

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 660

Session of
1975INTRODUCED BY HANKINS, MELLOW, MURRAY, HOLL, ARLENE AND
McKINNEY, APRIL 30, 1975

SENATOR HANKINS, INSURANCE, AS AMENDED, JUNE 25, 1975

AN ACT

1 Amending the act of July 1, 1937 (P.L.2532, No.470), entitled
2 "An act to establish funds to provide security for the
3 payment of benefits in event of the insolvency of an
4 insurance carrier authorized to write workmen's compensation
5 insurance in this Commonwealth; and to provide for the
6 administration thereof," ~~by removing the State Workmen's~~ <—
7 ~~Insurance Fund from the act.~~ COMBINING THE STOCK WORKMEN'S <—
8 COMPENSATION SECURITY FUND AND THE MUTUAL CARRIER AND
9 RECIPROCAL EXCHANGE WORKMEN'S COMPENSATION SECURITY FUND INTO
10 A SINGLE WORKMEN'S COMPENSATION SECURITY FUND.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 ~~Section 1. Section 2, act of July 1, 1937 (P.L.2532,~~ <—
14 ~~No.470), known as the "Workmen's Compensation Security Fund~~
15 ~~Act," amended July 2, 1953 (P.L.347, No.80), is amended to read:~~

16 ~~Section 2. As hereafter used in this act, unless the context~~
17 ~~or subject matter otherwise require—~~

18 ~~"Stock Fund" means the stock workmen's compensation security~~
19 ~~fund.~~

20 ~~"Mutual Fund" means the mutual carrier and reciprocal~~
21 ~~exchange workmen's compensation security fund created by this~~
22 ~~act.~~

~~"Funds" means the stock workmen's compensation security fund and the mutual carrier and reciprocal exchange workmen's compensation security fund.~~

~~"Fund" means either the stock fund or the mutual carrier and reciprocal exchange fund, as the context may require.~~

~~"Fund year" means the calendar year.~~

~~"Stock Company" means any stock corporation authorized to transact the business of workmen's compensation insurance in this Commonwealth, except an insolvent stock company.~~

~~"Mutual carrier" means any corporation or association organized and operating on the mutual plan [, including the State Workmen's Insurance Fund,] authorized to transact the business of workmen's compensation insurance in this Commonwealth, except an insolvent mutual carrier.~~

~~"Reciprocal exchange" means any association or group of persons exchanging contracts of insurance or indemnity on the reciprocal or inter insurance plan, authorized to transact the business of workmen's compensation insurance in this Commonwealth, except an insolvent reciprocal exchange.~~

~~"Carrier" means either a stock company, a mutual company, or a reciprocal exchange [, or the State Workmen's Insurance Fund,] as the context may require.~~

~~"Insolvent stock company," "insolvent mutual carrier," or "insolvent reciprocal exchange" means a stock company, a mutual company, a reciprocal exchange [, or the State Workmen's Insurance Fund,] as the case may be, which has been determined to be insolvent, or for which, or for the assets of which, a receiver or liquidator, howsoever entitled, has been appointed by a court or public officer of competent jurisdiction and authority, after the effective date of this act.~~

~~"Commissioner" means the Insurance Commissioner of this Commonwealth.~~

~~"Workmen's Compensation Law," means The Workmen's Compensation Act of 1915 or any supplement or amendment thereto or revision thereof and the Pennsylvania Occupational Disease Act of 1939 or any supplement or amendment thereto or revision thereof.~~

~~Section 2. This act shall take effect immediately.~~

SECTION 1. SECTIONS 2 AND 3, ACT OF JULY 1, 1937 (P.L.2532, NO.470), KNOWN AS THE "WORKMEN'S COMPENSATION SECURITY FUND ACT," AMENDED JULY 2, 1953 (P.L.347, NO.80), ARE AMENDED TO READ:

SECTION 2. AS HEREAFTER USED IN THIS ACT, UNLESS THE CONTEXT OR SUBJECT MATTER OTHERWISE REQUIRE--

["STOCK FUND" MEANS THE STOCK WORKMEN'S COMPENSATION SECURITY FUND.

"MUTUAL FUND" MEANS THE MUTUAL CARRIER AND RECIPROCAL EXCHANGE WORKMEN'S COMPENSATION SECURITY FUND CREATED BY THIS ACT.

"FUNDS" MEANS THE STOCK WORKMEN'S COMPENSATION SECURITY FUND AND THE MUTUAL CARRIER AND RECIPROCAL EXCHANGE WORKMEN'S COMPENSATION SECURITY FUND.

"FUND" MEANS EITHER THE STOCK FUND OR THE MUTUAL CARRIER AND RECIPROCAL EXCHANGE FUND, AS THE CONTEXT MAY REQUIRE.]

"FUND" MEANS THE WORKMEN'S COMPENSATION SECURITY FUND CREATED BY THIS ACT.

"FUND YEAR" MEANS THE CALENDAR YEAR.

"STOCK COMPANY" MEANS ANY STOCK CORPORATION AUTHORIZED TO TRANSACT THE BUSINESS OF WORKMEN'S COMPENSATION INSURANCE IN THIS COMMONWEALTH, EXCEPT AN INSOLVENT STOCK COMPANY.

1 "MUTUAL CARRIER" MEANS ANY CORPORATION OR ASSOCIATION
2 ORGANIZED AND OPERATING ON THE MUTUAL PLAN, INCLUDING THE STATE
3 WORKMEN'S INSURANCE FUND, AUTHORIZED TO TRANSACT THE BUSINESS OF
4 WORKMEN'S COMPENSATION INSURANCE IN THIS COMMONWEALTH, EXCEPT AN
5 INSOLVENT MUTUAL CARRIER.

6 "RECIPROCAL EXCHANGE" MEANS ANY ASSOCIATION OR GROUP OF
7 PERSONS EXCHANGING CONTRACTS OF INSURANCE OR INDEMNITY ON THE
8 RECIPROCAL OR INTER-INSURANCE PLAN, AUTHORIZED TO TRANSACT THE
9 BUSINESS OF WORKMEN'S COMPENSATION INSURANCE IN THIS
10 COMMONWEALTH, EXCEPT AN INSOLVENT RECIPROCAL EXCHANGE.

11 "CARRIER" MEANS EITHER A STOCK COMPANY, A MUTUAL COMPANY, A
12 RECIPROCAL EXCHANGE, OR THE STATE WORKMEN'S INSURANCE FUND, AS
13 THE CONTEXT MAY REQUIRE.

14 "INSOLVENT STOCK COMPANY," "INSOLVENT MUTUAL CARRIER," OR
15 "INSOLVENT RECIPROCAL EXCHANGE" MEANS A STOCK COMPANY, A MUTUAL
16 COMPANY, A RECIPROCAL EXCHANGE, OR THE STATE WORKMEN'S INSURANCE
17 FUND, AS THE CASE MAY BE, WHICH HAS BEEN DETERMINED TO BE
18 INSOLVENT, OR FOR WHICH, OR FOR THE ASSETS OF WHICH, A RECEIVER
19 OR LIQUIDATOR, HOWSOEVER ENTITLED, HAS BEEN APPOINTED BY A COURT
20 OR PUBLIC OFFICER OF COMPETENT JURISDICTION AND AUTHORITY, AFTER
21 THE EFFECTIVE DATE OF THIS ACT.

22 "COMMISSIONER" MEANS THE INSURANCE COMMISSIONER OF THIS
23 COMMONWEALTH.

24 "WORKMEN'S COMPENSATION LAW," MEANS THE WORKMEN'S
25 COMPENSATION ACT OF 1915 OR ANY SUPPLEMENT OR AMENDMENT THERETO
26 OR REVISION THEREOF AND THE PENNSYLVANIA OCCUPATIONAL DISEASE
27 ACT OF 1939 OR ANY SUPPLEMENT OR AMENDMENT THERETO OR REVISION
28 THEREOF.

29 SECTION 3. THERE IS HEREBY CREATED A FUND, TO BE KNOWN AS
30 "THE [STOCK] WORKMEN'S COMPENSATION SECURITY FUND," FOR THE

1 PURPOSE OF ASSURING TO PERSONS ENTITLED THERETO THE COMPENSATION
2 PROVIDED BY THE WORKMEN'S COMPENSATION LAW FOR EMPLOYMENTS
3 INSURED IN INSOLVENT STOCK COMPANIES; INSOLVENT MUTUAL CARRIERS;
4 INSOLVENT RECIPROCAL EXCHANGES; OR THE STATE WORKMEN'S INSURANCE
5 FUND. SUCH FUND SHALL BE APPLICABLE TO THE PAYMENT OF VALID
6 CLAIMS FOR COMPENSATION HERETOFORE OR HEREAFTER MADE PURSUANT TO
7 THE WORKMEN'S COMPENSATION LAW AND REMAINING UNPAID, IN WHOLE OR
8 IN PART, BY REASON OF THE DEFAULT, AFTER THE EFFECTIVE DATE OF
9 THIS ACT OF AN INSOLVENT STOCK COMPANY; INSOLVENT MUTUAL CARRIER
10 OR INSOLVENT RECIPROCAL EXCHANGE OR THE INSOLVENT STATE
11 WORKMEN'S INSURANCE FUND. EXPENSES OF ADMINISTRATION ALSO SHALL
12 BE PAID FROM THE FUND AS HEREIN PROVIDED. SUCH FUND SHALL
13 CONSIST OF ALL CONTRIBUTIONS RECEIVED AND PAID INTO THE FUND BY
14 STOCK COMPANIES, MUTUAL CARRIERS AND RECIPROCAL EXCHANGES AS
15 HEREIN DEFINED, ALL PROPERTY AND SECURITIES ACQUIRED BY AND
16 THROUGH THE USE OF MONEYS BELONGING TO THE FUND, AND OF INTEREST
17 EARNED UPON MONEYS DEPOSITED OR INVESTED, AS HEREIN PROVIDED.
18 THE FUND SHALL BE ADMINISTERED BY THE COMMISSIONER IN ACCORDANCE
19 WITH THE PROVISIONS OF THIS ACT.

20 SECTION 2. SECTION 4 OF THE ACT IS AMENDED TO READ:

21 SECTION 4. EVERY STOCK COMPANY, MUTUAL CARRIER AND
22 RECIPROCAL EXCHANGE SHALL, ON OR BEFORE THE FIRST DAY OF
23 SEPTEMBER, ONE THOUSAND NINE HUNDRED AND THIRTY-EIGHT, FILE WITH
24 THE TREASURER OF THE COMMONWEALTH, AND WITH THE COMMISSIONER,
25 IDENTICAL RETURNS UNDER OATH, ON A FORM TO BE PRESCRIBED AND
26 FURNISHED BY THE COMMISSIONER, STATING THE AMOUNT OF NET WRITTEN
27 PREMIUMS FOR THE YEAR'S PERIOD ENDING JUNE THIRTIETH, ONE
28 THOUSAND NINE HUNDRED AND THIRTY-EIGHT, ON POLICIES ISSUED,
29 RENEWED, OR EXTENDED BY SUCH STOCK COMPANY, MUTUAL CARRIER AND
30 RECIPROCAL EXCHANGE TO INSURE PAYMENT OF COMPENSATION PURSUANT

1 TO THE WORKMEN'S COMPENSATION LAW. FOR THE PURPOSES OF THIS ACT,
2 "NET WRITTEN PREMIUMS" SHALL MEAN GROSS WRITTEN PREMIUMS, LESS
3 RETURN PREMIUMS ON POLICIES RETURNED NOT TAKEN AND ON POLICIES
4 CANCELLED. THEREAFTER ON OR BEFORE THE FIRST DAY OF SEPTEMBER OF
5 EACH YEAR, EACH SUCH STOCK COMPANY, MUTUAL CARRIER AND
6 RECIPROCAL EXCHANGE SHALL FILE SIMILAR IDENTICAL RETURNS,
7 STATING THE AMOUNT OF SUCH NET WRITTEN PREMIUMS FOR THE YEAR'S
8 PERIOD ENDING ON THE PRECEDING JUNE THIRTIETH ON POLICIES
9 ISSUED, RENEWED, OR EXTENDED BY SUCH STOCK COMPANY, MUTUAL
10 CARRIER AND RECIPROCAL EXCHANGE.

11 SECTION 3. SECTION 5 OF THE ACT, AMENDED JULY 2, 1953
12 (P.L.347, NO.80), IS AMENDED TO READ:

13 SECTION 5. FOR THE PRIVILEGE OF CARRYING ON THE BUSINESS OF
14 WORKMEN'S COMPENSATION INSURANCE IN THIS COMMONWEALTH, EVERY
15 STOCK COMPANY, MUTUAL CARRIER AND RECIPROCAL EXCHANGE SHALL PAY
16 INTO THE [STOCK] FUND ON THE FIRST DAY OF SEPTEMBER, ONE
17 THOUSAND NINE HUNDRED AND THIRTY-EIGHT, A SUM EQUAL TO ONE PER
18 CENTUM OF ITS NET WRITTEN PREMIUMS AS SHOWN BY THE RETURN
19 HEREINBEFORE PRESCRIBED FOR THE PERIOD ENDING JUNE THIRTIETH,
20 ONE THOUSAND NINE HUNDRED AND THIRTY-EIGHT, AND THEREAFTER EACH
21 SUCH STOCK COMPANY, MUTUAL CARRIER AND RECIPROCAL EXCHANGE UPON
22 FILING EACH ANNUAL RETURN SHALL PAY A SUM EQUAL TO ONE PER
23 CENTUM OF ITS NET WRITTEN PREMIUMS FOR THE PERIOD COVERED BY
24 SUCH RETURN. WHEN THE AGGREGATE AMOUNT OF ALL SUCH PAYMENTS INTO
25 THE [STOCK] FUND, TOGETHER WITH ACCUMULATED INTEREST THEREON,
26 LESS ALL ITS EXPENDITURES AND KNOWN LIABILITIES, BECOMES EQUAL
27 TO FIVE PER CENTUM OF THE LOSS RESERVES OF ALL STOCK COMPANIES,
28 MUTUAL CARRIERS AND RECIPROCAL EXCHANGES FOR THE PAYMENT OF
29 BENEFITS UNDER THE WORKMEN'S COMPENSATION LAW AS OF JUNE
30 THIRTIETH NEXT PRECEDING, NO FURTHER CONTRIBUTION TO SAID FUND

1 SHALL BE REQUIRED TO BE MADE: PROVIDED, HOWEVER, THAT WHENEVER
2 THEREAFTER THE AMOUNT OF SAID FUND SHALL BE REDUCED BELOW FIVE
3 PER CENTUM OF SUCH LOSS RESERVES AS OF SAID DATE, BY REASON OF
4 PAYMENTS FROM AND KNOWN LIABILITIES OF SAID [STOCK] FUND OR BY
5 REASONS OF AN INCREASE OF THE LOSS RESERVES OF ALL STOCK
6 COMPANIES, MUTUAL CARRIERS AND RECIPROCAL EXCHANGES, THEN SUCH
7 CONTRIBUTION TO SAID FUND SHALL BE RESUMED FROM SUCH DATE AS THE
8 COMMISSIONER SHALL PRESCRIBE, AND SHALL CONTINUE UNTIL SUCH
9 FUND, OVER AND ABOVE ITS KNOWN LIABILITIES, SHALL BE EQUAL TO
10 FIVE PER CENTUM OF SUCH RESERVES.

11 SECTION 4. SECTIONS 6, 7 AND 8 OF THE ACT ARE HEREBY
12 REPEALED.

13 SECTION 5. SECTIONS 9 AND 10 OF THE ACT ARE AMENDED TO READ:

14 SECTION 9. THE COMMISSIONER MAY ADOPT, AMEND, AND ENFORCE
15 RULES AND REGULATIONS NECESSARY FOR THE PROPER ADMINISTRATION OF
16 SUCH [FUNDS] FUND. IN THE EVENT ANY CARRIER SHALL FAIL TO FILE
17 ANY RETURN, OR MAKE ANY PAYMENT REQUIRED BY THIS ACT, OR IN CASE
18 THE COMMISSIONER SHALL HAVE CAUSE TO BELIEVE THAT ANY RETURN OR
19 OTHER STATEMENT FILED IS FALSE OR INACCURATE IN ANY PARTICULAR,
20 OR THAT ANY PAYMENT MADE IS INCORRECT, HE SHALL HAVE FULL
21 AUTHORITY TO EXAMINE ALL THE BOOKS AND RECORDS OF THE CARRIER
22 FOR THE PURPOSE OF ASCERTAINING THE FACTS, AND SHALL DETERMINE
23 THE CORRECT AMOUNT TO BE PAID, AND MAY PROCEED IN ANY COURT OF
24 COMPETENT JURISDICTION TO RECOVER FOR THE BENEFIT OF THE [FUNDS]
25 FUND ANY SUMS SHOWN TO BE DUE UPON SUCH EXAMINATION AND
26 DETERMINATION. ANY CARRIER WHICH FAILS TO MAKE ANY STATEMENT AS
27 REQUIRED BY THIS ACT, OR TO PAY ANY CONTRIBUTION WHEN DUE, SHALL
28 THEREBY FORFEIT TO THE FUND [ENTITLED TO ITS CONTRIBUTION] A
29 PENALTY OF FIVE PER CENTUM OF THE AMOUNT OF UNPAID CONTRIBUTION
30 DETERMINED TO BE DUE, AS PROVIDED BY THIS ACT, PLUS ONE PER

1 CENTUM OF SUCH AMOUNT FOR EACH MONTH OF DELAY OR FRACTION
2 THEREOF AFTER THE EXPIRATION OF THE FIRST MONTH OF SUCH DELAY.
3 THE COMMISSIONER SHALL REVOKE THE CERTIFICATE OF AUTHORITY TO DO
4 BUSINESS IN THIS COMMONWEALTH OF ANY CARRIER WHICH SHALL FAIL TO
5 COMPLY WITH THE PROVISIONS OF THIS ACT OR TO PAY ANY PENALTY
6 IMPOSED IN ACCORDANCE WITH THIS ACT.

7 SECTION 10. [EACH] THE FUND CREATED BY THIS ACT SHALL BE
8 SEPARATE AND APART [FROM ANY OTHER FUND SO CREATED, AND] FROM
9 ALL OTHER COMMONWEALTH MONEYS. THE STATE TREASURER SHALL BE THE
10 CUSTODIAN OF SAID [FUNDS] FUND, AND ALL DISBURSEMENTS FROM SAID
11 [FUNDS] FUND SHALL BE MADE BY THE STATE TREASURER UPON VOUCHERS
12 SIGNED BY THE COMMISSIONER, AS HEREINAFTER PROVIDED. THE MONEYS
13 OF SAID [FUNDS] FUND MAY BE INVESTED BY THE STATE TREASURER AND
14 COMMISSIONER ONLY IN BONDS AND SECURITIES WHICH ARE THE DIRECT
15 OBLIGATIONS OF, OR WHICH ARE GUARANTEED AS TO PRINCIPAL AND
16 INTEREST BY, THE UNITED STATES OR OF THIS COMMONWEALTH. THE
17 STATE TREASURER AND COMMISSIONER MAY SELL ANY OF THE SECURITIES
18 IN WHICH SAID [FUNDS ARE] FUND IS INVESTED, IF ADVISABLE FOR
19 [THEIR] ITS PROPER ADMINISTRATION OR IN THE BEST INTEREST OF
20 SUCH [FUNDS] FUND, AND ALL EARNINGS FROM THE INVESTMENT OF SUCH
21 [FUNDS] FUND SHALL BE CREDITED TO SUCH [FUNDS] FUND. IF AT ANY
22 TIME ANY CONTRIBUTING [STOCK OR MUTUAL] CARRIER, AS HEREIN
23 DEFINED, SHALL, UPON DUE NOTICE TO THE INSURANCE COMMISSIONER,
24 CEASE TO TRANSACT THE BUSINESS OF WORKMEN'S COMPENSATION
25 INSURANCE, THE CONTRIBUTIONS OF SUCH CARRIER, AT THE TIME SUCH
26 CARRIER CEASES TO TRANSACT THE BUSINESS OF WORKMEN'S
27 COMPENSATION INSURANCE, SHALL BE REFUNDED, PROVIDED THAT ALL ITS
28 OUTSTANDING LIABILITY ON WORKMEN'S COMPENSATION INSURANCE SHALL
29 HAVE TERMINATED.

30 SECTION 6. SECTION 11 OF THE ACT, AMENDED JULY 29, 1941

1 (P.L.578, NO.244), IS AMENDED TO READ:

2 SECTION 11. (1) A VALID CLAIM FOR COMPENSATION OR
3 INSTALLMENTS THEREOF, HERETOFORE OR HEREAFTER MADE PURSUANT TO
4 THE WORKMEN'S COMPENSATION LAW, WHICH HAS REMAINED OR SHALL
5 REMAIN DUE AND UNPAID FOR SIXTY DAYS BY REASON OF DEFAULT, AFTER
6 THE EFFECTIVE DATE OF THIS ACT, BY AN INSOLVENT CARRIER, SHALL
7 BE PAID FROM THE [PROPER] FUND IN THE MANNER PROVIDED IN THIS
8 ACT. ANY PERSON IN INTEREST MAY FILE WITH THE COMMISSIONER AN
9 APPLICATION FOR PAYMENT OF COMPENSATION FROM THE [PROPER] FUND
10 ON A FORM TO BE PRESCRIBED AND FURNISHED BY THE COMMISSIONER. A
11 CERTIFIED COPY OF THE AWARD MUST ACCOMPANY THE APPLICATION. THE
12 COMMISSIONER SHALL THEREUPON CERTIFY TO THE STATE TREASURER SUCH
13 AWARD FOR PAYMENT ACCORDING TO THE TERMS OF THE SAME, WHEREUPON
14 PAYMENT SHALL BE MADE BY THE STATE TREASURER, ON WARRANT OF THE
15 AUDITOR GENERAL AND ON REQUISITION OF THE COMMISSIONER.

16 (2) PAYMENT OF AN AWARD FROM [EITHER] THE FUND SHALL NOT
17 GIVE THE COMMISSIONER OF SUCH FUND ANY RIGHT OF RECOVERY AGAINST
18 THE EMPLOYER.

19 (3) AN EMPLOYER MAY PAY AN AWARD OR A PART THEREOF IN
20 ADVANCE OF PAYMENT FROM THE FUND AND SHALL THEREUPON BE
21 SUBROGATED TO THE RIGHTS OF THE EMPLOYEE OR OTHER PARTY IN
22 INTEREST AGAINST SUCH FUND TO THE EXTENT OF THE AMOUNT SO PAID.

23 (4) THE COMMISSIONER SHALL BE ENTITLED TO RECOVER THE SUM OF
24 ALL LIABILITIES OF SUCH INSOLVENT CARRIER ASSUMED BY [SUCH STOCK
25 OR MUTUAL] THE FUND FROM SUCH CARRIER, ITS RECEIVER, LIQUIDATOR,
26 REHABILITATOR, CONSERVATOR OR TRUSTEE IN BANKRUPTCY AND ALL
27 OTHERS, EXCEPT EMPLOYERS, LIABLE UNDER ANY OF THE TERMS OF THE
28 WORKMEN'S COMPENSATION LAW, AND MAY PROSECUTE AN ACTION OR OTHER
29 PROCEEDINGS THEREFOR. ALL MONEYS, RECOVERED IN ANY SUCH ACTION
30 OR PROCEEDINGS, SHALL FORTHWITH BE PLACED TO THE CREDIT OF THE

1 [STOCK OR MUTUAL] FUND WHICH HAS ASSUMED SUCH LIABILITY BY THE
2 STATE TREASURER, TO REIMBURSE THE [STOCK OR MUTUAL] FUND WHICH
3 HAS ASSUMED SUCH LIABILITY, TO THE EXTENT OF THE MONEYS SO
4 RECOVERED AND PAID. IF AND WHEN ALL LIABILITIES OF ALL [STOCK OR
5 OF ALL MUTUAL] CARRIERS FOR WORKMEN'S COMPENSATION LOSSES IN
6 THIS COMMONWEALTH SHALL HAVE BEEN FULLY LIQUIDATED, DISTRIBUTION
7 SHALL BE MADE TO ALL CONTRIBUTING [STOCK COMPANIES OR TO ALL
8 CONTRIBUTING MUTUAL] CARRIERS OF THE REMAINING BALANCE OF SUCH
9 [FUNDS IN THE PROPORTION IN WHICH EACH CARRIER MADE CONTRIBUTION
10 TO ITS RESPECTIVE] FUND: PROVIDED, HOWEVER, THAT AN INSOLVENT
11 CARRIER SHALL BE ENTITLED TO SHARE IN THE SAID DISTRIBUTION OF
12 [ITS RESPECTIVE] THE FUND ONLY TO THE EXTENT THAT ITS
13 DISTRIBUTIVE SHARE OF SAID FUND IS IN EXCESS OF ANY LOSSES PAID
14 OUT OF SAID FUND FOR ITS ACCOUNT BY THE TREASURER, IN ACCORDANCE
15 WITH THE TERMS OF THIS ACT.

16 SECTION 7. SECTIONS 12, 14, AND 15 OF THE ACT ARE AMENDED
17 AND A SECTION IS ADDED TO READ:

18 SECTION 12. AFTER THE EFFECTIVE DATE OF THIS ACT, UPON ANY
19 CARRIER BECOMING [AN] INSOLVENT [STOCK COMPANY, AN INSOLVENT
20 MUTUAL CARRIER, OR AN INSOLVENT RECIPROCAL EXCHANGE, AS THE CASE
21 MAY BE,] THE COMMISSIONER SHALL SO NOTIFY THE WORKMEN'S
22 COMPENSATION BOARD, WHICH SHALL IMMEDIATELY ADVISE THE
23 COMMISSIONER--(A) OF ALL CLAIMS FOR COMPENSATION PENDING OR
24 THEREAFTER MADE AGAINST EVERY EMPLOYER INSURED BY SUCH INSOLVENT
25 CARRIER, OR AGAINST SUCH INSOLVENT CARRIER; (B) OF ALL UNPAID OR
26 CONTINUING AWARDS MADE UPON CLAIMS FOR COMPENSATION PRIOR TO OR
27 AFTER THE DATE OF SUCH NOTICE FROM THE COMMISSIONER; AND (C) OF
28 ALL APPEALS FROM OR APPLICATIONS FOR MODIFICATION, RECISION OR
29 REVIEW OF SUCH AWARDS.

30 SECTION 14. THE EXPENSES OF ADMINISTERING [EACH] THE FUND

1 SHALL BE PAID OUT OF SUCH FUND. THE COMMISSIONER SHALL SERVE AS
2 ADMINISTRATOR OF [EACH] THE FUND WITHOUT ADDITIONAL
3 REMUNERATION, BUT MAY BE ALLOWED AND PAID, FROM [EITHER OF THE
4 FUNDS] THE FUND, EXPENSES INCURRED IN THE PERFORMANCE OF HIS
5 DUTIES IN CONNECTION WITH [EACH] THE FUND. THE COMPENSATION OF
6 PERSONS EMPLOYED BY THE COMMISSIONER, FOR THE PURPOSES OF THIS
7 ACT, IN CONNECTION WITH [EITHER OF THE FUNDS] THE FUND SHALL BE
8 DEEMED ADMINISTRATION EXPENSES PAYABLE OUT OF [EACH] SUCH FUND,
9 IN THE MANNER PROVIDED IN SECTION TEN OF THIS ACT. THE
10 COMMISSIONER SHALL INCLUDE IN HIS REGULAR REPORT TO THE GOVERNOR
11 A STATEMENT OF THE EXPENSES OF ADMINISTERING [EACH OF SUCH
12 FUNDS] THE FUND DURING THE PERIOD COVERED BY SUCH REPORT.

13 SECTION 15. OTHER THAN THE OBLIGATION TO CONTRIBUTE TO [A]
14 THE FUND AS PROVIDED IN THIS ACT, NO DEPOSIT, BOND OR OTHER
15 SECURITY SHALL BE REQUIRED OF ANY CARRIER AS A CONDITION TO
16 AUTHORIZATION TO TRANSACT THE BUSINESS OF WORKMEN'S COMPENSATION
17 INSURANCE IN THIS COMMONWEALTH.

18 CONTRIBUTIONS TO THE [FUNDS] FUND CREATED BY THIS ACT, AT THE
19 RATES FIXED BY THIS ACT, SHALL BE ALLOWED IN FULL AS EXPENSES OF
20 THE BUSINESS OF WORKMEN'S COMPENSATION INSURANCE BY THE
21 COMMISSIONER IN FIXING AND APPROVING RATES FOR SUCH INSURANCE.

22 SECTION 15.1. ALL ASSETS, MONEYS, SECURITIES, RESERVES,
23 SURPLUS LIABILITIES AND THE LIKE PRESENTLY IN EITHER THE STOCK
24 WORKMEN'S COMPENSATION SECURITY FUND OR THE MUTUAL CARRIER AND
25 RECIPROCAL EXCHANGE WORKMEN'S COMPENSATION SECURITY FUND SHALL
26 FORTHWITH BE TRANSFERRED TO THE SINGLE WORKMEN'S COMPENSATION
27 SECURITY FUND CREATED HEREBY.

28 SECTION 8. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.