



State of Missouri

John Ashcroft, Governor

Department of Economic Development

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Lewis R. Crist
Director

BULLETIN # 88-02

TO: ALL INSURANCE COMPANIES WRITING WORKERS' COMPENSATION AND
SELF-INSURERS
FROM: Lewis R. Crist, Director
DATE: June 15, 1988
RE: House Bill 1244

House Bill 1244 was effective upon being signed by the Governor on April 26, 1988.

This legislation made several changes to the workers' compensation law, sections 287.690, 287.710 and 287.715.

- RESCINDED AND INOPERATIVE**
- 1) The workers' compensation tax rate changed from 3% to 2%.
 - 2) The special workers' compensation premium assessment of 1% for funding the second injury fund was eliminated.
 - 3) The second injury fund assessment of 1% on workers' compensation losses was eliminated.
 - 4) There will be a second injury surcharge placed upon every workers' compensation policyholder and self-insured employer. The rate will be determined by the Director of the Division of Workers' Compensation and cannot exceed 3% of the policyholder's or self-insured's workers' compensation premium. The surcharge will be collected from the workers' compensation policyholder by the insurance company and remitted to the Director of Revenue within thirty (30) days after the close of the quarter in which it was collected. Penalties of $\frac{1}{2}$ of 1% of the unpaid amount applies if either policyholder, insurer or self-insurer fails to make payment or timely transfer of surcharge to the Director of Revenue.

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The workers' compensation and second injury tax rates under the old law will be used for premiums and losses between January 1, 1988 and April 25, 1988. Effective April 26, 1988, the new law as outlined above will be operative. Since quarterly tax payments were calculated under the old law, however, there will be no commensurate reduction in the payments made for the remainder of 1988. Reconciliation of the actual tax due will be made when the premium tax returns are filed in 1989.

If you have any questions, you may call the Division of Workers' Compensation at 314-751-4231 or the Division of Insurance.

LRC/djh

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