

SECOND REGULAR SESSION
[P E R F E C T E D]
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 613
98TH GENERAL ASSEMBLY

Reported from the Committee on Small Business, Insurance and Industry, March 31, 2016, with recommendation that the Senate Committee Substitute do pass.

Senate Committee Substitute for Senate Bill No. 613, adopted April 27, 2016.

Taken up for Perfection April 27, 2016. Bill declared Perfected and Ordered Printed, as amended.

ADRIANE D. CROUSE, Secretary.

4979S.02P

AN ACT

To repeal sections 287.957 and 287.975, RSMo, and to enact in lieu thereof three new sections relating to worker's compensation.

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

Section A. Sections 287.957 and 287.975, RSMo, are repealed and three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

**287.245. 1. As used in this section, the following terms shall
2 mean:**

3 **(1) "Association", volunteer fire protection associations as
4 defined in section 320.300;**

5 **(2) "State fire marshal", the state fire marshal selected under the
6 provisions of sections 320.200 to 320.270;**

7 **(3) "Volunteer firefighter", the same meaning as in section
8 287.243.**

9 **2. Any association may apply to the state fire marshal for a grant
10 for the purpose of funding such association's costs related to workers'
11 compensation insurance premiums for volunteer firefighters.**

12 **3. Subject to appropriations, the state fire marshal shall disburse
13 grants to each applying volunteer fire protection association according
14 to the following schedule:**

15 **(1) Associations which had zero to five volunteer firefighters**

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

16 receive workers' compensation benefits from claims arising out of and
17 in the course of the prevention or control of fire or the underwater
18 recovery of drowning victims in the preceding calendar year shall be
19 eligible for two thousand dollars in grant money;

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

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

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

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

287.957. The experience rating plan shall contain reasonable eligibility
2 standards, provide adequate incentives for loss prevention, and shall provide for
3 sufficient premium differentials so as to encourage safety. The uniform
4 experience rating plan shall be the exclusive means of providing prospective
5 premium adjustment based upon measurement of the loss-producing
6 characteristics of an individual insured. An insurer may submit a rating plan or
7 plans providing for retrospective premium adjustments based upon an insured's
8 past experience. Such system shall provide for retrospective adjustment of an
9 experience modification and premiums paid pursuant to such experience
10 modification where a prior reserved claim produced an experience modification
11 that varied by greater than fifty percent from the experience modification that
12 would have been established based on the settlement amount of that claim. The
13 rating plan shall prohibit an adjustment to the experience modification of an
14 employer if the total medical cost does not exceed [one thousand dollars] **twenty**

15 **percent of the current split point of primary and excess losses under**
16 **the uniform experience rating plan**, and the employer pays all of the total
17 medical costs and there is no lost time from the employment, other than the first
18 three days or less of disability under subsection 1 of section 287.160, and no claim
19 is filed. An employer opting to utilize this provision maintains an obligation to
20 report the injury under subsection 1 of section 287.380.

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

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

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

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

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