

119TH CONGRESS
2D SESSION

H. R. 9520

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

JUNE 29, 2026

Mr. LAWLER introduced the following bill; which was referred to the
Committee on Education and Workforce

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”.

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

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

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

7 (2) Delayed reimbursement imposes substantial
8 carrying costs on insurance carriers and insured em-
9 ployers.

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

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

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

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

23 “(a) DESIGNATION OF COMPLETION OF REIMBURSE-
24 MENT SUBMISSION.—

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

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

12 “(B) Documentation relating to the pay-
13 ment of benefits for which reimbursement is
14 sought.

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

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

23 “(A) acknowledgment that such claim for
24 reimbursement is accepted; or

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

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

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

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

24 “(d) IMPLEMENTING REGULATIONS.—Not later than
25 180 days after the date of enactment of this section, the

1 Secretary of Labor shall promulgate regulations to carry
2 out the amendments made by this section.

3 **SEC. 3. AUTHORIZATION FOR HIRING MINIMUM NUMBER**
4 **OF EXAMINERS.**

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

9 **SEC. 4. MODIFICATION OF COLLATERAL REQUIREMENTS**
10 **FOR WAR HAZARDS COMPENSATION ACT**
11 **CLAIMS.**

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

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

18 (2) Section 104 of the WHCA (42 U.S.C.
19 1704) provides for the reimbursement by the United
20 States of benefits paid under the LHWCA for inju-
21 ries or deaths resulting from a war-risk hazard.

22 (3) The Department of Labor, under section
23 703.204 of title 20, Code of Federal Regulations, re-
24 quires insurance carriers to post collateral to secure

1 reimbursement obligations, including for WHCA
2 claims.

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

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

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

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

21 (c) CONFORMING REGULATORY AMENDMENTS.—Not
22 later than 180 days after the date of enactment of this
23 Act, the Secretary of Labor shall revise section 703.204
24 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.

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