

**WORKERS' COMPENSATION ACT - INSURANCE FOR DIFFERENT FORMS OF
BUSINESS, ASSESSMENTS AND TRANSFERS FROM THE ADMINISTRATION FUND**
Act of Jun. 30, 2011, P.L. 86, No. 20 Cl. 77
Session of 2011
No. 2011-20

HB 440

AN ACT

Amending the act of June 2, 1915 (P.L.736, No.338), entitled, as reenacted and amended, "An act defining the liability of an employer to pay damages for injuries received by an employe in the course of employment; establishing an elective schedule of compensation; providing procedure for the determination of liability and compensation thereunder; and prescribing penalties," providing for insurance for different forms of business; repealing provisions on logging; and further providing for assessments from the Administration Fund.

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

Section 1. The act of June 2, 1915 (P.L.736, No.338), known as the Workers' Compensation Act, reenacted and amended June 21, 1939 (P.L.520, No.281), is amended by adding a section to read:

Section 451. Insurers, including the State Workers' Insurance Fund, are authorized to provide, on a voluntary basis, to sole proprietors, partners of a partnership or members of a limited liability company, workers' compensation insurance equivalent to that which employers provide to employes which insure their liability under Article III. For the purposes of computing the premium charge, the wages of a sole proprietor, partner or member shall be at least equal to the minimum payroll for a corporate officer, and no more than the maximum payroll for a corporate officer, as established by underwriting rules approved by the Insurance Department. If an injury is compensable under the terms of this coverage, it shall be a rebuttable presumption that the wages of the injured individual are at least equal to minimum payroll for a corporate officer for the purposes of calculating his average weekly wage and paying benefits under sections 306 and 307.

Section 2. Section 1526 of the act, added June 24, 1996 (P.L.350, No.57), is repealed:

[Section 1526. (a) The fund is authorized to provide to sole proprietors or partners engaged in logging or logging-related businesses coverage equivalent to that which the fund provides to employers which insure their liability under Article III. This coverage shall be provided in accordance with this article. In all cases where an injury which is compensable under the terms of this coverage is received by a sole proprietor or a partner engaged solely in logging or logging-related businesses, there is a rebuttable presumption that his wages shall be equal to fifty per centum of the Statewide average weekly wage for the purpose of computing his compensation under sections 306 and 307.

(b) For purposes of this section, "logging" or "logging-related business" means the cutting of trees, any skidding activity and the transportation of logs or raw lumber, including the construction, operation, maintenance and extension of logging roads or trails.]

Section 3. Section 1607 of the act, added November 9, 2006 (P.L.1362, No.147), is amended to read:

Section 1607. Assessments **and transfers.**

(a) For the purpose of establishing and maintaining the fund, the sum of \$1,000,000 is hereby transferred from the Administration Fund established under section 446 to the fund for operation of the fund for the period commencing on the effective date of this section through June 30, 2007. The department shall calculate the amount necessary to maintain the fund and shall assess insurers and self-insured employers as is necessary to provide an amount sufficient to pay outstanding and anticipated claims in the following year in a timely manner and to meet the costs of the department to administer the fund. The fund shall be maintained in the same manner as the Workmen's Compensation Administration Fund under section 446 and the regulations thereunder. In no event shall any annual assessment exceed 0.1% of the total compensation paid by all insurers or self-insured employers during the previous calendar year.

(b) For the purposes of further maintaining the fund, the sum of \$4,000,000 is hereby transferred to the fund from the Administration Fund established under section 446.

Section 4. This act shall take effect as follows:

- (1) The amendment of section 1607 of the act shall take effect immediately.
- (2) This section shall take effect immediately.
- (3) The remainder of this act shall take effect in 60 days.

APPROVED--The 30th day of June, A.D. 2011.

TOM CORBETT