

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 440 Session of
2011

INTRODUCED BY MUSTIO, FRANKEL, BOYD, CLYMER, GINGRICH, GRELL,
KAUFFMAN, KORTZ, MARSHALL, MILLARD, OBERLANDER, PEIFER,
PICKETT, VULAKOVICH, DENLINGER, TRUITT, PERRY AND FARRY,
FEBRUARY 4, 2011

SENATOR GORDNER, LABOR AND INDUSTRY, IN SENATE, AS AMENDED, JUNE
14, 2011

AN ACT

1 Amending the act of June 2, 1915 (P.L.736, No.338), entitled, as
2 reenacted and amended, "An act defining the liability of an
3 employer to pay damages for injuries received by an employe
4 in the course of employment; establishing an elective
5 schedule of compensation; providing procedure for the
6 determination of liability and compensation thereunder; and
7 prescribing penalties," providing for insurance for different
8 forms of business; ~~and~~ repealing provisions on logging; AND ←
9 FURTHER PROVIDING FOR ASSESSMENTS AND TRANSFERS FROM THE
10 ADMINISTRATION FUND.

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

13 Section 1. The act of June 2, 1915 (P.L.736, No.338), known
14 as the Workers' Compensation Act, reenacted and amended June 21,
15 1939 (P.L.520, No.281), is amended by adding a section to read:

16 Section 451. Insurers, including the State Workers'
17 Insurance Fund, are authorized to provide, on a voluntary basis,
18 to sole proprietors, partners of a partnership or members of a
19 limited liability company, workers' compensation insurance
20 equivalent to that which employers provide to employes which

1 insure their liability under Article III. For the purposes of
2 computing the premium charge, the wages of a sole proprietor,
3 partner or member shall be at least equal to the minimum payroll
4 for a corporate officer, and no more than the maximum payroll
5 for a corporate officer, as established by underwriting rules
6 approved by the Insurance Department. If an injury is
7 compensable under the terms of this coverage, it shall be a
8 rebuttable presumption that the wages of the injured individual
9 are at least equal to minimum payroll for a corporate officer
10 for the purposes of calculating his average weekly wage and
11 paying benefits under sections 306 and 307.

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13 (P.L.350, No.57), is repealed:

14 [Section 1526. (a) The fund is authorized to provide to
15 sole proprietors or partners engaged in logging or logging-
16 related businesses coverage equivalent to that which the fund
17 provides to employers which insure their liability under Article
18 III. This coverage shall be provided in accordance with this
19 article. In all cases where an injury which is compensable under
20 the terms of this coverage is received by a sole proprietor or a
21 partner engaged solely in logging or logging-related businesses,
22 there is a rebuttable presumption that his wages shall be equal
23 to fifty per centum of the Statewide average weekly wage for the
24 purpose of computing his compensation under sections 306 and
25 307.

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

1 ~~Section 3. This act shall take effect in 60 days.~~ ←

2 SECTION 3. SECTION 1607 OF THE ACT, ADDED NOVEMBER 9, 2006 ←
3 (P.L.1362, NO.147), IS AMENDED TO READ:

4 SECTION 1607. ASSESSMENTS AND TRANSFERS.

5 (A) FOR THE PURPOSE OF ESTABLISHING AND MAINTAINING THE
6 FUND, THE SUM OF \$1,000,000 IS HEREBY TRANSFERRED FROM THE
7 ADMINISTRATION FUND ESTABLISHED UNDER SECTION 446 TO THE FUND
8 FOR OPERATION OF THE FUND FOR THE PERIOD COMMENCING ON THE
9 EFFECTIVE DATE OF THIS SECTION THROUGH JUNE 30, 2007. THE
10 DEPARTMENT SHALL CALCULATE THE AMOUNT NECESSARY TO MAINTAIN THE
11 FUND AND SHALL ASSESS INSURERS AND SELF-INSURED EMPLOYERS AS IS
12 NECESSARY TO PROVIDE AN AMOUNT SUFFICIENT TO PAY OUTSTANDING AND
13 ANTICIPATED CLAIMS IN THE FOLLOWING YEAR IN A TIMELY MANNER AND
14 TO MEET THE COSTS OF THE DEPARTMENT TO ADMINISTER THE FUND. THE
15 FUND SHALL BE MAINTAINED IN THE SAME MANNER AS THE WORKMEN'S
16 COMPENSATION ADMINISTRATION FUND UNDER SECTION 446 AND THE
17 REGULATIONS THEREUNDER. IN NO EVENT SHALL ANY ANNUAL ASSESSMENT
18 EXCEED 0.1% OF THE TOTAL COMPENSATION PAID BY ALL INSURERS OR
19 SELF-INSURED EMPLOYERS DURING THE PREVIOUS CALENDAR YEAR.

20 (B) FOR THE PURPOSES OF FURTHER MAINTAINING THE FUND, THE
21 SUM OF \$4,000,000 IS HEREBY TRANSFERRED TO THE FUND FROM THE
22 ADMINISTRATION FUND ESTABLISHED UNDER SECTION 446.

23 SECTION 4. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

24 (1) THE AMENDMENT OF SECTION 1607 OF THE ACT SHALL TAKE
25 EFFECT IMMEDIATELY.

26 (2) THIS SECTION SHALL TAKE EFFECT IMMEDIATELY.

27 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 60
28 DAYS.