

By: **Delegate McClenahan**

Introduced and read first time: February 14, 2000  
Assigned to: Rules and Executive Nominations  
Re-referred to: Economic Matters, February 28, 2000

Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 25, 2000

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Workers' Compensation Insurer - Office and Personnel Requirements**

3 FOR the purpose of modifying the personnel requirements for offices of workers'  
4 compensation insurers; requiring certain workers' compensation insurers to  
5 have a certain office in the State for certain purposes; requiring certain workers'  
6 compensation insurers, certain employers, and certain governmental  
7 self-insurance groups to establish a toll-free telephone number for certain  
8 purposes; altering certain penalties; making certain stylistic changes; and  
9 generally relating to office and personnel requirements for workers'  
10 compensation insurers and self-insurers.

11 ~~BY repealing and reenacting, with amendments,~~  
12 ~~Article - Insurance~~  
13 ~~Section ~~19-401(a)~~ 19-401~~  
14 ~~Annotated Code of Maryland~~  
15 ~~(1997 Volume and 1999 Supplement)~~

16 BY adding to  
17 Article - Labor and Employment  
18 Section 9-410  
19 Annotated Code of Maryland  
20 (1999 Replacement Volume)

21 BY repealing and reenacting, with amendments,  
22 Article - Labor and Employment

1 Section 9-404(g) and 9-405(d)  
2 Annotated Code of Maryland  
3 (1999 Replacement Volume)

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

6 **Article - Insurance**

7 [ 19-401.

8 (a) An insurer that provides workers' compensation insurance in the State  
9 shall have in the State an office run by a competent individual ~~who handles~~, ~~TO~~  
10 ~~HANDLE~~ all ~~of the~~ ~~CONTESTED~~ workers' compensation ~~work~~ ~~CLAIMS~~ in the State  
11 for the insurer.

12 (b) (1) A person that violates subsection (a) of this section is guilty of a  
13 misdemeanor and on conviction is subject to a fine not exceeding \$1,000.

14 (2) The Commissioner may revoke the certificate of authority of a person  
15 that is convicted under this section. ]

16 **Article - Labor and Employment**

17 9-410.

18 (A) AN INSURER THAT PROVIDES WORKERS' COMPENSATION INSURANCE IN  
19 THE STATE SHALL HAVE IN THE STATE AN OFFICE RUN BY A COMPETENT  
20 INDIVIDUAL WHO HANDLES ALL OF THE WORKERS' COMPENSATION WORK IN THE  
21 STATE FOR THE INSURER.

22 (B) AN INSURER THAT PROVIDES WORKERS' COMPENSATION INSURANCE IN  
23 THE STATE, SHALL ESTABLISH A TOLL-FREE TELEPHONE NUMBER THROUGH  
24 WHICH AN INSURED OR CLAIMANT, OR A REPRESENTATIVE OF AN INSURED OR  
25 CLAIMANT, MAY MAKE DIRECT TELEPHONE INQUIRIES DURING REGULAR BUSINESS  
26 HOURS.

27 (C) THE COMMISSION MAY ASSESS A FINE NOT EXCEEDING \$1,000 ON AN  
28 INSURER THAT DOES NOT COMPLY WITH THIS SECTION.

29 9-404.

30 (g) (1) Each governmental self-insurance group shall have in the State an  
31 office run by a competent individual who handles all of the workers' compensation  
32 work in the State for the governmental self-insurance group.

33 [(2) A governmental self-insurance group that violates any provision of  
34 this subsection is guilty of a misdemeanor and on conviction is subject to a fine not  
35 exceeding \$1,000.

1           (3)     The Commission may prohibit self-insurance by a governmental  
2 self-insurance group that is convicted under this subsection.]

3           (2)     EACH GOVERNMENTAL SELF-INSURANCE GROUP SHALL ESTABLISH  
4 A TOLL-FREE TELEPHONE NUMBER THROUGH WHICH AN EMPLOYEE OR CLAIMANT,  
5 OR A REPRESENTATIVE OF AN EMPLOYEE OR CLAIMANT, MAY MAKE DIRECT  
6 TELEPHONE INQUIRIES DURING REGULAR BUSINESS HOURS.

7           (3)     THE COMMISSION MAY ASSESS A FINE NOT EXCEEDING \$1,000 ON A  
8 GOVERNMENTAL SELF-INSURANCE GROUP THAT DOES NOT COMPLY WITH THIS  
9 SUBSECTION.

10 9-405.

11       (d)     (1)     Each employer [who] THAT self-insures under this section shall  
12 have in the State an office run by a competent individual who handles all of the  
13 workers' compensation work in the State for the employer.

14           (2)     An employer who violates any provision of this subsection is guilty of  
15 a misdemeanor and on conviction is subject to a fine not exceeding \$1,000.

16           (3)     The Commission may prohibit self-insurance by an employer who is  
17 convicted under this subsection.]

18           (2)     EACH EMPLOYER THAT SELF-INSURES UNDER THIS SECTION SHALL  
19 ESTABLISH A TOLL-FREE TELEPHONE NUMBER THROUGH WHICH AN EMPLOYEE OR  
20 CLAIMANT, OR A REPRESENTATIVE OF AN EMPLOYEE OR CLAIMANT, MAY MAKE  
21 DIRECT TELEPHONE INQUIRIES DURING REGULAR BUSINESS HOURS.

22           (3)     THE COMMISSION MAY ASSESS A FINE NOT EXCEEDING \$1,000 ON A  
23 SELF-INSURER THAT DOES NOT COMPLY WITH THIS SUBSECTION.

24     SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 ~~October~~ June 1, 2000.