

HOUSE BILL No. 4214

February 16, 1989, Introduced by Reps. DeLange, Watkins, Ciaramitaro, London, Krause, Hillegonds, Dunaskiss, Jaye, Camp, Crandall, Dolan, Willis Bullard, Stacey and Giese and referred to the Committee on Labor.

A bill to amend Act No. 317 of the Public Acts of 1969, entitled as amended "Worker's disability compensation act of 1969," as amended, being sections 418.101 to 418.941 of the Michigan Compiled Laws, by adding section 503.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 317 of the Public Acts of 1969, as
2 amended, being sections 418.101 to 418.941 of the Michigan
3 Compiled Laws, is amended by adding section 503 to read as
4 follows:

5 SEC. 503. (1) THE UNINSURED EMPLOYER'S SECURITY FUND IS
6 CREATED. THE TRUSTEES OF THE SECOND INJURY FUND SHALL ADMINISTER
7 THE UNINSURED EMPLOYER'S SECURITY FUND. AFTER THE EFFECTIVE DATE
8 OF THIS SECTION, THE UNINSURED EMPLOYER'S SECURITY FUND SHALL PAY
9 THOSE BENEFITS SPECIFIED UNDER SUBSECTION (2) WHICH AN EMPLOYEE

1 OR THE DEPENDENTS OF A DECEASED EMPLOYEE ARE UNABLE TO RECEIVE
2 FROM AN EMPLOYER BECAUSE THE EMPLOYER FAILED TO SECURE THE PAY-
3 MENT OF COMPENSATION BY 1 OF THE METHODS REQUIRED UNDER SECTION
4 611 AND THE EMPLOYER IS ANY OF THE FOLLOWING:

5 (A) INSOLVENT.

6 (B) NO LONGER LOCATED IN THIS STATE.

7 (C) NO LONGER IN EXISTENCE.

8 (2) BENEFITS SHALL ONLY BE PAID UNDER THIS SECTION TO THE
9 DEPENDENTS OF A DECEASED EMPLOYEE FROM THE UNINSURED EMPLOYER'S
10 SECURITY FUND IF DEATH RESULTS FROM THE PERSONAL INJURY.

11 (3) AFTER PAYING BENEFITS PURSUANT TO THIS SECTION, THE
12 UNINSURED EMPLOYER'S SECURITY FUND SHALL HAVE ALL THE RIGHTS OF
13 THE INJURED EMPLOYEE OR THE ESTATE OF A DECEASED EMPLOYEE AS A
14 CREDITOR OF THE EMPLOYER TO THE EXTENT OF BENEFITS PAID.
15 BENEFITS PAID PURSUANT TO THIS SECTION SHALL BE PAID FROM THE
16 STATE GENERAL FUND. THE TRUSTEES OF THE SECOND INJURY FUND SHALL
17 HAVE THE RIGHT AND OBLIGATION TO OBTAIN REIMBURSEMENT TO THE FUND
18 FROM AN EMPLOYER EQUAL TO TWICE THE COSTS OF A CLAIM PAID OUT TO
19 THE EMPLOYEES OR DEPENDENTS OF DECEASED EMPLOYEES OF THE EMPLOYER
20 PURSUANT TO THIS SECTION, INCLUDING EXPENSES INCURRED IN MAKING
21 THE PAYMENTS OR IN THE RECOVERY OF ANY PAYMENTS.

22 (4) FOR THE PURPOSES OF THIS SECTION, AN INSOLVENT EMPLOYER
23 MEANS AN EMPLOYER WHO FILES FOR RELIEF UNDER THE BANKRUPTCY CODE,
24 AN EMPLOYER AGAINST WHOM BANKRUPTCY PROCEEDINGS ARE COMMENCED, OR
25 AN EMPLOYER FOR WHOM A RECEIVER IS APPOINTED BY A COURT.