

SENATE BILL NO. 506

September 11, 2019, Introduced by Senator THEIS and referred to the Committee on Economic and Small Business Development.

A bill to amend 1969 PA 317, entitled
"Worker's disability compensation act of 1969,"
by amending section 621 (MCL 418.621), as amended by 1994 PA 271.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 621. (1) Every contract for the insurance ~~of~~**for or**
2 **against liability for** the compensation provided in this act ~~for or~~
3 ~~against liability therefore, shall be~~**is** subject to the provisions
4 ~~of~~ this act, and provisions **of that contract** inconsistent with this

1 act are void.

2 (2) ~~The state accident fund and each~~ **Each** insurer issuing an
 3 insurance policy to cover any employer not permitted to be a self-
 4 insurer under section 611 shall insure, cover, and protect in the
 5 same insurance policy ~~, all the businesses, employees, enterprises,~~
 6 and activities of the employer.

7 (3) Under procedures and conditions specifically determined by
 8 the director, a separate insurance policy may be issued to cover
 9 employers performing work at ~~a~~ **1 or more** specified construction
 10 ~~site~~ **sites** if the director finds that the liability under this act
 11 of each employer to all his or her employees would at all times be
 12 fully secured. ~~and the cost of construction at the site, not~~
 13 ~~including the cost of land acquisition, will exceed \$65,000,000.00,~~
 14 ~~and the contemplated completion period for the construction will be~~
 15 ~~5 years or less.~~

16 Each construction site ~~shall~~ **must** have an appointed
 17 construction safety and health director employed by the owner,
 18 construction manager, general contractor of the construction site,
 19 or insurance carrier for the project. The safety and health
 20 director ~~shall~~ **must** have experience in the field of construction
 21 safety and health. The construction safety and health director
 22 ~~shall~~ **must** be a full-time director with job duties limited to
 23 occupational safety and health related issues. ~~The safety and~~
 24 ~~health director shall be located at and work from the construction~~
 25 ~~site, whenever construction activity takes place on the site.~~
 26 **However, the construction safety and health director may be an**
 27 **employee with job duties that are not limited to construction**
 28 **safety and health related issues if he or she is a full-time**
 29 **employee with job duties that include occupational safety and**

1 health related issues and received certification in the OSHA 30-
2 hour construction training course or OSHA 30-hour general industry
3 training course and CPR and first aid certification from the
4 American Red Cross. The owner, construction manager, or general
5 contractor shall designate an alternate construction safety and
6 health director ~~with experience in the field of construction safety~~
7 ~~and health during multiple shifts and temporary absences of the~~
8 construction safety and health director. **The alternate construction**
9 **safety and health director may be an employee with job duties that**
10 **are not limited to construction safety and health related issues if**
11 **he or she is a full-time employee with job duties that include**
12 **occupational safety and health related issues and received**
13 **certification in the OSHA 30-hour construction training course or**
14 **OSHA 30-hour general industry training course and CPR and first aid**
15 **certification from the American Red Cross.** The alternate
16 construction safety and health director shall exercise the same
17 responsibilities and authority as the construction safety and
18 health director and report to the safety and health director on the
19 activities at the site during the safety and health director's
20 absence. The safety and health director ~~shall be~~ **is** responsible for
21 coordination among all employers at the construction site to
22 provide a safe and healthful worksite. The construction safety and
23 health director ~~shall be~~ **is** the final authority for resolution of
24 all disputes related to construction safety and health at the
25 worksite. All construction contractors at the construction site
26 shall accept the services of the education and training personnel
27 from the ~~departments of labor or public health, or both,~~ **department**
28 **of licensing and regulatory affairs** who provide ~~such~~ **those** services
29 ~~pursuant to~~ **under** the Michigan occupational safety and health act,

1 ~~Act No. 154 of the Public Acts of 1974, being sections 408.1001 to~~
2 ~~408.1094 of the Michigan Compiled Laws. 1974 PA 154, MCL 408.1001~~
3 ~~to 408.1094.~~ The construction safety and health director shall
4 assist all contractors at the construction site in developing
5 comprehensive accident prevention programs as required by R
6 408.40114 of the ~~Michigan administrative code.~~ **Michigan**
7 **Administrative Code.**

8 A notice of issuance of insurance policy ~~shall~~ **must** be filed
9 on a form provided by the ~~bureau~~ **agency** for each employer working
10 on the specific construction site. The notice of issuance ~~shall~~
11 **must** conform to the requirements of section 625.

12 (4) Except as modified by the director as provided for herein,
13 each policy of insurance covering worker's compensation in this
14 state ~~shall~~ **must** contain the following provisions:

15 "Notwithstanding any language elsewhere contained in this
16 contract or policy of insurance, the insurer issuing this policy
17 hereby contracts and agrees with the insured employer:

18 Compensation.

19 (a) That it will pay to the persons that may become entitled
20 thereto all worker's compensation for which the insured employer
21 may become liable under the provisions of the Michigan worker's
22 disability compensation act for all compensable injuries or
23 compensable occupational diseases happening to his or her employees
24 during the life of this contract or policy;

25 Medical services.

26 (b) That it will furnish or cause to be furnished to all
27 employees of the employer, all reasonable medical, surgical, and
28 hospital services and medicines when they are needed which the
29 employer may be obligated to furnish or cause to be furnished to

1 his or her employees under the provisions of the Michigan worker's
2 disability compensation act and that it will pay to the persons
3 entitled thereto for all such services and medicines when they are
4 needed for all compensable injuries or compensable occupational
5 diseases happening to his or her employees during the life of this
6 contract or policy;

7 Rehabilitation services.

8 (c) That it will furnish or cause to be furnished such
9 rehabilitation services for which the insured employer may become
10 liable to furnish or cause to be furnished under the provisions of
11 the Michigan worker's disability compensation act for all
12 compensable injuries or compensable occupational diseases happening
13 to his or her employees during the life of this contract or policy;

14 Funeral expenses.

15 (d) That it will pay or cause to be paid the reasonable
16 expense of the last sickness and burial of all employees whose
17 deaths are caused by compensable injuries or compensable
18 occupational diseases happening during the life of this contract or
19 policy and arising out of and in the course of their employment
20 with the employer, which the employer may be obligated to pay under
21 the provisions of the Michigan worker's disability compensation
22 act;

23 Scope of contract.

24 (e) That this insurance contract or policy shall for all
25 purposes be held and deemed to cover all the businesses the said
26 employer is engaged in at the time of the issuance of this contract
27 or policy and all other businesses, if any, the employer may engage
28 in during the life of this contract or policy, and all employees
29 the employer may employ in any of his or her businesses during the

1 period covered by this policy;

2 Obligations assumed.

3 (f) That it hereby assumes all obligations imposed upon the
4 employer by his or her acceptance of the Michigan worker's
5 disability compensation act, as far as the payment of compensation,
6 death benefits, medical surgical, hospital care or medicine and
7 rehabilitation services is concerned;

8 Termination notice.

9 (g) That it will file with the ~~bureau of workmen's~~ **worker's**
10 compensation **agency** at Lansing, Michigan, at least 20 days before
11 the taking effect of any termination or cancellation of this
12 contract or policy, a notice giving the date at which it is
13 proposed to terminate or cancel this contract or policy; and that
14 any termination of this policy shall not be effective as far as the
15 employees of the insured employer are concerned until 20 days after
16 notice of proposed termination or cancellation is received by the
17 ~~bureau of workmen's~~ **worker's** compensation **agency**;

18 Conflicting provisions.

19 (h) That all the provisions of this contract, if any, which
20 are not in harmony with this paragraph are to be construed as
21 modified hereby, and all conditions and limitations in the policy,
22 if any conflicting herewith are hereby made null and void."

23 (5) The provisions ~~shall in subsection (4) must~~ be printed
24 ~~upon~~ **on** or conspicuously attached to every insurance contract or
25 policy issued by the ~~state accident fund or insurer~~ in type size
26 not smaller than 10-point and shall constitute a separate paragraph
27 of the policy. Any provision of the policy inconsistent with the
28 undertakings and agreements of the ~~state accident fund or insurer~~
29 contained in ~~such~~ **those** provisions ~~shall be null and are~~ void.

~~(6) This section applies to the state accident fund until the state administrative board certifies in writing to the secretary of state by December 31, 1994 that an agreement for the transfer of all or substantially all of the assets and the assumption of all or substantially all of the liabilities of the state accident fund has been consummated with a permitted transferee pursuant to the requirements of section 701a.~~

Enacting section 1. This amendatory act applies to worker's compensation insurance policies delivered, executed, issued, amended, adjusted, or renewed in this state, or outside of this state if covering employers of this state, beginning 90 days after the date this amendatory act is enacted into law.