

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE  
Revised

House Bill 779 (Delegate Redmer)

Economic Matters

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

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This bill extends from 30 days to 45 days the notice an insurer or the Injured Workers' Insurance Fund (IWIF) must give before canceling a workers' compensation insurance policy.

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**Fiscal Summary**

**State Effect:** None. The bill would not directly affect State expenditures because the State self-insures for workers' compensation. The bill would also not affect the Workers' Compensation Commission, Uninsured Employers' Fund, or the Subsequent Injury Fund.

**Local Effect:** Minimal impact on the smaller local governments that purchase workers' compensation insurance (rather than self-insuring) by giving them additional notice if their workers' compensation insurer intends to cancel their policy.

**Small Business Effect:** Minimal impact on small businesses by giving them additional notice if their workers' compensation insurer intends to cancel their policy. For insurance agents that are small businesses, there may be additional losses if the policy cancellation was due to the insured's nonpayment of premiums.

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**Fiscal Analysis**

**State Expenditures:** IWIF may experience additional losses if it must give 15 days additional notice to policyholders who are being canceled due to nonpayment of premiums. IWIF advises, however, that it would likely change its billing practices to ensure adequate prepayment and therefore eliminate any potential losses.

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**Information Source(s):** Injured Workers' Insurance Fund; Subsequent Injury Fund;

Uninsured Employers' Fund; Workers' Compensation Commission; National Council on Compensation Insurance, Inc.; Department of Legislative Services

**Fiscal Note History:**

First Reader - March 15, 1999

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Revised - House Third Reader - March 29, 1999

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