

SB 157 INTRODUCED BY MANNING, DRISCOLL  
WORKERS' COMPENSATION PLAN NO. 2 REQUIRES EMPLOYER TO  
GIVE 20 DAYS NOTICE PRIOR TO CANCELLING POLICY  
BY REQUEST OF DIVISION OF WORKERS' COMPENSATION

1/20 INTRODUCED

1/20 REFERRED TO LABOR & EMPLOYMENT RELATIONS

1/29 HEARING

1/31 ADVERSE COMMITTEE REPORT ADOPTED 46 2

1 *Senate* BILL NO. *157*  
 2 INTRODUCED BY *Richard E. Spence*  
 3 BY REQUEST OF THE DIVISION OF WORKERS' COMPENSATION  
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING AN EMPLOYER  
 6 INSURED BY A WORKERS' COMPENSATION PLAN NO. 2 CARRIER TO  
 7 GIVE 20 DAYS NOTICE PRIOR TO CANCELING A POLICY; AMENDING  
 8 SECTION 39-71-2205, MCA; AND PROVIDING AN APPLICABILITY  
 9 DATE."  
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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 39-71-2205, MCA, is amended to  
 13 read:

14 "39-71-2205. Policy remains in effect until canceled  
 15 or replaced -- twenty-day notification of cancellation  
 16 required. (1) The policy remains in effect until canceled,  
 17 and cancellation may take effect only by written notice to  
 18 ~~the-named-insured-and-to-the-division~~ at least 20 days prior  
 19 to the date of cancellation;

20 (a) by the insurer to the named insured and the  
 21 division; or

22 (b) by the named insured to the insurer and the  
 23 division.

24 (2) However, the policy terminates on the effective  
 25 date of a replacement or succeeding workers' compensation

1 insurance policy issued to the insured. Nothing in this  
 2 section prevents an insurer from canceling a policy of  
 3 workers' compensation insurance before a replacement policy  
 4 is issued to the insured."

5 NEW SECTION. Section 2. Extension of authority. Any  
 6 existing authority of the division of workers' compensation  
 7 to make rules on the subject of the provisions of this act  
 8 is extended to the provisions of this act.

9 NEW SECTION. Section 3. Applicability. This act  
 10 applies to policies issued on or after October 1, 1987.

-End-

