

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

House Bill 1257 (Delegate McClenahan)

Economic Matters

Workers' Compensation Insurer - Office and Personnel Requirements

This bill requires workers' compensation insurers, self-insured employers, and government self-insurance groups to establish a toll-free telephone number to receive telephone inquiries during regular business hours. The bill transfers regulation of in-State workers' compensation insurer staffing from the Maryland Insurance Administration (MIA) to the Workers' Compensation Commission (WCC). The bill changes the penalty for failure to comply with the staffing requirements from a misdemeanor to a civil fine of up to \$1,000 imposed by WCC.

The bill is effective June 1, 2000.

Fiscal Summary

State Effect: The bill's changes could be handled with existing budgeted resources. Decreasing the penalty for violation from a misdemeanor to a civil penalty will not materially affect State finances or operations.

Local Effect: Minimal.

Small Business Effect: Minimal.

Analysis

Current Law: A workers' compensation insurer, a self-insured employer, and a government self-insurance group must have an office in the State run by a competent individual who handles all of that entity's workers' compensation work in the State. Failure to comply with any of these staffing requirements is a misdemeanor punishable by a fine of up to \$1,000.

MIA may revoke the certificate of authority of an insurer convicted of failure to comply with the staffing requirement.

WCC must approve the form of an insurer's workers' compensation insurance policy and may enforce the liability of the insurer for payment of compensation. MIA determines whether an insurer's premium rates adequately cover its workers' compensation risks and has enforcement authority to require an insurer to set premium rates to cover those risks.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Injured Workers' Insurance Fund, Subsequent Injury Fund, Uninsured Employers' Fund, Workers' Compensation Commission, Department of Legislative Services

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