

Analysis

Bill Summary: WCC may not disallow a proposed action of an insurer because the statement of actual reason in the cancellation notice contains: (1) grammatical, typographical, or other errors, if the errors are not material to the proposed action and are not misleading; (2) surplus information, if the surplus information is not misleading; or (3) erroneous information, if in the absence of the erroneous information there is a sufficient basis to support the proposed action.

Current Law: An insurer must provide notice of workers' compensation insurance cancellation to the employer at least 30 days prior to the date of cancellation. The notice must be served on the employer either by personal service or certified mail and a copy filed with WCC. The employer is required to secure other workers' compensation insurance as provided by law effective as of the prior policy's cancellation date.

Background: Notice of cancellation of most other insurance policies for nonpayment of premiums is required 10 days prior to the effective date, including motor vehicle insurance, all casualty and property insurance, and life and health insurance.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 16, 2005
mll/jr Revised - Senate Third Reader - April 4, 2005
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