

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 128

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 7, after “premium;” insert “requiring that a certain notice state a certain reason for cancellation or nonrenewal; prohibiting the Maryland Insurance Commissioner from disallowing a certain action under certain circumstances;”; in line 9, strike “Commission” and substitute “Commission’s designee”; in the same line, after the semicolon insert “altering the time at which a certain notice of cancellation of a workers’ compensation policy must be served on the policyholder and submitted to a certain person; requiring the Board for the Injured Workers’ Insurance Fund to submit a copy of certain notices to the Commission’s designee;”; in the same line, after “compensation” insert “insurance”; and after line 14, insert:

“BY repealing and reenacting, with amendments,

Article - Labor and Employment

Section 10-133(b) and 10-135(d)

Annotated Code of Maryland

(1999 Replacement Volume and 2004 Supplement)”.

AMENDMENT NO. 2

On page 2, in line 2, strike “Commission” and substitute “COMMISSION’S DESIGNEE”; after line 11, insert:

“(E) (1) THE NOTICE SHALL STATE THE INSURER’S ACTUAL REASON FOR PROPOSING THE CANCELLATION OR NONRENEWAL OF THE POLICY.

(2) THE COMMISSIONER MAY NOT DISALLOW A PROPOSED ACTION OF AN INSURER BECAUSE THE STATEMENT OF ACTUAL REASON CONTAINS:

(I) GRAMMATICAL, TYPOGRAPHICAL, OR OTHER ERRORS, IF

(Over)

THE ERRORS ARE NOT MATERIAL TO THE PROPOSED ACTION AND ARE NOT MISLEADING;

(II) SURPLUS INFORMATION, IF THE SURPLUS INFORMATION IS NOT MISLEADING; OR

(III) ERRONEOUS INFORMATION, IF IN THE ABSENCE OF THE ERRONEOUS INFORMATION THERE IS A SUFFICIENT BASIS TO SUPPORT THE PROPOSED ACTION.”;

in line 12, strike “(E)” and substitute “(F)”; in line 14, strike “CERTIFIED MAIL” and substitute “CERTIFICATE OF MAILING”; in line 17, strike “(E)(1)” and substitute “(F)(1)”; and in the same line, strike “COMMISSION” and substitute “COMMISSION’S DESIGNEE”.

AMENDMENT NO. 3

On page 2, after line 17, insert:

“Article - Labor and Employment

10-133.

(b) (1) Subject to paragraph (2) of this subsection, the Board, the President of the Fund, or the Executive Vice President of the Fund may:

(i) cancel the insurance of a policyholder who fails to pay a premium due to the Fund; and

(ii) refer to the Attorney General, for collection, the debt of any policyholder whose insurance is being cancelled under this paragraph.

(2) At least [30] 10 days before the date set for cancellation of insurance under this subsection, the Board shall:

(i) serve on the policyholder, by personal service or by certified or

registered mail sent to the last known resident address of the policyholder, a notice of intention to cancel insurance; and

(ii) submit a copy of the notice to the Workers' Compensation [Commission] COMMISSION'S DESIGNEE.

(3) Notice under this subsection may be given:

(i) for a policyholder that is a corporation, to an official or other agent of the corporation on whom legal process may be served; and

(ii) for a policyholder that is a partnership, to any partner.

(4) Notice under this subsection shall state the date on which the cancellation is to become effective.

(5) Whenever a debt is referred under this subsection for collection, the insurance may not be reinstated until the debt is paid in full.

10-135.

(d) (1) Subject to paragraph (2) of this subsection, the Board, the President of the Fund, or the Executive Vice President of the Fund may cancel the insurance of a policyholder who:

(i) fails to comply with subsection (b) of this section; or

(ii) refuses to allow an inspection authorized under subsection (c) of this section.

(2) At least 30 days before the date set for cancellation of insurance under this subsection, the Board shall:

(i) serve on the policyholder, by personal service or by certified or registered mail sent to the last known resident address of the policyholder, a notice of intention to

(Over)

cancel insurance; and

(ii) submit a copy of the notice to the Workers' Compensation [Commission] COMMISSION'S DESIGNEE.

(3) Notice under this subsection may be given:

(i) for a policyholder that is a corporation, to an official or other agent of the corporation on whom legal process may be served; and

(ii) for a policyholder that is a partnership, to any partner.

(4) Notice under this subsection shall state the date on which the cancellation is to become effective.”.