

.....  
(Original Signature of Member)

119TH CONGRESS  
2D SESSION

# H. R.

---

To amend the War Hazards Compensation Act and the Longshore and Harbor Workers' Compensation Act to require that the Federal government pay interest on late reimbursements, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

Mr. LAWLER introduced the following bill; which was referred to the Committee on \_\_\_\_\_

---

# A BILL

To amend the War Hazards Compensation Act and the Longshore and Harbor Workers' Compensation Act to require that the Federal government pay interest on late reimbursements, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "War Hazards Com-  
5 pensation Reform Act".

1 **SEC. 2. INTEREST ON LATE REIMBURSEMENT OF WAR HAZ-**  
2 **ARDS COMPENSATION ACT CLAIMS.**

3 (a) FINDINGS.—Congress finds the following:

4 (1) The War Hazards Compensation Act (42  
5 U.S.C. 1701 et seq.) (in this Act referred to as the  
6 “WHCA”) relies on private insurance carriers to ad-  
7 vance payment of compensation to covered employ-  
8 ees, often for extended periods, before reimburse-  
9 ment by the United States.

10 (2) Delayed reimbursement imposes substantial  
11 carrying costs on insurance carriers and insured em-  
12 ployers.

13 (3) Persistent delays in reimbursement discour-  
14 age insurer participation under the WHCA and  
15 threaten the availability and affordability of insur-  
16 ance coverage for employers engaged in overseas and  
17 national defense related activities.

18 (4) Under the WHCA, there is no provision for  
19 the accrual of interest on late WHCA reimburse-  
20 ments, which effectively shifts the cost of Federal  
21 delay onto insurance carriers.

22 (b) IN GENERAL.—Title I of the War Hazards Com-  
23 pensation Act (42 U.S.C. 1701 et seq.) is amended by  
24 adding at the end the following new section:

1 **“SEC. 108. INTEREST ON LATE REIMBURSEMENT.**

2 “(a) DESIGNATION OF COMPLETION OF REIMBURSE-  
3 MENT SUBMISSION.—

4 “(1) COMPLETE REIMBURSEMENT SUBMIS-  
5 SION.—A claim for reimbursement made pursuant to  
6 section 104(a) shall include the following:

7 “(A) All forms prescribed by the Secretary  
8 for reimbursement under this title, including  
9 Form CA-278 (Claim for Reimbursement of  
10 Benefit Payments and Claims Expense Under  
11 the War Hazards Compensation Act) as pro-  
12 vided by the Office of Workers’ Compensation  
13 Programs of the Department of Labor or any  
14 successor or substantially similar form.

15 “(B) Documentation relating to the pay-  
16 ment of benefits for which reimbursement is  
17 sought.

18 “(C) Any additional information specifi-  
19 cally requested by the Division of Federal Em-  
20 ployees’ Compensation of the Department of  
21 Labor (in this section referred to as ‘DFEC’).

22 “(2) ACKNOWLEDGMENT REQUIREMENT.—Not  
23 later than 14 days after receipt of a claim for reim-  
24 bursement as described under paragraph (1), DFEC  
25 shall issue a written or electronic—

1           “(A) acknowledgment that such claim for  
2 reimbursement is accepted; or

3           “(B) notice of any specific deficiency of  
4 such claim for reimbursement preventing such  
5 acknowledgment.

6           “(b) DEEMED COMPLETE DESIGNATION.—If DFEC  
7 does not issue an acknowledgment or deficiency notice as  
8 required under subsection (a)(2), such claim shall be  
9 deemed to have been acknowledged under subsection  
10 (a)(2)(A) on the date on which DFEC received such claim.

11          “(c) COMMENCEMENT OF INTEREST.—Interest shall  
12 accrue at the overpayment rate established under section  
13 6621 of the Internal Revenue Code of 1986 on the amount  
14 owed with respect to a claim for reimbursement under sec-  
15 tion 104(a) beginning on the date that is 60 days after  
16 the date on which an acknowledgment is issued under sub-  
17 section (a)(2)(A).”.

18          “(c) TREATMENT OF OUTSTANDING CLAIMS FOR RE-  
19 IMBURSEMENT.—For the purposes of section  
20 108(a)(2)(A) of the WHCA, as added by the amendments  
21 made by this section, any insurance claim for reimburse-  
22 ment made pursuant to section 104(a) of the WHCA that  
23 is outstanding on the date of enactment of this Act shall  
24 be deemed to have been acknowledged on the date of en-  
25 actment of this Act.

1 (d) IMPLEMENTING REGULATIONS.—Not later than  
2 180 days after the date of enactment of this section, the  
3 Secretary of Labor shall promulgate regulations to carry  
4 out the amendments made by this section.

5 **SEC. 3. AUTHORIZATION FOR HIRING MINIMUM NUMBER**  
6 **OF EXAMINERS.**

7 The Division of Federal Employees' Compensation of  
8 the Department of Labor shall hire not less than 15 full-  
9 time employees for the purpose of reviewing and proc-  
10 essing WHCA claims.

11 **SEC. 4. MODIFICATION OF COLLATERAL REQUIREMENTS**  
12 **FOR WAR HAZARDS COMPENSATION ACT**  
13 **CLAIMS.**

14 (a) FINDINGS.—Congress finds the following:

15 (1) Under the Longshore and Harbor Workers'  
16 Compensation Act (33 U.S.C. 901 et seq.) (in this  
17 Act referred to as the "LHWCA"), employers and  
18 insurance carriers are required to secure the pay-  
19 ment of compensation to covered employees.

20 (2) Section 104 of the WHCA (42 U.S.C.  
21 1704) provides for the reimbursement by the United  
22 States of benefits paid under the LHWCA for inju-  
23 ries or deaths resulting from a war-risk hazard.

24 (3) The Department of Labor, under section  
25 703.204 of title 20, Code of Federal Regulations, re-

1       quires insurance carriers to post collateral to secure  
2       reimbursement obligations, including for WHCA  
3       claims.

4           (4) For WHCA claims, the United States Gov-  
5       ernment bears the ultimate financial responsibility  
6       for benefit payments, subject to statutory reimburse-  
7       ment procedures.

8           (5) Requiring full or substantial collateral for  
9       WHCA claims imposes unnecessary financial and  
10      administrative burdens on LHWCA insurance car-  
11      riers, increases costs for government contractors,  
12      and may discourage carrier participation in markets  
13      supporting national defense.

14      (b) IN GENERAL.—Section 32 of the Longshore and  
15      Harbor Workers’ Compensation Act (33 U.S.C. 932) is  
16      amended by adding at the end the following:

17      “(c) Notwithstanding any other provision of this Act,  
18      the Secretary may not require an insurance carrier to post  
19      collateral, security, or other financial assurance for liabil-  
20      ities arising from claims reimbursable under the War Haz-  
21      ards Compensation Act (42 U.S.C. 1701 et seq.).”.

22      (c) CONFORMING REGULATORY AMENDMENTS.—Not  
23      later than 180 days after the date of enactment of this  
24      Act, the Secretary of Labor shall revise section 703.204  
25      of title 20, Code of Federal Regulations, and any related

1 regulations to conform with the amendments made by this  
2 Act.

3 **SEC. 5. NO EFFECT ON BENEFIT ENTITLEMENTS.**

4 Nothing in this Act, or the amendments made by this  
5 Act, shall be construed to—

6 (1) reduce or delay benefits payable to an in-  
7 jured employee or surviving beneficiary under the  
8 LHWCA or WHCA; or

9 (2) alter the obligation of the United States for  
10 timely reimbursement of eligible WHCA claims in  
11 accordance with existing law.