

COMMITTEE ON EDUCATION AND WORKFORCE  
DEVELOPMENT

06/17/2024-REPORTED OUT TO THE COMMITTEE ON RULES AND JUDICIARY  
05/16/2024-HELD IN COMMITTEE

**BILL NO. 35-0240**

**Thirty-Fifth Legislature of the Virgin Islands**

**February 28, 2024**

An Act transferring the administration of the Government Insurance Fund from the Commissioner of the Virgin Islands Department of Finance to the Commissioner of Virgin Islands Department of Labor and amending various sections of title 24 Virgin Islands Code, chapter 11 to facilitate better recovery for injury or disease that arises out of and in the course of employment in the Virgin Islands under the Workers' Compensation Administration, and to ensure that workers entitled to Workers' Compensation benefits receive medical coverage, rehabilitation services, and disability compensation without undue delay by merging the benefits and payment components of the Workers' Compensation Insurance Program

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**PROPOSED BY:** Senator Novelle E. Francis, Jr., by Request of the Governor

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- 1       **WHEREAS**, the Virgin Islands Department of Labor houses and administers the Workers'  
2 Compensation Administration;
- 3       **WHEREAS**, the Workers' Compensation Administration receives and processes claims  
4 for injury or disease that arise out of and in the course of employment in the Virgin Islands;
- 5       **WHEREAS**, the Government Insurance Fund was established to insure employers  
6 against liabilities occurring at the workplace and assuring the proper payment to persons entitled  
7 to such compensation along with necessary medical coverage and rehabilitation assistance to  
8 employees injured on the job or to their dependents in case of death;
- 9       **WHEREAS**, the Virgin Islands Department of Finance currently administers the  
10 Government Insurance Fund and releases the funds for payment of claims;

1           **WHEREAS**, injured workers should be able to file the claims and receive timely benefits,  
2 while providers should be paid promptly;

3           **WHEREAS**, the Workers' Compensation Administration will be strengthened and  
4 enhanced through the automation of all services, beginning with claims and including payments;

5           **WHEREAS**, the Workers' Compensation Administration will benefit by merging the  
6 claims and payment components of the Workers' Compensation Insurance Program; and

7           **WHEREAS**, the Government Insurance Fund will henceforth be managed by the  
8 Department of Labor and Administered by the Commissioner of the Department of Labor or  
9 the Commissioner's designee; Now, therefore,

10 *Be it enacted by the Legislature of the Virgin Islands:*

11           **SECTION 1.** Title 24 Virgin Islands Code, chapter 11 is amended as follows:

12           (a) in section 251(a), by striking "Board" means the Board of Directors of the  
13 Workers' Compensation Administration" and inserting "Maximum medical improvement  
14 (MMI)" means when the covered illness is stabilized and is unlikely to improve with or without  
15 additional medical treatment";

16           (b) by repealing section 251a;

17           (c) in the title and the first sentence of internal section 251b, by striking "Board of  
18 Workers' Compensation Administration" and inserting "Commissioner";

19           (d) in section 251c, subsection (j), by adding paragraphs (13) and (14) to read as  
20 follows:

21                   “(13) make recommendations for amendments to this chapter every five years;  
22 and

23                   (14) use for the payment of medical procedures a fee schedule recognized in  
24 the local medical community not later than 60 days after the fee schedule has been  
25 established”;

1 (e) in section 252(a), after the first sentence, by inserting two sentences that read:  
2 “There will be a five-day waiting period before disability benefits may be paid. If an  
3 employee is found eligible for payment on the 15<sup>th</sup> day, the compensation is retroactive to  
4 the first full day of disability”;

5 (f) in section 254a, by adding subsections (j) and (k) to read as follows:

6 “(j) There is a four-year statute of limitations on medical service. If there has  
7 been no activity in a case for four consecutive years, the Administrator shall close  
8 the case.

9 (k) If there has been no activity on a claim for a period of six months, that  
10 claim is inactive. The injured worker shall submit a narrative medical report for  
11 the Administrator's consideration in determining if the case will return to active  
12 status. A claim may remain in an inactive status for not more than four years.”;

13 (g) in section 254c(b), by striking “245b” and replacing it with “254b”;

14 (h) in section 254c, by adding subsections (c) and (g) to read as follows:

15 “(c) If a contracted or temporary employee is injured, that employee is eligible  
16 for only 26 weeks maximum temporary total disability benefits after the termination  
17 date of the employment. If the injury is determined to be catastrophic, that employee  
18 is eligible for 120 weeks of disability benefits after the termination date of  
19 employment. Contracted and temporary employees are entitled to medical  
20 rehabilitation pursuant to section 254a”;

21 “(g) Unless otherwise provided, temporary total disability income benefits  
22 must be paid out for a period not to exceed 120 weeks; or upon reaching maximum  
23 medical improvement; whichever occurs first.”;

24 (i) in section 265, after the words “created a fund”, insert “within the Department  
25 of Labor” and by striking “Commissioner of Finance” and inserting “Administrator”;

1 (j) in sections 266(a)(1); 268; 269; 270; 271(a) and(b); 272(b); 273(a), (d), (e), and  
2 (g); 274(a) and (c); 275; 276; 277 (c) and (d); 279; and 281(b), (c), (f), and (g), by striking the  
3 words “Commissioner of Finance” and inserting “Commissioner of Labor”;

4 (k) in section 266, by deleting subsections (a)(2), and subsection (b);

5 (l) in section 272(c), by striking every occurrence of “March” and inserting  
6 “December” and by striking “February 28<sup>th</sup>” and inserting “September 30<sup>th</sup>”;

7 (m) in section 273(c), by:

8 (1) striking “March 31<sup>st</sup> and inserting “December 31<sup>st</sup> “;

9 (2) striking the third sentence and inserting: “This first premium will cover  
10 asix-month policy. The remainder of the premium must be paid on or before June  
11 15<sup>th</sup>, allowing a second policy to be issued for coverage until December 31<sup>st</sup>”; and

12 (3) at the end of the subsection, adding three sentences that read as follows:  
13 “A company may elect to pay the total premium by December 31<sup>st</sup>. The actual number  
14 of employees a company has employed must be reported by September 30<sup>th</sup> of each  
15 year. Rates and notices must be issued by November 15th, and renewals must begin  
16 on December 31<sup>st</sup> of each year.”;

17 (n) in section 276, by striking "four" and inserting “ten”;

18 (o) in section 277(a), by striking “\$500” and inserting “\$5,000”;

19 (p) in section 279, by striking the second sentence and inserting: “The Commissioner  
20 shall assess and collect fines in the same manner as premiums are assessed and collected against  
21 any employer who fails to keep true and accurate records, or willfully misrepresents the amount  
22 of the difference between the premium paid and the premiums that should have been paid.”;

23 (q) in section 285(a)(2), after the first sentence, by inserting the following  
24 sentence: “If an employee is terminated for just cause, the Administrator must conduct an  
25 investigation to determine the circumstances of the termination and whether disability  
26 benefits must be denied or issued.”;

1 (r) in section 286, by adding subsection (d) to read as follows:

2 “(d) An employer that does not respond within ten working days to a payroll  
3 inquiry shall pay a fine of \$250 for each failure to respond. The Administrator of  
4 the Workers’ Compensation Administration shall recommend to the Commissioner of  
5 Licensing and Consumer Affairs that the employer’s business license be suspended until  
6 the payroll inquiry has been completed.”; and

7 (s) in section 287, by striking “Board of Directors of the Workers’ Compensation  
8 Administration” and inserting “Commissioner”.

9 **BILL SUMMARY**

10 This bill amends title 24 Virgin Islands Code, chapter 11, by transferring the  
11 administration of the Government Insurance Fund from the Commissioner of Finance to  
12 the Commissioner of Virgin Islands Department of Labor to facilitate better recovery for  
13 injury or disease which arises out of and in the course of employment in the Virgin  
14 Islands under the Workers’ Compensation Administration. Further, this bill ensures that  
15 workers entitled to Workers’ Compensation benefits receive medical coverage,  
16 rehabilitation services, and disability compensation without undue delay by merging the  
17 benefits and payments components of the Workers’ Compensation Insurance Program.

18 **BR23-0912/February 7, 2023/HLF**  
19 **G35-034**