



IN THE HOUSE

MARCH 16, 1987

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS  
CONCURRED IN.

MARCH 17, 1987

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

1 H.B. BILL NO. 130  
2 INTRODUCED BY [Signature]

3 BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE  
6 LIABILITY OF INSURERS WHEN A WORKER IS CERTIFIED UNDER THE  
7 SUBSEQUENT INJURY FUND; AND AMENDING SECTIONS 39-71-907 AND  
8 39-71-909, MCA."

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 39-71-907, MCA, is amended to read:

12 "39-71-907. Certified vocationally handicapped person  
13 to be compensated for injury as provided by chapter --  
14 employer liability for compensation limited. A person  
15 certified as vocationally handicapped who receives a  
16 personal injury arising out of and in the course of his  
17 employment and resulting in death or disability must be paid  
18 compensation in the manner and to the extent provided in  
19 this chapter or, in case of his death resulting from such  
20 injury, the compensation must be paid to his beneficiaries  
21 or dependents. The liability of the employer for payment of  
22 compensation benefits, for furnished medical care, and  
23 burial as provided in this chapter is limited to those  
24 benefits occurring arising from services rendered during the  
25 period of 104 weeks after the date of injury and for 104

1 weeks of wage benefits actually paid. Thereafter, all  
2 compensation and the cost of all medical care and burial is  
3 the liability of the fund."

4 Section 2. Section 39-71-909, MCA, is amended to read:

5 "39-71-909. Effect of fund's failure to give  
6 notification of its intent to dispute liability --  
7 subsequent notification by fund authorized. If the fund does  
8 not notify the carrier of its intent to dispute the payment  
9 of compensation, medical, and burial benefits, the employer,  
10 carrier, or ~~industrial~~ state compensation insurance fund  
11 shall continue to make payments on behalf of the fund and  
12 shall be reimbursed by the fund for all benefits paid that  
13 ~~pertain to the period beyond 104 weeks after the date of the~~  
14 injury in excess of the carrier's liability. However, at any  
15 time subsequent to 104 weeks after the date of injury, the  
16 fund may notify the carrier of a dispute as to payment of  
17 benefits. The liability of the fund to reimburse the  
18 employer, carrier, or the ~~industrial~~ state compensation  
19 insurance fund shall be suspended 30 days thereafter until  
20 the controversy is determined."

21 NEW SECTION. Section 3. Extension of authority. Any  
22 existing authority of the division of workers' compensation  
23 to make rules on the subject of the provisions of this act  
24 is extended to the provisions of this act.

-End-

INTRODUCED BILL  
HB-130



STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB130, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act clarifying the liability of insurers when a worker is certified under the Subsequent Injury Fund and amending Section 39-71-907 and 39-71-909, MCA.

ASSUMPTIONS:

1. Insurance carriers are paying compensation benefits for only 104 elapsed weeks after the date of the injury, regardless of whether those compensation benefits, actually paid, amount to 104 weeks of benefits.
2. Section 39-71-907 states, "The liability of the employer for payment of compensation, for furnished medical care, and burial as provided in this chapter is limited to those benefits occurring during the period of 104 weeks after the date of injury." Insurers will interpret this to mean liability of the insurer is for 104 weeks from the date of injury. This bill clarifies that the insurer's liability is for the first 104 weeks of benefits, no matter how long a period of time it takes to accumulate 104 weeks of benefits.

FISCAL IMPACT:

Expenditures:

Impossible to estimate.

Revenues:

N/A

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

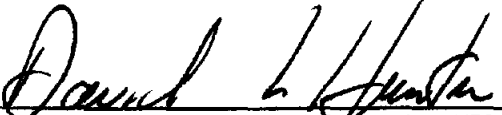
N/A


LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

N/A

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

N/A

 DATE 1/14/87  
DAVID L. HUNTER, BUDGET DIRECTOR  
Office of Budget and Program Planning

 DATE 1-14-87  
JERRY DRISCOLL, PRIMARY SPONSOR  
Fiscal Note for HB130, as introduced.

**HB-130**

APPROVED BY COMM. ON  
BUSINESS AND LABOR

HOUSE BILL NO. 130

INTRODUCED BY DRISCOLL

BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE LIABILITY OF INSURERS WHEN A WORKER IS CERTIFIED UNDER THE SUBSEQUENT INJURY FUND; AND AMENDING SECTIONS 39-71-907 AND 39-71-909, MCA."

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~~for THE LIABILITY OF THE EMPLOYER FOR PAYMENT OF BENEFITS AS PROVIDED IN THIS CHAPTER IS LIMITED TO 104 weeks of wage COMPENSATION~~ benefits actually paid. Thereafter, all compensation and the cost of all medical care and burial is the liability of the fund."

Section 2. Section 39-71-909, MCA, is amended to read:

"39-71-909. Effect of fund's failure to give notification of its intent to dispute liability -- subsequent notification by fund authorized. If the fund does not notify the carrier of its intent to dispute the payment of compensation, medical, and burial benefits, the employer, carrier, or ~~industrial~~ state compensation insurance fund shall continue to make payments on behalf of the fund and shall be reimbursed by the fund for all benefits paid ~~that pertain to the period beyond 104 weeks after the date of the injury in excess of the carrier's liability~~. However, at any time subsequent to 104 weeks after the date of injury, the fund may notify the carrier of a dispute as to payment of benefits. The liability of the fund to reimburse the employer, carrier, or the ~~industrial~~ state compensation insurance fund shall be suspended 30 days thereafter until the controversy is determined."

NEW SECTION. Section 3. Extension of authority. Any existing authority of the division of workers' compensation to make rules on the subject of the provisions of this act

1 is extended to the provisions of this act.

-End-

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NEW SECTION. Section 3. Extension of authority. Any existing authority of the division of workers' compensation to make rules on the subject of the provisions of this act



HB 0130/02

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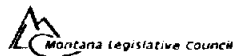
-End-



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 20 injury, the compensation must be paid to his beneficiaries  
 21 or dependents. The liability of the employer INSURER for  
 22 payment of compensation benefits ~~for~~ furnished medical  
 23 care, and burial BENEFITS as provided in this chapter is  
 24 limited to those benefits occurring arising from services  
 25 rendered during the period of 104 weeks after the date of

1 injury, ~~and for~~ THE LIABILITY OF THE EMPLOYER INSURER FOR  
 2 PAYMENT OF BENEFITS AS PROVIDED IN THIS CHAPTER IS LIMITED  
 3 TO 104 weeks of wage COMPENSATION benefits actually paid.  
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 14 behalf of the fund and shall be reimbursed by the fund for  
 15 all benefits paid ~~that pertain to the period beyond 104~~  
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 17 carrier's INSURER'S liability. However, at any time  
 18 subsequent to 104 weeks after the date of injury, the fund  
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 21 ~~employer, carrier, or the industrial state compensation~~  
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 23 until the controversy is determined."  
 24 NEW SECTION. Section 3. Extension of authority. Any  
 25 existing authority of the division of workers' compensation



HB 0130/03

1 to make rules on the subject of the provisions of this act  
2 is extended to the provisions of this act.

-End-

STANDING COMMITTEE REPORT

HB 130  
Page 2

March 5, 1987

SENATE

March 5, 1987

MR. PRESIDENT

We, your committee on LABOR AND EMPLOYMENT RELATIONS

having had under consideration HOUSE BILL No 130

third reading copy (blue color)

DRISCOLL (GAGE)

CLARIFYING INSURERS' LIABILITY UNDER SUBSEQUENT INJURY FUND

Respectfully report as follows: That HOUSE BILL No 130

6. Page 2, line 16.  
Strike: "carrier's"  
Insert: "insurer's"

7. Page 2, line 18.  
Strike: "carrier"  
Insert: "insurer"

8. Page 2, lines 20 and 21.  
Following: line 19  
Strike: line 20 through "fund" on line 21  
Insert: "insurer"

1. Page 1, line 14.  
Strike: "employer"  
Insert: "insurer"

2. Page 1, line 21.  
Strike: "employer"  
Insert: "insurer"

3. Page 2, line 1.  
Strike: "EMPLOYER"  
Insert: "insurer"

4. Page 2, line 10.  
Strike: "carrier"  
Insert: "insurer"

5. Page 2, lines 11 and 12.  
Following: "the"  
Strike: the remainder of line 11 through "fund" on line 12  
Insert: "insurer"

DO PASS

(CONTINUED)

DO NOT PASS

Chairman.

KHE

AND AS AMENDED,  
BE CONCURRED IN

*J.D. Lynch*  
Senator John "J.D." Lynch  
Chairman