HOUSE BILL No. 2272

By Committee on Commerce and Labor

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AN ACT concerning workers compensation; certain maximum compensation benefits; workers compensation advisory council; amending K.S.A. 44-510f and K.S.A. 2004 Supp. 44-596 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 44-510f is hereby amended to read as follows: 44-510f. (a) Notwithstanding any provision of the workers compensation act to the contrary, the maximum compensation benefits payable by an employer shall not exceed the following:

- (1) For permanent total disability, including temporary total, temporary partial, permanent partial and temporary partial disability payments paid or due, \$125,000 for an injury or any aggravation thereof;
- (2) for temporary total disability, including any prior permanent total, permanent partial or temporary partial disability payments paid or due, \$100,000 for an injury or any aggravation thereof; and
- (3) subject to the provisions of subsection (a)(4), for permanent or temporary partial disability, including any prior temporary total, permanent total, temporary partial, or permanent partial disability payments paid or due, \$100,000 for an injury or any aggravation thereof, and
- (4) for permanent partial disability, where functional impairment only is awarded, \$50,000 for an injury or aggravation thereof.
- (b) If an employer shall voluntarily pay unearned wages to an employee in addition to and in excess of any amount of disability benefits to which the employee is entitled under the workers compensation act, the excess amount paid shall be allowed as a credit to the employer in any final lump-sum settlement, or may be withheld from the employee's wages in weekly amounts the same as the weekly amount or amounts paid in excess of compensation due, but not until and unless the employee's average gross weekly wage for the calendar year exceeds 125% of the state's average weekly wage, determined as provided in K.S.A. 44-511 and amendments thereto. The provisions of this subsection shall not apply to any employer who pays any such unearned wages to an employee pursuant to an agreement between the employer and employee or labor organization to which the employee belongs.

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Sec. 2. K.S.A. 2004 Supp. 44-596 is hereby amended to read as follows: 44-596. (a) There is hereby established the workers compensation advisory council. The advisory council shall be composed of the director of workers compensation, or the director's designee from the division of workers compensation, a representative of the insurance industry appointed by the commissioner of insurance, and 10 members who shall be appointed by the secretary of labor in accordance with this section. Five members of the advisory council shall be broadly representative of employers throughout Kansas that are under the workers compensation act and shall be appointed as follows: One member shall be appointed from a list of nominees submitted to the secretary of labor by the Kansas chamber of commerce and industry and four members shall be appointed from nominees submitted to the secretary of labor by employers or other representatives of employers or other employer organizations. Five members of the advisory council shall be broadly representative of employees throughout Kansas that are under the workers compensation act and shall be appointed as follows: One member shall be appointed from a list of nominees submitted to the secretary of labor by the Kansas A.F.L.-C.I.O. and four members shall be appointed from nominees submitted to the secretary of labor by employees or other representatives of employees or other employee organizations. The representative of the insurance industry shall be knowledgeable of insurance underwriting practices. The director of workers compensation and the representative of the insurance industry shall be nonvoting members of the advisory council.

- (b) Each member of the advisory council shall serve at the pleasure of the secretary of labor. Any vacancy on the advisory council shall be filled by nomination and appointment in the same manner as the original appointment of the member creating the vacancy.
- (c) The advisory council shall study the workers compensation act, proposed amendments to the act and such other matters relating thereto that may be recommended by the secretary of labor or the director of workers compensation and shall advise the secretary and the director thereon. The advisory council shall also review and report its recommendations on any legislative bill amending, supplementing or affecting the workers compensation act or rules and regulations adopted thereunder or affecting the administration of such act or rules and regulations, which is introduced in the legislature and which is requested to be reviewed and reported on to a standing committee of either house of the legislature to which the bill is currently referred, upon the request of the chairperson of such committee.
- (d) The advisory council shall organize annually by electing a chairperson and a vice-chairperson and shall meet upon the call of the chairperson. All actions of the advisory council adopting recommendations

regarding the workers compensation act or any other matter referred to the advisory committee under subsection (c) shall be by motion adopted by the affirmative vote in open meeting of four three of the five voting members who are appointed as representative of employers and four three of the five voting members who are appointed as representative of employees. All other actions of the advisory council shall be by motion adopted by the affirmative vote of at least six voting members in open meeting.

- (e) The advisory council, in accordance with K.S.A. 74-4319, and amendments thereto, may recess for a closed or executive meeting of the members representing employers or of the members representing employees, or of both such groups of members meeting separately, to separately discuss the matters being studied by the advisory council, except that no binding action shall be taken during any such closed or executive meeting.
- (f) The members of the advisory council shall serve without compensation, but, when attending meetings of the advisory commission, or subcommittee meetings thereof authorized by the advisory commission, shall be paid subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3223 and amendments thereto.
- (g) In addition to other matters for study prescribed pursuant to this section, the advisory council shall review the following:
- 23 (1) Competitive state workers compensation funds, including small 24 business competitive funds;
 - (2) effectiveness and cost of safety programs;
 - (3) safety-based insurance premium rate discounts;
 - (4) fees for attorneys representing all parties in workers compensation claims; and
 - (5) group-funded self-insurance pools for small businesses.

Each of the studies prescribed by this subsection shall be reviewed and reported to the standing committees of the senate and house of representatives having workers compensation subject matter jurisdiction, except that the study of competitive state workers compensation funds shall be completed and reported to the legislative coordinating council not later than December 15, 1993.

- Sec. 3. K.S.A. 44-510f and K.S.A. 2004 Supp. 44-596 are hereby repealed.
- Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.