

Department of Planning and Budget

2015 Fiscal Impact Statement

1. Bill Number: HB1372-H1

House of Origin	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Webert

3. Committee: Commerce and Labor

4. Title: Workers' compensation insurance; relating to offers to contract that condition eligibility on a bidder's experience modification factor; requiring the development and use of an experience modification factor that excludes not-at-fault motor vehicle accidents.

5. Summary: Provides that a term of an offer to contract issued on or after July 1, 2016, that requires that the successful bidder have an experience modification factor equal to or less than any specified value shall be satisfied by any bidder that has a secondary experience modification factor equal to or less than the specified value. Any contract or offer to contract that requires the contractor or bidder responding to the offer to contract to have an experience modification factor equal to or less than any specified value and that is entered into or issued on or after July 1, 2016, shall be construed as requiring the contractor or person responding to the offer to have a secondary experience modification factor equal to or less than the specified value. Every uniform experience rating plan shall provide for a calculation of a secondary experience modification factor for the purposes outlined in § 11-9.8, Code of Virginia. The methodology for calculating a secondary experience modification factor for an employer shall be the same methodology used in assigning an experience modification factor for the employer except that the secondary experience modification factor shall exclude any loss experience arising from any motor vehicle accident where the employee was not wholly or partially at fault. Where liability has not yet been finally determined, the rate service organization shall not use information provided with regard to the motor vehicle accident in its calculation of an employer's secondary experience modification factor until a final determination of liability has been made.

6. Budget Amendment Necessary: No.

7. No Fiscal Impact

8. Fiscal Implications: According to the Workers' Compensation Commission, this legislation is not expected to result in a state fiscal impact.

9. Specific Agency or Political Subdivisions Affected: Workers' Compensation Commission

10. Technical Amendment Necessary: No.

11. Other Comments: None.