FIRST REGULAR SESSION

[RE-PERFECTED]

SENATE SUBSTITUTE NO. 2 FOR

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 8

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR GOODMAN.

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0367S.09RP

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 287.067, 287.120, and 287.150, RSMo, and to enact in lieu thereof three new sections relating to workers' compensation.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 287.067, 287.120, and 287.150, RSMo, are repealed

- 2 and three new sections enacted in lieu thereof, to be known as sections 287.067,
- 3 287.120, and 287.150, to read as follows:

287.067. 1. In this chapter the term "occupational disease" is hereby

- 2 defined to mean, unless a different meaning is clearly indicated by the context,
- 3 an identifiable disease arising with or without human fault out of and in the
- 4 course of the employment. Ordinary diseases of life to which the general public
- 5 is exposed outside of the employment shall not be compensable, except where the
- 6 diseases follow as an incident of an occupational disease as defined in this
- 7 section. The disease need not to have been foreseen or expected but after its
- 8 contraction it must appear to have had its origin in a risk connected with the
- employment and to have flowed from that source as a rational consequence.
- 10 2. An injury **or death** by occupational disease is compensable only if the
- 11 occupational exposure was the prevailing factor in causing both the resulting

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

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- medical condition and disability. The "prevailing factor" is defined to be the primary factor, in relation to any other factor, causing both the resulting medical condition and disability. Ordinary, gradual deterioration, or progressive degeneration of the body caused by aging or by the normal activities of day-to-day living shall not be compensable.
- 17 3. An injury due to repetitive motion is recognized as an occupational disease for purposes of this chapter. An occupational disease due to repetitive 18 19 motion is compensable only if the occupational exposure was the prevailing factor 20 in causing both the resulting medical condition and disability. The "prevailing factor" is defined to be the primary factor, in relation to any other factor, causing 2122both the resulting medical condition and disability. Ordinary, gradual deterioration, or progressive degeneration of the body caused by aging or by the 23 normal activities of day-to-day living shall not be compensable. 24
 - 4. "Loss of hearing due to industrial noise" is recognized as an occupational disease for purposes of this chapter and is hereby defined to be a loss of hearing in one or both ears due to prolonged exposure to harmful noise in employment. "Harmful noise" means sound capable of producing occupational deafness.
 - 5. "Radiation disability" is recognized as an occupational disease for purposes of this chapter and is hereby defined to be that disability due to radioactive properties or substances or to Roentgen rays (X-rays) or exposure to ionizing radiation caused by any process involving the use of or direct contact with radium or radioactive properties or substances or the use of or direct exposure to Roentgen rays (X-rays) or ionizing radiation.
- 36 6. Disease of the lungs or respiratory tract, hypotension, hypertension, or disease of the heart or cardiovascular system, including carcinoma, may be 37 recognized as occupational diseases for the purposes of this chapter and are 38 defined to be disability due to exposure to smoke, gases, carcinogens, inadequate 39 40 oxygen, of paid firefighters of a paid fire department or paid police officers of a paid police department certified under chapter 590 if a direct causal relationship 41 is established, or psychological stress of firefighters of a paid fire department if 42 43 a direct causal relationship is established.
 - 7. Any employee who is exposed to and contracts any contagious or communicable disease arising out of and in the course of his or her employment shall be eligible for benefits under this chapter as an occupational disease.
 - 8. With regard to occupational disease due to repetitive motion, if the

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exposure to the repetitive motion which is found to be the cause of the injury is 48 49 for a period of less than three months and the evidence demonstrates that the exposure to the repetitive motion with the immediate prior employer was the 50 51 prevailing factor in causing the injury, the prior employer shall be liable for such occupational disease. 52

287.120. 1. Every employer subject to the provisions of this chapter shall be liable, irrespective of negligence, to furnish compensation under the provisions of this chapter for personal injury or death of the employee by accident or by 3 occupational disease arising out of and in the course of the employee's employment[,]. Any employee of such employer shall not be liable for 5 any injury or death for which compensation is recoverable under this chapter and every employer and employees of such employer shall be released from all other liability therefor whatsoever, whether to the employee or any other person, except that an employee shall not be released from 10 liability for injury or death if the employee engaged in an affirmative 11 negligent act that purposefully and dangerously caused or increased 12 the risk of injury. The term "accident" as used in this section shall include, but not be limited to, injury or death of the employee caused by the unprovoked 13 14 violence or assault against the employee by any person.

- 2. The rights and remedies herein granted to an employee shall exclude all other rights and remedies of the employee, his wife, her husband, parents, personal representatives, dependents, heirs or next kin, at common law or otherwise, on account of such [accidental] injury or death by accident or occupational disease, except such rights and remedies as are not provided for by this chapter.
- 3. No compensation shall be allowed under this chapter for the injury or 22death due to the employee's intentional self-inflicted injury, but the burden of proof of intentional self-inflicted injury shall be on the employer or the person contesting the claim for allowance. 24
- 25 4. Where the injury is caused by the failure of the employer to comply 26 with any statute in this state or any lawful order of the division or the 27 commission, the compensation and death benefit provided for under this chapter 28shall be increased fifteen percent.
 - 5. Where the injury is caused by the failure of the employee to use safety devices where provided by the employer, or from the employee's failure to obey any reasonable rule adopted by the employer for the safety of employees, the

compensation and death benefit provided for herein shall be reduced at least twenty-five but not more than fifty percent; provided, that it is shown that the employee had actual knowledge of the rule so adopted by the employer; and provided, further, that the employer had, prior to the injury, made a reasonable effort to cause his or her employees to use the safety device or devices and to obey or follow the rule so adopted for the safety of the employees.

- 6. (1) Where the employee fails to obey any rule or policy adopted by the employer relating to a drug-free workplace or the use of alcohol or nonprescribed controlled drugs in the workplace, the compensation and death benefit provided for herein shall be reduced fifty percent if the injury was sustained in conjunction with the use of alcohol or nonprescribed controlled drugs.
- (2) If, however, the use of alcohol or nonprescribed controlled drugs in violation of the employer's rule or policy is the proximate cause of the injury, then the benefits or compensation otherwise payable under this chapter for death or disability shall be forfeited.
- (3) The voluntary use of alcohol to the percentage of blood alcohol sufficient under Missouri law to constitute legal intoxication shall give rise to a rebuttable presumption that the voluntary use of alcohol under such circumstances was the proximate cause of the injury. A preponderance of the evidence standard shall apply to rebut such presumption. An employee's refusal to take a test for alcohol or a nonprescribed controlled substance, as defined by section 195.010, RSMo, at the request of the employer shall result in the forfeiture of benefits under this chapter if the employer had sufficient cause to suspect use of alcohol or a nonprescribed controlled substance by the claimant or if the employer's policy clearly authorizes post-injury testing.
- 7. Where the employee's participation in a recreational activity or program is the prevailing cause of the injury, benefits or compensation otherwise payable under this chapter for death or disability shall be forfeited regardless that the employer may have promoted, sponsored or supported the recreational activity or program, expressly or impliedly, in whole or in part. The forfeiture of benefits or compensation shall not apply when:
- (1) The employee was directly ordered by the employer to participate in such recreational activity or program;
- 65 (2) The employee was paid wages or travel expenses while participating 66 in such recreational activity or program; or
- 67 (3) The injury from such recreational activity or program occurs on the

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68 employer's premises due to an unsafe condition and the employer had actual 69 knowledge of the employee's participation in the recreational activity or program and of the unsafe condition of the premises and failed to either curtail the 70 71recreational activity or program or cure the unsafe condition.

- 728. Mental injury resulting from work-related stress does not arise out of 73 and in the course of the employment, unless it is demonstrated that the stress is 74 work related and was extraordinary and unusual. The amount of work stress 75 shall be measured by objective standards and actual events.
- 76 9. A mental injury is not considered to arise out of and in the course of the employment if it resulted from any disciplinary action, work evaluation, job 7778 transfer, layoff, demotion, termination or any similar action taken in good faith by the employer. 79
- 80 10. The ability of a firefighter to receive benefits for psychological stress under section 287.067 shall not be diminished by the provisions of subsections 8 81 and 9 of this section. 82
- 287.150. 1. Where a third person is liable to the employee or to the dependents, for the injury or death, the employer shall be subrogated to the right of the employee or to the dependents against such third person, and the recovery 3 by such employer shall not be limited to the amount payable as compensation to such employee or dependents, but such employer may recover any amount which such employee or his dependents would have been entitled to recover. Any recovery by the employer against such third person shall be apportioned between 8 the employer and employee or his dependents using the provisions of subsections 2 and 3 of this section.
- 2. When a third person is liable for the death of an employee and compensation is paid or payable under this chapter, and recovery is had by a dependent under this chapter either by judgment or settlement for the wrongful 12death of the employee, the employer shall have a subrogation lien on any recovery 13 and shall receive or have credit for sums paid or payable under this chapter to 14 any of the dependents of the deceased employee to the extent of the settlement 15 or recovery by such dependents for the wrongful death. Recovery by the employer 16 and credit for future installments shall be computed using the provisions of 18 subsection 3 of this section relating to comparative fault of the employee.
 - 3. Whenever recovery against the third person is effected by the employee or his dependents, the employer shall pay from his share of the recovery a proportionate share of the expenses of the recovery, including a reasonable

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22attorney fee. After the expenses and attorney fee have been paid, the balance of 23 the recovery shall be apportioned between the employer and the employee or his dependents in the same ratio that the amount due the employer bears to the total 2425amount recovered if there is no finding of comparative fault on the part of the employee, or the total damages determined by the trier of fact if there is a finding 26 27of comparative fault on the part of the employee. Notwithstanding the foregoing 28 provision, the balance of the recovery may be divided between the employer and 29 the employee or his dependents as they may otherwise agree. Any part of the 30 recovery found to be due to the employer, the employee or his dependents shall be paid forthwith and any part of the recovery paid to the employee or his 31 32 dependents under this section shall be treated by them as an advance payment by the employer on account of any future installments of compensation in the 33 34 following manner:

- (1) The total amount paid to the employee or his dependents shall be treated as an advance payment if there is no finding of comparative fault on the part of the employee; or
- 38 (2) A percentage of the amount paid to the employee or his dependents 39 equal to the percentage of fault assessed to the third person from whom recovery 40 is made shall be treated as an advance payment if there is a finding of 41 comparative fault on the part of the employee.
 - 4. In any case in which an injured employee has been paid benefits from the second injury fund as provided in subsection 3 of section 287.141, and recovery is had against the third party liable to the employee for the injury, the second injury fund shall be subrogated to the rights of the employee against said third party to the extent of the payments made to him from such fund, subject to provisions of subsections 2 and 3 of this section.
 - 5. No construction design professional who is retained to perform professional services on a construction project or any employee of a construction design professional who is assisting or representing the construction design professional in the performance of professional services on the site of the construction project shall be liable for any injury resulting from the employer's failure to comply with safety standards on a construction project for which compensation is recoverable under the workers' compensation law, unless responsibility for safety practices is specifically assumed by contract. The immunity provided by this subsection to any construction design professional shall not apply to the negligent preparation of design plans or specifications.

6. Any provision in any contract or subcontract, where one party is an employer in the construction group of code classifications, which purports to waive subrogation rights provided under this section in anticipation of a future injury or death is hereby declared against public policy and void. Each contract of insurance for workers' compensation shall require the insurer to diligently pursue all subrogation rights of the employer and shall require the employer to fully cooperate with the insurer in pursuing such recoveries, except that the employer may enter into compromise agreements with an insurer in lieu of the insurer pursuing subrogation against another party. The amount of any subrogation recovery by an insurer shall be credited against the amount of the actual paid losses in the determination of such employer's experience modification factor within forty-five days of the collection of such amount.

7. Notwithstanding any other provision of this section, when a third person is liable to the employee or to the dependents of an employee in a case when there is a finding that an occupational disease was caused by toxic exposure and the employee or dependents are compensated under this chapter, in no case shall the employer be subrogated to the rights of an employee or to the dependents of an employee against such third person when the employer caused the occupational disease. As used in this subsection, the term "toxic exposure" is defined to mean exposure to chemicals, dusts, particulates, fumes, mists, fibers, solvents, vapors, radiation, or other substances or materials that, when ingested, consumed, inhaled, or absorbed are sufficient to cause disease, death, mutations, cancer, deformities, or reproductive abnormalities in humans.