

Senate BILL NO. *357*

INTRODUCED BY LABOR & EMPLOYMENT RELATIONS COMMITTEE, *Lee*
Chairman

BY REQUEST OF

THE DIVISION OF WORKERS' COMPENSATION

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 92-1002, R.C.M. 1947, REGARDING THE ELECTION OF AN EMPLOYER TO BE BOUND BY COMPENSATION PLAN NO. 2, BY REQUIRING THAT WORKERS' COMPENSATION POLICIES WRITTEN BY PRIVATE INSURANCE CARRIERS BE WRITTEN ON A CONTINUOUS BASIS UNTIL PRIOR NOTICE HAS BEEN SUBMITTED TO THE DIVISION THAT THE POLICY WILL BE TERMINATED; AND REPEALING SECTION 92-1006, R.C.M. 1947."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 92-1002, R.C.M. 1947, is amended to read as follows:

"92-1002. Duty of employer electing plan No. 2 -- amount of insurance necessary. (1) Any employer electing to become bound by compensation plan No. 2 shall make his election on the form and in the manner prescribed by the division. ~~Such election shall be accompanied by a certificate issued by the insurer on the form prescribed by the division, which shall state the effective date of the policy insuring the employer, its expiration date and such other information as may be required by the division to~~

INTRODUCED BILL

~~inform the division of the adequacy of the insurance.~~

(2) The insurer shall, within 10 days after the issuance of the policy of workers' compensation insurance, submit to the division the notice of coverage stating the effective date of the policy insuring the employer and such other information as may be required by the division. The policy remains in effect until cancelled, and cancellation may take effect only by written notice to the named insured and to the division at least 20 days prior to the date of cancellation. However, the policy terminates on the effective date of a replacement or succeeding workers' compensation insurance policy issued to the insured.

(3) The division may, in its discretion, assess a penalty of no more than \$200 against an insurer which as a general business practice does not comply with the 10-day notice requirement as set forth in subsection (2) of this section."

Section 2. Repealer. Section 92-1006, R.C.M. 1947, is repealed.

-End-

SB 357

Approved by Committee
on Labor & Employment
Relations

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BY REQUEST OF

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92-1002, R.C.M. 1947, REGARDING THE ELECTION OF AN EMPLOYER
TO BE BOUND BY COMPENSATION PLAN NO. 2, BY REQUIRING THAT
WORKERS' COMPENSATION POLICIES WRITTEN BY PRIVATE INSURANCE
CARRIERS BE WRITTEN ON A CONTINUOUS BASIS UNTIL PRIOR NOTICE
HAS BEEN SUBMITTED TO THE DIVISION THAT THE POLICY WILL BE
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division. ~~Such election shall be accompanied by a~~
~~certificate issued by the insurer on the form prescribed by~~
~~the division, which shall state the effective date of the~~
~~policy insuring the employer, its expiration date and such~~
~~other information as may be required by the division to~~

SECOND READING

~~inform the division of the adequacy of the insurance~~
~~(2) The insurer shall, within 10 days after~~
~~issuance of the policy of workers' compensation insurance,~~
~~submit to the division the notice of coverage stating the~~
~~effective date of the policy insuring the employer and such~~
~~other information as may be required by the division. The~~
~~policy remains in effect until cancelled, and cancellation~~
~~may take effect only by written notice to the named insured~~
~~and to the division at least 20 days prior to the date of~~
~~cancellation. However, the policy terminates on the~~
~~effective date of a replacement or succeeding workers'~~
~~compensation insurance policy issued to the insured.~~

~~(3) The division may, in its discretion, assess a~~
~~penalty of no more than \$200 against an insurer which as a~~
~~general business practice does not comply with the 10-day~~
~~notice requirement as set forth in subsection (2) of this~~
~~section."~~

Section 2. Repealer. Section 92-1006, R.C.M. 1947, is
repealed.

-End-

SB 357

1 SENATE BILL NO. 357
 2 INTRODUCED BY LABOR & EMPLOYMENT RELATIONS COMMITTEE
 3 LEE, CHAIRMAN
 4 BY REQUEST OF
 5 THE DIVISION OF WORKERS' COMPENSATION
 6

7 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION
 8 92-1002, R.C.M. 1947, REGARDING THE ELECTION OF AN EMPLOYER
 9 TO BE BOUND BY COMPENSATION PLAN NO. 2, BY REQUIRING THAT
 10 WORKERS' COMPENSATION POLICIES WRITTEN BY PRIVATE INSURANCE
 11 CARRIERS BE WRITTEN ON A CONTINUOUS BASIS UNTIL PRIOR NOTICE
 12 HAS BEEN SUBMITTED TO THE DIVISION THAT THE POLICY WILL BE
 13 TERMINATED; AND REPEALING SECTION 92-1006, ~~92-1009~~, R.C.M.
 14 1947."
 15

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

17 Section 1. Section 92-1002, R.C.M. 1947, is amended to
 18 read as follows:

19 *92-1002. Duty of employer electing plan No. 2 --
 20 amount of insurance necessary. (1) Any employer electing to
 21 become bound by compensation plan No. 2 shall make his
 22 election on the form and in the manner prescribed by the
 23 division. ~~Such election shall be accompanied by a~~
 24 ~~certificate issued by the insurer on the form prescribed by~~
 25 ~~the division, which shall state the effective date of the~~

1 policy--insuring--the--employer--its--expiration--date--and--such
 2 other--information--as--may--be--required--by--the--division--to
 3 inform--the--division--of--the--adequacy--of--the--insurance;

4 (2) The insurer shall, within 10 30 days after the
 5 issuance of the policy of workers' compensation insurance,
 6 submit to the division the notice of coverage stating the
 7 effective date of the policy insuring the employer and such
 8 other information as may be required by the division. The
 9 policy remains in effect until cancelled, and cancellation
 10 may take effect only by written notice to the named insured
 11 and to the division at least 20 days prior to the date of
 12 cancellation. However, the policy terminates on the
 13 effective date of a replacement or succeeding workers'
 14 compensation insurance policy issued to the insured. NOTHING
 15 IN THIS SUBSECTION PREVENTS AN INSURER FROM CANCELLING A
 16 POLICY OF WORKERS' COMPENSATION INSURANCE UNTIL A
 17 REPLACEMENT POLICY IS ISSUED TO THE INSURED.

18 (3) The division may, in its discretion, assess a
 19 penalty of no more than \$200 against an insurer which, as a
 20 general business practice, does not comply with the 10-day
 21 30-DAY notice requirement as set forth in subsection (2) of
 22 this section."

23 Section 2. Repealer. Section 92-1006, ~~92-1009~~, R.C.M.
 24 1947, is repealed.

-End-

1. Amend page 2, section 1, line 16.

Following: "INSURANCE"

Strike: "UNTIL"

Insert: "BEFORE"

AS AMENDED BE CONCURRED IN

SENATE BILL NO. 357

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LEE, CHAIRMAN

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~~policy insuring the employer, its expiration date and such other information as may be required by the division to inform the division of the adequacy of the insurance.~~

(2) The insurer shall, within 10 30 days after the issuance of the policy of workers' compensation insurance, submit to the division the notice of coverage stating the effective date of the policy insuring the employer and such other information as may be required by the division. The policy remains in effect until cancelled, and cancellation may take effect only by written notice to the named insured and to the division at least 20 days prior to the date of cancellation. However, the policy terminates on the effective date of a replacement or succeeding workers' compensation insurance policy issued to the insured. NOTHING IN THIS SUBSECTION PREVENTS AN INSURER FROM CANCELLING A POLICY OF WORKERS' COMPENSATION INSURANCE UNTIL BEFORE A REPLACEMENT POLICY IS ISSUED TO THE INSURED.

(3) The division may, in its discretion, assess a penalty of no more than \$200 against an insurer which as a general business practice does not comply with the 10-day 30-DAY notice requirement as set forth in subsection (2) of this section."

Section 2. Repealer. Section 92-1006, 92-1009, R.C.M. 1947, is repealed.

-End-