF THE GROUP;

(3) THE GROUP HAS ESTABLISHED A DELINQUENCY FUND OR HAS AGREEMENTS WITH A FUND THAT WILL BE LIABLE FOR ANY UNCOLLECTED DELINQUENT CONTRIBUTIONS TO THE GROUP;

(4) THE GROUP MEMBERS HAVE ASSUMED JOINT AND SEVERAL OBLIGATION FOR THEIR PERIOD OF MEMBERSHIP FOR ANY LIABILITIES OF ALL CLAIMS OF THE FUND;

(5) THERE IS A DIRECT OR INDIRECT PENALTY OR WITHDRAWAL LIABILITY FOR ANY MEMBER WHO WITHDRAWS FROM THE PLAN; AND

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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(6) THE PLAN IS APPROVED BY THE FEDERAL DEPARTMENT OF LABOR AS AN EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA) FUND.

UPON FINDING BY THE CHAIR OF THE BOARD THAT THE GROUP FAILS TO MEET THE REQUIREMENTS SET FORTH IN THIS SUBPARAGRAPH, APPROVAL SHALL BE WITHDRAWN, WITH WRITTEN NOTICE STATING THE REASONS THEREFOR.

S 2. This act shall take effect immediately and shall expire and be deemed repealed on and after June 30, 2017.