

SECOND REGULAR SESSION

# SENATE BILL NO. 700

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHATZ.

Pre-filed December 1, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4619S.011

## AN ACT

To repeal sections 287.957 and 287.975, RSMo, and to enact in lieu thereof two new sections relating to workers' compensation premium rates.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 287.957 and 287.975, RSMo, are repealed and two new  
2 sections enacted in lieu thereof, to be known as sections 287.957 and 287.975, to  
3 read as follows:

287.957. The experience rating plan shall contain reasonable eligibility  
2 standards, provide adequate incentives for loss prevention, and shall provide for  
3 sufficient premium differentials so as to encourage safety. The uniform  
4 experience rating plan shall be the exclusive means of providing prospective  
5 premium adjustment based upon measurement of the loss-producing  
6 characteristics of an individual insured. An insurer may submit a rating plan or  
7 plans providing for retrospective premium adjustments based upon an insured's  
8 past experience. Such system shall provide for retrospective adjustment of an  
9 experience modification and premiums paid pursuant to such experience  
10 modification where a prior reserved claim produced an experience modification  
11 that varied by greater than fifty percent from the experience modification that  
12 would have been established based on the settlement amount of that claim. The  
13 rating plan shall prohibit an adjustment to the experience modification of an  
14 employer if the total medical cost does not exceed [one thousand dollars] **twenty**  
15 **percent of the current split point of primary and excess losses under**  
16 **the uniform experience rating plan**, and the employer pays all of the total  
17 medical costs and there is no lost time from the employment, other than the first  
18 three days or less of disability under subsection 1 of section 287.160, and no claim

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

19 is filed. An employer opting to utilize this provision maintains an obligation to  
20 report the injury under subsection 1 of section 287.380.

287.975. 1. The advisory organization shall file with the director every  
2 pure premium rate, every manual of rating rules, every rating schedule and every  
3 change or amendment, or modification of any of the foregoing, proposed for use  
4 in this state no more than thirty days after it is distributed to members,  
5 subscribers or others.

6 2. The advisory organization which makes a uniform classification system  
7 for use in setting rates in this state shall collect data for two years after January  
8 1, 1994, on the payroll differential between employers within the construction  
9 group of code classifications, including, but not limited to, payroll costs of the  
10 employer and number of hours worked by all employees of the employer engaged  
11 in construction work. Such data shall be transferred to the department of  
12 insurance, financial institutions and professional registration in a form prescribed  
13 by the director of the department of insurance, financial institutions and  
14 professional registration, and the department shall compile the data and develop  
15 a formula to equalize premium rates for employers within the construction group  
16 of code classifications based on such payroll differential within three years after  
17 the data is submitted by the advisory organization.

18 3. The formula to equalize premium rates for employers within the  
19 construction group of code classifications established under subsection 2 of this  
20 section shall be the formula in effect on January 1, 1999. This subsection shall  
21 become effective on January 1, 2014.

22 4. **For the purposes of calculating the premium credit under the**  
23 **Missouri contracting classification premium adjustment program, an**  
24 **employer within the construction group of code classifications may**  
25 **submit to the advisory organization the required payroll record**  
26 **information for the first, second, third, or fourth calendar quarter of**  
27 **the year prior to the workers' compensation policy beginning or**  
28 **renewal date, provided that the employer clearly indicates for which**  
29 **quarter the payroll information is being submitted.**

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