
OLR Bill Analysis

HB 5266 (as amended by House "A")*

AN ACT AMENDING THE TIME TO PROTEST BENEFIT CHARGES ON AN EMPLOYER'S UNEMPLOYMENT INSURANCE QUARTERLY STATEMENT.

SUMMARY

This bill makes unrelated changes to the state's unemployment law and workers' compensation law.

Under the unemployment law, the Department of Labor (DOL) must give employers quarterly statements that generally show their charges for unemployment benefits paid to their former employees. This bill decreases, from 60 to 40 days after the statement was provided, the amount of time an employer has to file a written protest with DOL explaining that the charges were improperly charged due to fraud or error. Existing law, unchanged by the bill, prevents an eligibility issue from being reopened based on these quarterly statements if the employer previously received a notification about the former employee's eligibility for benefits and failed to timely appeal it or the eligibility issue was resolved against the employer.

Generally, under the state's workers' compensation law, when an employee qualifies for workers' compensation benefits due to an injury caused by a third party's negligence, the employee may pursue a separate lawsuit against the third party. If the employee wins the suit against the third party, the employer or its workers' compensation insurance carrier may subrogate the claim (i.e., recover the workers' compensation benefits it paid to the employee from the employee's award in the suit against the third party). When an employer or its insurance carrier subrogates a claim, the law requires the insurance carrier to adjust the employer's insurance policy rate to reflect the recovery of any compensation paid before the subrogation.

The bill creates a limited exception to the requirement to adjust the employer's insurance policy rate under these circumstances. It applies to mutual associations (i.e., groups of employers that join together to mutually insure their liabilities) that have been approved by the insurance commissioner if their (1) membership is exclusively composed of health care providers and (2) premium base is derived entirely from health care organizations.

*House Amendment "A" adds the provision on workers' compensation subrogation claims and rate adjustments.

EFFECTIVE DATE: October 1, 2024

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable

Yea 8 Nay 4 (03/07/2024)