SECOND REGULAR SESSION

[TRULY AGREED TO AND FINALLY PASSED]

SENATE SUBSTITUTE FOR

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 572

96TH GENERAL ASSEMBLY

2012

4124S.10T

AN ACT

To repeal sections 287.067, 287.120, 287.150, and 287.240, RSMo, and to enact in lieu thereof four 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, 287.150, and 287.240, RSMo, are

- 2 repealed and four new sections enacted in lieu thereof, to be known as sections
- 3 287.067, 287.120, 287.150, and 287.240, to read as follows:

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

- 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
- 12 medical condition and disability. The "prevailing factor" is defined to be the
- 13 primary factor, in relation to any other factor, causing both the resulting medical
- 14 condition and disability. Ordinary, gradual deterioration, or progressive
- 15 degeneration of the body caused by aging or by the normal activities of day-to-day
- 16 living shall not be compensable.
- 17 3. An injury due to repetitive motion is recognized as an occupational

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

- disease for purposes of this chapter. An occupational disease due to repetitive motion is compensable only if the occupational exposure was the prevailing factor 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 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.
 - 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.
 - 6. Disease of the lungs or respiratory tract, hypotension, hypertension, or disease of the heart or cardiovascular system, including carcinoma, may be recognized as occupational diseases for the purposes of this chapter and are defined to be disability due to exposure to smoke, gases, carcinogens, inadequate 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 is established, or psychological stress of firefighters of a paid fire department if 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 exposure to the repetitive motion which is found to be the cause of the injury is 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 prevailing factor in causing the injury, the prior employer shall be liable for such occupational disease.
 - 287.120. 1. Every employer subject to the provisions of this chapter shall

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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 occupational disease arising out of and in the course of the employee's 5 employment[,]. Any employee of such employer shall not be liable for 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 liability for injury or death if the employee engaged in an affirmative 10 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 violence or assault against the employee by any person. 14

- 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 death 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.
- 4. Where the injury is caused by the failure of the employer to comply with any statute in this state or any lawful order of the division or the commission, the compensation and death benefit provided for under this chapter shall be increased fifteen percent.
- 29 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 30 any reasonable rule adopted by the employer for the safety of employees, the 31 32 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 33 34 employee had actual knowledge of the rule so adopted by the employer; and 35 provided, further, that the employer had, prior to the injury, made a reasonable 36 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. 37

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- 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.
- 43 (2) If, however, the use of alcohol or nonprescribed controlled drugs in 44 violation of the employer's rule or policy is the proximate cause of the injury, then 45 the benefits or compensation otherwise payable under this chapter for death or 46 disability shall be forfeited.
- 47 (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 48 rebuttable presumption that the voluntary use of alcohol under such 49 50 circumstances was the proximate cause of the injury. A preponderance of the evidence standard shall apply to rebut such presumption. An employee's refusal 51 to take a test for alcohol or a nonprescribed controlled substance, as defined by 52section 195.010, at the request of the employer shall result in the forfeiture of 53 benefits under this chapter if the employer had sufficient cause to suspect use of 54alcohol or a nonprescribed controlled substance by the claimant or if the 55 employer's policy clearly authorizes post-injury testing. 56
 - 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:
- 63 (1) The employee was directly ordered by the employer to participate in 64 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
 - (3) The injury from such recreational activity or program occurs on the employer's premises due to an unsafe condition and the employer had actual 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 recreational activity or program or cure the unsafe condition.
- 8. Mental injury resulting from work-related stress does not arise out of and in the course of the employment, unless it is demonstrated that the stress is

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- work related and was extraordinary and unusual. The amount of work stress shall be measured by objective standards and actual events.
- 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 transfer, layoff, demotion, termination or any similar action taken in good faith by the employer.
- 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 and 9 of this section.
 - 11. Notwithstanding any provision of law to the contrary, no civil action involving an accidental injury or death, which is filed by the employee or any dependent of the employee against the employer or employee of such employer, may proceed until all administrative remedies are exhausted under this chapter. The filing of a notice of such administrative action with the court shall toll any statute of limitation or other time limitation regarding the civil action.
- 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 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 the employer and employee or his dependents using the provisions of subsections 2 and 3 of this section.
- 10 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 11 dependent under this chapter either by judgment or settlement for the wrongful 12 death of the employee, the employer shall have a subrogation lien on any recovery 13 14 and shall receive or have credit for sums paid or payable under this chapter to any of the dependents of the deceased employee to the extent of the settlement 15 16 or recovery by such dependents for the wrongful death. Recovery by the employer and credit for future installments shall be computed using the provisions of 17 subsection 3 of this section relating to comparative fault of the employee. 18
- 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

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proportionate share of the expenses of the recovery, including a reasonable 2122 attorney fee. After the expenses and attorney fee have been paid, the balance of the recovery shall be apportioned between the employer and the employee or his 2324dependents in the same ratio that the amount due the employer bears to the total amount recovered if there is no finding of comparative fault on the part of the 2526 employee, or the total damages determined by the trier of fact if there is a finding 27 of comparative fault on the part of the employee. Notwithstanding the foregoing 28provision, 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 recovery found to be due to the employer, the employee or his dependents shall 30 be paid forthwith and any part of the recovery paid to the employee or his 31 dependents under this section shall be treated by them as an advance payment 32 by the employer on account of any future installments of compensation in the 33 following manner: 34

- (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
- (2) A percentage of the amount paid to the employee or his dependents equal to the percentage of fault assessed to the third person from whom recovery is made shall be treated as an advance payment if there is a finding of 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 53compensation 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

57 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.

287.240. If the injury causes death, either with or without disability, the compensation therefor shall be as provided in this section:

3 (1) In all cases the employer shall pay direct to the persons furnishing the same the reasonable expense of the burial of the deceased employee not exceeding [five] ten thousand dollars. But no person shall be entitled to compensation for the burial expenses of a deceased employee unless he has furnished the same by authority of the widow or widower, the nearest relative of the deceased employee in the county of his death, his personal representative, or the employer, who shall have the right to give the authority in the order named. All fees and charges under this section shall be fair and reasonable, shall be subject to regulation by

the division or the commission and shall be limited to such as are fair and reasonable for similar service to persons of a like standard of living. The division or the commission shall also have jurisdiction to hear and determine all disputes as to the charges. If the deceased employee leaves no dependents, the death benefit in this subdivision provided shall be the limit of the liability of the employer under this chapter on account of the death, except as herein provided for burial expenses and except as provided in section 287.140; provided that in all cases when the employer admits or does not deny liability for the burial expense, it shall be paid within thirty days after written notice, that the service has been rendered, has been delivered to the employer. The notice may be sent by registered mail, return receipt requested, or may be made by personal delivery;

- (2) The employer shall also pay to the total dependents of the employee a death benefit based on the employee's average weekly earnings during the year immediately preceding the injury that results in the death of the employee, as provided in section 287.250. The amount of compensation for death, which shall be paid in installments in the same manner that compensation is required to be paid under this chapter, shall be computed as follows:
- (a) If the injury which caused the death occurred on or after September 28, 1983, but before September 28, 1986, the weekly compensation shall be an amount equal to sixty-six and two-thirds percent of the employee's average weekly earnings during the year immediately preceding the injury; provided that the weekly compensation paid under this paragraph shall not exceed an amount equal to seventy percent of the state average weekly wage, as such wage is determined by the division of employment security, as of the July first immediately preceding the date of injury. If there is a total dependent, no death benefits shall be payable to partial dependents or any other persons except as provided in subdivision (1) of this section;
- (b) If the injury which caused the death occurred on or after September 28, 1986, but before August 28, 1990, the weekly compensation shall be an amount equal to sixty-six and two-thirds percent of the employee's average weekly earnings during the year immediately preceding the injury; provided that the weekly compensation paid under this paragraph shall not exceed an amount equal to seventy-five percent of the state average weekly wage, as such wage is determined by the division of employment security, as of the July first immediately preceding the date of injury. If there is a total dependent, no death benefit shall be payable to partial dependents or any other persons except as

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47 provided in subdivision (1) of this section;

- (c) If the injury which caused the death occurred on or after August 28, 1990, but before August 28, 1991, the weekly compensation shall be an amount equal to sixty-six and two-thirds percent of the injured employee's average weekly earnings as of the date of the injury; provided that the weekly compensation paid under this paragraph shall not exceed an amount equal to one hundred percent of the state average weekly wage;
- (d) If the injury which caused the death occurred on or after August 28, 1991, the weekly compensation shall be an amount equal to sixty-six and two-thirds percent of the injured employee's average weekly earnings as of the date of the injury; provided that the weekly compensation paid under this paragraph shall not exceed an amount equal to one hundred five percent of the state average weekly wage;
- 60 (e) If the injury which caused the death occurred on or after September 61 28, 1981, the weekly compensation shall in no event be less than forty dollars per 62 week;
 - (3) If there are partial dependents, and no total dependents, a part of the death benefit herein provided in the case of total dependents, determined by the proportion of his contributions to all partial dependents by the employee at the time of the injury, shall be paid by the employer to each of the dependents proportionately;
 - (4) The word "dependent" as used in this chapter shall be construed to mean a relative by blood or marriage of a deceased employee, who is actually dependent for support, in whole or in part, upon his or her wages at the time of the injury. The following persons shall be conclusively presumed to be totally dependent for support upon a deceased employee, and any death benefit shall be payable to them to the exclusion of other total dependents:
- 74(a) A wife upon a husband with whom she lives or who is legally liable for her support, and a husband upon a wife with whom he lives or who is legally 75liable for his support; provided that on the death or remarriage of a widow or 76 widower, the death benefit shall cease unless there be other total dependents 7778 entitled to any death benefits under this chapter. In the event of remarriage, a 79 lump sum payment equal in amount to the benefits due for a period of two years 80 shall be paid to the widow or widower. Thereupon the periodic death benefits shall cease unless there are other total dependents entitled to any death benefit 81 under this chapter, in which event the periodic benefits to which such widow or

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widower would have been entitled had he or she not died or remarried shall be divided among such other total dependents and paid to them during their period of entitlement under this chapter;

- (b) A natural, posthumous, or adopted child or children, whether legitimate or illegitimate, under the age of eighteen years, or over that age if physically or mentally incapacitated from wage earning, upon the parent legally liable for the support or with whom he, she, or they are living at the time of the death of the parent. In case there is a wife or a husband mentally or physically incapacitated from wage earning, dependent upon a wife or husband, and a child or more than one child thus dependent, the death benefit shall be divided among them in such proportion as may be determined by the commission after considering their ages and other facts bearing on the dependency. In all other cases questions of total or partial dependency shall be determined in accordance with the facts at the time of the injury, and in such other cases if there is more than one person wholly dependent the death benefit shall be divided equally among them. The payment of death benefits to a child or other dependent as provided in this paragraph shall cease when the dependent dies, attains the age of eighteen years, or becomes physically and mentally capable of wage earning over that age, or until twenty-two years of age if the child of the deceased is in attendance and remains as a full-time student in any accredited educational institution, or if at eighteen years of age the dependent child is a member of the armed forces of the United States on active duty; provided, however, that such dependent child shall be entitled to compensation during four years of full-time attendance at a fully accredited educational institution to commence prior to twenty-three years of age and immediately upon cessation of his active duty in the armed forces, unless there are other total dependents entitled to the death benefit under this chapter;
- (5) The division or the commission may, in its discretion, order or award the share of compensation of any such child to be paid to the parent, grandparent, or other adult next of kin or conservator of the child for the latter's support, maintenance and education, which order or award upon notice to the parties may be modified from time to time by the commission in its discretion with respect to the person to whom shall be paid the amount of the order or award remaining unpaid at the time of the modification;
- 117 (6) The payments of compensation by the employer in accordance with the 118 order or award of the division or the commission shall discharge the employer

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- 119 from all further obligations as to the compensation;
- 120 (7) All death benefits in this chapter shall be paid in installments in the 121 same manner as provided for disability compensation;
- 122 (8) Every employer shall keep a record of the correct names and addresses 123 of the dependents of each of his employees, and upon the death of an employee 124 by accident arising out of and in the course of his employment shall so far as 125 possible immediately furnish the division with such names and addresses;
 - (9) Dependents receiving death benefits under the provisions of this chapter shall annually report to the division as to marital status in the case of a widow or widower or age and physical or mental condition of a dependent child. The division shall provide forms for the making of such reports.

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