

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2035 Session of
1989

INTRODUCED BY MOWERY, FARGO, PITTS, WOZNIAK, PISTELLA, CHADWICK,
SCHULER, PESCI, NOYE, GEIST, FAIRCHILD, GLADECK, HECKLER,
BIRMELIN, PHILLIPS, E. Z. TAYLOR, CLYMER, SCHEETZ, SEMMEL,
HERMAN, NAHILL, McVERRY, S. H. SMITH, LASHINGER, TANGRETTI,
VROON, BARLEY, HERSHEY, MERRY, BURD, GODSHALL, JOHNSON,
G. SNYDER, DIETTERICK, WOGAN, SAURMAN, LEE, FARMER, BUNT,
DORR, SERAFINI, FLICK AND ADOLPH, OCTOBER 23, 1989

REFERRED TO COMMITTEE ON LABOR RELATIONS, OCTOBER 23, 1989

AN ACT

1 Making appropriations to the State Workmen's Insurance Board for
2 distribution to subscribers; and requiring the transfer of
3 money from the State Workmen's Insurance Fund to the General
4 Fund.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the State
9 Workmen's Insurance Fund Oversight Act.

10 Section 2. Definitions.

11 The following words and phrases when used in this act shall
12 have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Board." The State Workmen's Insurance Board in the
15 Department of Labor and Industry.

16 "Fund." The State Workmen's Insurance Fund.

1 Section 3. Audit and actuarial study.

2 (a) Requirement.--The sum of \$100,000 is appropriated to the
3 board for an audit and actuarial study by a member of the
4 American Academy of Actuaries to determine all of the following:

5 (1) The exact amount of any surplus in the fund in
6 excess of the amount which may be necessary for the payment
7 of all claims and administrative expenses and for the
8 maintenance of a reserve sufficient to insure the actuarial
9 soundness of the fund.

10 (2) The percentage of premiums paid into the fund during
11 the immediately preceding ten fiscal years which are
12 attributable to payments made by each current and former
13 subscriber exclusive of premiums paid by the Commonwealth.

14 (b) Time.--The audit and actuarial study under subsection
15 (a) shall be initiated within 30 days of the effective date of
16 this act. The audit and actuarial study shall be completed
17 within 60 days.

18 Section 4. Distribution.

19 (a) Appropriation.--The sum of \$135,000,000 is appropriated
20 to the board for:

21 (1) distribution to current and former subscribers,
22 exclusive of the Commonwealth, who have paid premiums into
23 the fund during the immediately preceding ten fiscal years;
24 and

25 (2) administrative costs associated with the
26 notification of, and distribution to, subscribers or former
27 subscribers entitled to distribution under paragraph (1).

28 (b) Notice.--Eligible subscribers and former subscribers
29 shall be notified of their entitlement to distribution within 30
30 days following the completion of the audit and actuarial study

1 under section 3.

2 (c) Procedure.--A claim shall be based upon the total amount
3 of premiums paid by the subscriber or former subscriber during
4 the immediately preceding ten fiscal years. A claim for
5 distribution must be filed within 120 days after notification
6 under subsection (b). A subscriber or former subscriber who
7 fails to submit a claim shall forfeit any further right to a
8 share of the distribution. Payments shall be made upon valid
9 claims in the proportion that each valid claim bears to the
10 total of all valid claims filed.

11 (d) Proration.--If the audit and actuarial study under
12 section 3 indicates that a lesser amount is available for
13 distribution than is contained in the appropriation in
14 subsection (a), the board shall reduce each claim in a
15 proportionate amount.

16 (e) Payment.--All claims shall be paid within 60 days of the
17 deadline for filing claims under subsection (c).

18 Section 5. Transfer of money.

19 An amount equal to the amount of State and Federal taxes that
20 would be required to be paid by the fund if it were a private
21 entity, as determined by the board, shall be transferred to the
22 General Fund. This money shall be transferred after January 14,
23 1990, and on January 15 of each year thereafter.

24 Section 6. Effective date.

25 This act shall take effect immediately.