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SENATE JOINT MEMORIAL 80

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Leonard Lee Rawson

A JOINT MEMORIAL

REQUESTING THE DIRECTOR OF THE WORKERS' COMPENSATION
ADMINISTRATION TO STUDY THE POTENTIAL EFFECTS OF WRAPAROUND
POLICIES OF WORKERS' COMPENSATION INSURANCE.

WHEREAS, workers' compensation laws and programs have
proved to be fair and equitable to both employers and employees
as a method to allocate the costs of work-related injuries
without finding fault; and

WHEREAS, some owners and prime contractors have begun to
utilize "wraparound policies" of workers' compensation
insurance, whereby, as a condition to submitting a bid or
entering into a contract, the contractor and all subcontractors
must agree to be covered by the owner's or prime contractor's
policy; and

WHEREAS, broad use of wraparound policies may create the

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1 potential for uncertainty in determining the appropriate
2 workers' compensation policy to cover some work-related
3 injuries;

4 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
5 STATE OF NEW MEXICO that the director of the workers'
6 compensation administration be requested to study the potential
7 effects of the use of wraparound policies of workers'
8 compensation insurance and report his findings and
9 recommendations to the second session of the forty-fifty
10 legislature; and

11 BE IT FURTHER RESOLVED that a copy of this memorial be
12 transmitted to the director of the workers' compensation
13 administration.

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