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§9–407.

(a) If an employer fails to secure compensation for all covered employees of the employer as required by § 9–402 of this subtitle, the Commission shall:

(1) issue an order directing the employer to attend a hearing to show cause as to why the employer should not be:

(i) required to secure compensation for all covered employees of the employer;

(ii) found in violation of § 9–402 of this subtitle; and

(iii) assessed a penalty for noncompliance with § 9–402 of this subtitle; and

(2) set the hearing as soon as practicable.

(b) If, following the hearing, the Commission finds that the employer failed to secure compensation for all covered employees of the employer as required by § 9–402 of this subtitle, the Commission shall:

(1) order the employer to:

(i) secure and maintain insurance for all covered employees of the employer through an authorized insurer; and

(ii) submit proof of insurance coverage to the Commission; and

(2) order the employer to pay a penalty not to exceed $25,000 to the Uninsured Employers' Fund.

(c) (1) If an employer fails to comply with an order to insure with an authorized insurer issued under subsection (b) of this section or under § 9–404(j) or § 9–405(f) of this subtitle, within 30 days after the Commission issues the order, the Commission shall set a hearing as soon as practicable.

(2) If, following the hearing, the Commission finds that the employer failed to comply with an order issued under subsection (b)(1) of this section, the

Commission may order the employer to pay a penalty not to exceed $25,000 to the Uninsured Employers' Fund.

(d) (1) An employer's failure to pay a penalty under this section constitutes a default in payment of compensation and judgment shall be entered as in a case of default in payment of compensation.

(2) (i) A penalty that is payable under this section is a lien against the assets of the employer that is liable for the penalty.

(ii) A lien under subparagraph (i) of this paragraph is subordinate to claims for unpaid wages and prior recorded liens.

(3) The Uninsured Employers' Fund may bring a civil action to collect any penalty ordered under this section or any assessment ordered under Subtitle 10 of this title.

(4) (i) Notwithstanding any other provision of law, if the uninsured employer is a corporation the assets of which are not sufficient to satisfy any penalty ordered under this section, any officer of the corporation who has responsibility for the general management of the corporation in the State is jointly and severally liable for the penalty if the corporate officer knowingly failed to secure compensation for the covered employees of the employer.

(ii) Notwithstanding any other provision of law, if the uninsured employer is a limited liability company the assets of which are not sufficient to satisfy any penalty ordered under this section, any member of the limited liability company who has responsibility for the general management of the limited liability company in the State is jointly and severally liable for the penalty if a member of the limited liability company who has general management responsibility knowingly failed to secure compensation for the covered employees of the employer.

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