

CONFERENCE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 700

AN ACT

To repeal sections 287.090, 287.957, and 287.975, RSMo, and to enact in lieu thereof four new sections relating to workers' compensation.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

1           Section A. Sections 287.090, 287.957, and 287.975, RSMo,  
2 are repealed and four new sections enacted in lieu thereof, to be  
3 known as sections 287.090, 287.245, 287.957, and 287.975, to read  
4 as follows:

5           287.090. 1. This chapter shall not apply to:

6           (1) Employment of farm labor, domestic servants in a  
7 private home, including family chauffeurs, or occasional labor  
8 performed for and related to a private household;

9           (2) Qualified real estate agents and direct sellers as  
10 those terms are defined in Section 3508 of Title 26 United States  
11 Code;

12           (3) Employment where the person employed is an inmate  
13 confined in a state prison, penitentiary or county or municipal  
14 jail, or a patient or resident in a state mental health facility,  
15 and the labor or services of such inmate, patient, or resident  
16 are exclusively on behalf of the state, county or municipality  
17 having custody of said inmate, patient, or resident. Nothing in  
18 this subdivision is intended to exempt employment where the

1 inmate, patient or resident was hired by a state, county or  
2 municipal government agency after direct competition with persons  
3 who are not inmates, patients or residents and the compensation  
4 for the position of employment is not contingent upon or affected  
5 by the worker's status as an inmate, patient or resident;

6 (4) Except as provided in section 287.243, volunteers of a  
7 tax-exempt organization which operates under the standards of  
8 Section 501(c)(3) or Section 501(c)(19) of the federal Internal  
9 Revenue Code, where such volunteers are not paid wages, but  
10 provide services purely on a charitable and voluntary basis;

11 (5) Persons providing services as adjudicators, sports  
12 officials, or contest workers for interscholastic activities  
13 programs or similar amateur youth programs who are not otherwise  
14 employed by the sponsoring school, association of schools or  
15 nonprofit tax-exempt organization sponsoring the amateur youth  
16 programs.

17 2. Any employer exempted from this chapter as to the  
18 employer or as to any class of employees of the employer pursuant  
19 to the provisions of subdivision (3) of subsection 1 of section  
20 287.030 or pursuant to subsection 1 of this section may elect  
21 coverage as to the employer or as to the class of employees of  
22 that employer pursuant to this chapter by purchasing and  
23 accepting a valid workers' compensation insurance policy or  
24 endorsement, or by written notice to the group self-insurer of  
25 which the employer is a member. The election shall take effect  
26 on the effective date of the workers' compensation insurance  
27 policy or endorsement, or by written notice to the group  
28 self-insurer of which the employer is a member, and continue

1 while such policy or endorsement remains in effect or until  
2 further written notice to the group self-insurer of which the  
3 employer is a member. Any such exempt employer or employer with  
4 an exempt class of employees may withdraw such election by the  
5 cancellation or nonrenewal of the workers' compensation insurance  
6 policy or endorsement, or by written notice to the group  
7 self-insurer of which the employer is a member. In the event the  
8 employer is electing out of coverage as to the employer, the  
9 cancellation shall take effect on the later date of the  
10 cancellation of the policy or the filing of notice pursuant to  
11 subsection 3 of this section.

12 3. Any insurance company authorized to write insurance  
13 under the provisions of this chapter in this state shall file  
14 with the division a memorandum on a form prescribed by the  
15 division of any workers' compensation policy issued to any  
16 employer and of any renewal or cancellation thereof.

17 4. The mandatory coverage sections of this chapter shall  
18 not apply to the employment of any member of a family owning a  
19 family farm corporation as defined in section 350.010 or to the  
20 employment of any salaried officer of a family farm corporation  
21 organized pursuant to the laws of this state, but such family  
22 members and officers of such family farm corporations may be  
23 covered under a policy of workers' compensation insurance if  
24 approved by a resolution of the board of directors. Nothing in  
25 this subsection shall be construed to apply to any other type of  
26 corporation other than a family farm corporation.

27 5. A corporation may withdraw from the provisions of this  
28 chapter, when there are no more than two owners of the

1 corporation who are also the only employees of the corporation,  
2 by filing with the division notice of election to be withdrawn.  
3 The election shall take effect and continue from the date of  
4 filing with the division by the corporation of the notice of  
5 withdrawal from liability under this chapter. Any corporation  
6 making such an election may withdraw its election by filing with  
7 the division a notice to withdraw the election, which shall take  
8 effect thirty days after the date of the filing, or at such later  
9 date as may be specified in the notice of withdrawal.

10 287.245. 1. As used in this section, the following terms  
11 shall mean:

12 (1) "Association", volunteer fire protection associations  
13 as defined in section 320.300;

14 (2) "State fire marshal", the state fire marshal selected  
15 under the provisions of sections 320.200 to 320.270;

16 (3) "Volunteer firefighter", the same meaning as in section  
17 287.243.

18 2. Any association may apply to the state fire marshal for  
19 a grant for the purpose of funding such association's costs  
20 related to workers' compensation insurance premiums for volunteer  
21 firefighters.

22 3. Subject to appropriations, the state fire marshal shall  
23 disburse grants to each applying volunteer fire protection  
24 association according to the following schedule:

25 (1) Associations which had zero to five volunteer  
26 firefighters receive workers' compensation benefits from claims  
27 arising out of and in the course of the prevention or control of  
28 fire or the underwater recovery of drowning victims in the

1 preceding calendar year shall be eligible for two thousand  
2 dollars in grant money;

3 (2) Associations which had six to ten volunteer  
4 firefighters receive workers' compensation benefits from claims  
5 arising out of and in the course of the prevention or control of  
6 fire or the underwater recovery of drowning victims in the  
7 preceding calendar year shall be eligible for one thousand five  
8 hundred dollars in grant money;

9 (3) Associations which had eleven to fifteen volunteer  
10 firefighters receive workers' compensation benefits from claims  
11 arising out of and in the course of the prevention or control of  
12 fire or the underwater recovery of drowning victims in the  
13 preceding calendar year shall be eligible for one thousand  
14 dollars in grant money;

15 (4) Associations which had sixteen to twenty volunteer  
16 firefighters receive workers' compensation benefits from claims  
17 arising out of and in the course of the prevention or control of  
18 fire or the underwater recovery of drowning victims in the  
19 preceding calendar year shall be eligible for five hundred  
20 dollars in grant money.

21 4. Grant money disbursed under this section shall only be  
22 used for the purpose of paying for the workers' compensation  
23 insurance premiums of volunteer firefighters.

24 287.957. The experience rating plan shall contain  
25 reasonable eligibility standards, provide adequate incentives for  
26 loss prevention, and shall provide for sufficient premium  
27 differentials so as to encourage safety. The uniform experience  
28 rating plan shall be the exclusive means of providing prospective

1 premium adjustment based upon measurement of the loss-producing  
2 characteristics of an individual insured. An insurer may submit  
3 a rating plan or plans providing for retrospective premium  
4 adjustments based upon an insured's past experience. Such system  
5 shall provide for retrospective adjustment of an experience  
6 modification and premiums paid pursuant to such experience  
7 modification where a prior reserved claim produced an experience  
8 modification that varied by greater than fifty percent from the  
9 experience modification that would have been established based on  
10 the settlement amount of that claim. The rating plan shall  
11 prohibit an adjustment to the experience modification of an  
12 employer if the total medical cost does not exceed [one thousand  
13 dollars] twenty percent of the current split point of primary and  
14 excess losses under the uniform experience rating plan, and the  
15 employer pays all of the total medical costs and there is no lost  
16 time from the employment, other than the first three days or less  
17 of disability under subsection 1 of section 287.160, and no claim  
18 is filed. An employer opting to utilize this provision maintains  
19 an obligation to report the injury under subsection 1 of section  
20 287.380.

21 287.975. 1. The advisory organization shall file with the  
22 director every pure premium rate, every manual of rating rules,  
23 every rating schedule and every change or amendment, or  
24 modification of any of the foregoing, proposed for use in this  
25 state no more than thirty days after it is distributed to  
26 members, subscribers or others.

27 2. The advisory organization which makes a uniform  
28 classification system for use in setting rates in this state

1 shall collect data for two years after January 1, 1994, on the  
2 payroll differential between employers within the construction  
3 group of code classifications, including, but not limited to,  
4 payroll costs of the employer and number of hours worked by all  
5 employees of the employer engaged in construction work. Such  
6 data shall be transferred to the department of insurance,  
7 financial institutions and professional registration in a form  
8 prescribed by the director of the department of insurance,  
9 financial institutions and professional registration, and the  
10 department shall compile the data and develop a formula to  
11 equalize premium rates for employers within the construction  
12 group of code classifications based on such payroll differential  
13 within three years after the data is submitted by the advisory  
14 organization.

15 3. The formula to equalize premium rates for employers  
16 within the construction group of code classifications established  
17 under subsection 2 of this section shall be the formula in effect  
18 on January 1, 1999. This subsection shall become effective on  
19 January 1, 2014.

20 4. For the purposes of calculating the premium credit under  
21 the Missouri contracting classification premium adjustment  
22 program, an employer within the construction group of code  
23 classifications may submit to the advisory organization the  
24 required payroll record information for the first, second, third,  
25 or fourth calendar quarter of the year prior to the workers'  
26 compensation policy beginning or renewal date, provided that the  
27 employer clearly indicates for which quarter the payroll  
28 information is being submitted.

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