



House of Representatives

General Assembly

File No. 197

January Session, 2025

House Bill No. 7046

House of Representatives, March 24, 2025

The Committee on Labor and Public Employees reported through REP. SANCHEZ, E. of the 24th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT MAKING REVISIONS TO THE SECOND INJURY FUND.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsections (a) and (b) of section 31-349g of the general
2 statutes are repealed and the following is substituted in lieu thereof
3 (*Effective from passage*):

4 (a) For purposes of this section:

5 (1) "Insured employer" means an employer who insures its risks
6 incurred under this chapter with an insurance company authorized to
7 issue workers' compensation policies in this state by the Insurance
8 Department, and includes any member of a workers' compensation pool
9 administered by an interlocal risk management agency, and on and after
10 January 1, 2005, an employer mutual association organized prior to June
11 6, 1996, with a membership composed exclusively of health care
12 providers and whose premium base is derived entirely from health care
13 organizations.

14 (2) "Self-insured employer" means an employer who is approved to
15 self-insure its liabilities under this chapter by the chairperson of the
16 Workers' Compensation Commission. For the period commencing
17 October 1, 2004, and ending December 31, 2004, "self-insured employer"
18 includes an employer mutual association organized prior to June 6,
19 1996, with a membership composed exclusively of health care providers
20 and whose premium base is derived entirely from health care
21 organizations.

22 (3) "Paid losses" means the total indemnity, medical and any other
23 expenses, prior to any credits or deductions being taken, paid on or after
24 January 1, 2006, by or on behalf of an employer to or on behalf of an
25 injured employee. Paid losses includes all legal expenses paid for the
26 benefit of an injured worker in accordance with this chapter and any
27 loss payments within deductible limits on workers' compensation
28 policies.

29 (4) "Second Injury Fund surcharge base" means direct written
30 premium on policies prior to application of any deductible policy
31 premium credits.

32 (5) "Direct written premium" includes all endorsements,
33 retrospective adjustments, audits and minimum premium and shall be
34 determined without regard to when or whether the premium on the
35 policy is paid.

36 (6) "Second Injury Fund surcharge" for insurance companies,
37 interlocal risk management agencies and self-insurance groups means
38 the rate set by the custodian multiplied by the Second Injury Fund
39 surcharge base.

40 (7) "Self-insurance group" means a not-for-profit association
41 consisting of fifteen or more employers who are engaged in the same or
42 similar type of business, who are members of the same bona fide trade
43 or professional association which has been in existence for not less than
44 five years, and who enter into agreements to pool their liabilities for
45 workers' compensation benefits and employers' liability.

46 (8) "Tortfeasor" means a third party that was liable in tort for an injury
47 to an employee.

48 (b) The State Treasurer, in consultation with the Insurance
49 Commissioner, may adopt regulations, in accordance with the
50 provisions of chapter 54, regarding the method of assessing all
51 employers for the liabilities of the Second Injury Fund. The liabilities
52 shall be allocated between self-insured employers and insured
53 employers based on a percentage of paid losses for the preceding
54 calendar year for each group. No credits shall be taken against paid
55 losses, except voided checks in connection with expenses paid under
56 this chapter previously reported as a paid loss, actual recoveries from
57 [third party] tortfeasors, reimbursement granted pursuant to section 31-
58 299b and Second Injury Fund reimbursements. The method of
59 assessment for self-insured employers shall be based on paid losses. The
60 method of assessment for insured employers, for policies with effective
61 dates before July 1, 2006, shall be based on the standard premium, and
62 for policies with effective dates on or after July 1, 2006, shall be based on
63 the Second Injury Fund surcharge base. In adopting regulations under
64 this section, the State Treasurer shall consider their effect upon (1) the
65 cost of doing business in this state, (2) the overall cost of the workers'
66 compensation system, (3) the effect of the regulations on insurers,
67 insureds and self-insured employers, and (4) the financial condition and
68 liabilities of the fund.

| | | |
|---|---------------------|--------------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>from passage</i> | 31-349g(a) and (b) |

LAB *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill, which clarifies existing practice of administration of the Second Injury Fund, does not result in a fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**HB 7046*****AN ACT MAKING REVISIONS TO THE SECOND INJURY FUND.*****SUMMARY**

Under current law, the Second Injury Fund (SIF) deducts recoveries from third party tortfeasors when calculating its paid losses. This bill specifies that this deduction is for actual recoveries from a third party that was liable in tort for an employee's injury.

By law, the SIF is supported by an assessment on insured and self-insured employers that is based on the SIF's calculation of paid losses.

EFFECTIVE DATE: Upon passage

BACKGROUND***Second Injury Fund***

The SIF is a state-run workers' compensation fund financed by state employers and operated by the state treasurer. Among other things, the fund pays or contributes to workers' compensation benefits for workers with preexisting disabilities who are reinjured (second injuries), whose employers are uninsured, or who worked more than one job when injured. The fund was closed to second injuries that occurred on or after July 1, 1995.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable

Yea 13 Nay 0 (03/06/2025)