SENATE BILL 438

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By: **Senator Klausmeier**
Introduced and read first time: January 27, 2020
Assigned to: Finance

A BILL ENTITLED

AN ACT concerning

Workers' Compensation Act – Death Benefits – Release of Claim

FOR the purpose of altering the circumstances under which a dependent of a covered employee who is entitled to compensation for the death of the covered employee resulting from an accidental injury or occupational disease is required to be paid certain workers' compensation death benefits; requiring the Workers' Compensation Commission to establish a procedure through which a dependent of a covered employee may agree to the application of a certain final compromise and settlement agreement to the dependent and the release of certain death benefits; providing for the application of this Act; and generally relating to workers' compensation death benefits for dependents of covered employees.

BY repealing and reenacting, with amendments,
Article – Labor and Employment
Section 9–678 and 9–722
Annotated Code of Maryland
(2016 Replacement Volume and 2019 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Labor and Employment

9–678.

[A**]** **UNLESS THE DEPENDENT OF A COVERED EMPLOYEE AGREES TO THE APPLICATION OF THE FINAL COMPROMISE AND SETTLEMENT AGREEMENT ENTERED INTO UNDER § 9–772 OF THIS TITLE TO THE DEPENDENT, A** dependent of a covered employee who is entitled to compensation for the death of the covered employee resulting from an accidental personal injury or occupational disease shall be paid compensation in

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

accordance with this Part XII of this subtitle.

9–722.

(a) **(1)** Subject to approval by the Commission under subsection (c) of this section, after a claim has been filed by a covered employee or the dependents of a covered employee, the covered employee or dependents may enter into an agreement for the final compromise and settlement of any current or future claim under this title with:

[(1)**]** **(I)** the employer;

[(2)**]** **(II)** the insurer of the employer;

[(3)**]** **(III)** the Subsequent Injury Fund; or

[(4)**]** **(IV)** the Uninsured Employers' Fund.

(2) THE COMMISSION SHALL ESTABLISH A PROCEDURE THROUGH WHICH A DEPENDENT OF A COVERED EMPLOYEE MAY AGREE TO:

(I) THE APPLICATION OF A FINAL COMPROMISE AND SETTLEMENT AGREEMENT ENTERED INTO BY A COVERED EMPLOYEE TO THE DEPENDENT; AND

(II) THE RELEASE OF ANY FUTURE DEATH BENEFITS BY THE DEPENDENT AS PART OF THE FINAL COMPROMISE AND SETTLEMENT AGREEMENT ENTERED INTO BY A COVERED EMPLOYEE TO A DEPENDENT.

(b) The final compromise and settlement agreement shall contain the terms and conditions that the Commission considers proper.

(c) A final compromise and settlement agreement may not take effect unless it has been approved by the Commission.

(d) (1) When approved by the Commission, a final compromise and settlement agreement is binding on all of the parties to the agreement.

(2) Unless the Commission orders otherwise, a final compromise and settlement agreement between a covered employee or the dependents of a covered employee and the employer or its insurer precludes the right of the covered employee or the dependents of the covered employee to proceed against the Subsequent Injury Fund on the claim.

(e) If an individual entitled to payment under a final compromise and settlement agreement dies before the individual receives the total amount payable, the balance payable is an asset of the estate of the individual.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any final compromise and settlement agreements entered into before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2020.