

Benefits increases and an extension of the sunset provisions for SITF are addressed in HB 412

By Benjamin A. Leonard April 7, 2015

On March 31, 2015 the Georgia Senate gave final passage to HB 412. Governor Nathan Deal is expected to sign the bill, which will become effective July 1, 2015 if signed. The pertinent changes which impact employers and insurers in Georgia are as follows:

1. Provisions of the bill were passed addressing the appeals court decision in *Pitts v. City of Atlanta*. The *Pitts* decision created a very narrow exception to the exclusive remedy doctrine where there was a breach of contract by a sub-contractor, allowing claimants to receive Workers' Compensation and collect civil damages. HB 412 clarifies that contract provisions do not nullify the exclusive remedy unless the contract specifically enhances benefits for work-related injury, therefore negating the impact of *Pitts* moving forward.
2. HB 412 also increases the maximum weekly TTD benefit rates from \$525 to \$550 under §34-9-261 and the TPD rate from \$350 to \$367 per week under §34-9-262.
3. The bill increases the death benefit cap for widows who have no minor dependents from \$150,000 to \$220,000 under §34-9-265.
4. The sunset date for the Subsequent Injury Trust Fund (“SITF”) was extended from 2020 to 2023, and transfers oversight at that time from the State Board of Workers' Compensation to the Department of Insurance. It would also allow the SITF to continue assessments at the current rate to avoid a shortfall in reserves pursuant to §34-9-358.

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