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**By: Senator Derr**

Introduced and read first time: January 31, 1997

Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2 **Workers' Compensation Insurance - Notice of Cancellation**

3 FOR the purpose of altering the manner in which an insurer must serve notice of  
4 intention to cancel a workers' compensation insurance policy on the employer.

5 BY repealing and reenacting, with amendments,  
6 Article - Insurance  
7 Section 19-406  
8 Annotated Code of Maryland  
9 (1996 Volume)  
10 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article - Insurance**

14 19-406.

15 (a) An insurer may not cancel a workers' compensation insurance policy before its  
16 expiration unless, at least 30 days before the date of cancellation, the insurer:

17 (1) serves on the employer, by personal service or [registered] CERTIFIED  
18 mail addressed to the last known address of the employer, a notice of intention to cancel  
19 the policy; and

20 (2) files a copy of the notice with the State Workers' Compensation  
21 Commission.

22 (b) Notice under this section may be given:

23 (1) if the employer is a corporation, to an agent or officer of the corporation  
24 on whom legal process may be served; and

25 (2) if the employer is a partnership, to a partner.

26 (c) Notice under this section shall state when the cancellation takes effect.

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1           (d) Whenever an employer receives a notice under this section, the employer  
2 immediately shall secure coverage in accordance with § 9-402 of the Labor and  
3 Employment Article that will be in effect when the cancellation takes effect.

4           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 October 1, 1997.