

COMMITTEE STATEMENT

LB 331

HEARING DATE: 2/8/99

COMMITTEE ON: Business and Labor

TITLE: (Landis, Schimek) Prohibit certain practices relating to workers' compensation self-insurers

ROLL CALL VOTE – FINAL COMMITTEE ACTION

Advanced to General File

Advanced to General File with Amendments

Indefinitely Postponed

Vote Results:

4 Yes Senators Dierks, Preister, Redfield, Schimek

No

2 Present, not voting Senators Hilgert, Vrtiska

1 Absent Senator Chambers

PROPOSERS

Senator David Landis

Glenn Morton

James Cavanaugh

Robert Moodie

Gordon McDonald

Ronald Brown

Sam Scarpello

REPRESENTING

Introducer

NE. Workers' Comp. Court

Independent Insurance Agents of NE.

NE. Trial Attorneys

NE. State AFL-CIO

NE. Workers' Comp. Court

NE. State Council of Electrical Workers/Omaha
Federation of Labor/ Omaha Building &
Construction/NE State Utility Workers Conference

OPPOSERS

Kevin Hess

Ted Fraizer

Jeff Schumacher

Bob Skochdopole

REPRESENTING

NE. Self-Insurers Assoc.

American Insurance Assoc.

Crete Carrier Corporation

National Association of Independent Insurers

NEUTRAL

REPRESENTING

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SUMMARY OF PURPOSE AND/OR CHANGES:

LB 331 makes changes to workers' compensation law to prohibit certain practices by self-insurers and to provide penalties.

Section 1. Amends section 48-145.01 to make harmonizing changes and, in subsection (2), to provide that if an employer who is subject to the Nebraska Workers' Compensation Act fails to secure the payment of compensation as required by statute he or she is subject to certain sanctions and penalties. Current language states that the provisions of this subsection apply to an employer who fails to carry workers' compensation insurance and who does not qualify as a self-insurer. The new penalty added provides that the employer may be ordered, by the Workers' Compensation Court or the district court, to pay not more than one thousand dollars for each violation and that each day of continued failure to secure the payment of compensation shall constitute a separate violation.

Section 2. Amends section 48-146.02 (1) which relates to insurance organizations and risk management pools being found to have failed to comply with obligations under the Workers' Compensation Act and the penalties that each may receive. In each of these cases a new penalty of a payment of up to one thousand dollars for each failure to comply is added. This penalty may be ordered by the compensation court.

A new subdivision (c) is added which provides that the compensation court, after due notice and hearing, may find that a self-insurer has repeatedly failed to comply with its obligations under the act and provides for certain sanctions when this finding is made. Included in these sanctions is a monetary penalty similar the same as established in the earlier language in this section.

A new subsection (2) is inserted in this section which states that all penalties collected are to be remitted to the State Treasurer for credit to the permanent school fund.

New subsection (3) sets forth acts or practices, in addition to those already in place under the Workers' Compensation Act, which, when committed repeatedly, will subject the insurance organization, risk management pool, or self-insurer to action under subsection (1).

New subsection (4) establishes that the compensation court may examine workers' compensation records of an insurance organization, risk management pool, or a self-insurer of and adjuster or other agent acting on behalf of such entity in order to determine compliance with the obligations under the Workers' Compensation Act.

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New subsection (5) allows the compensation court to adopt rules and regulations that are necessary to implement this section.

Section 3. Repealer.

EXPLANATION OF AMENDMENTS, IF ANY:

Senator Floyd Vrtiska, Chairperson