



## **119th MAINE LEGISLATURE**

## FIRST REGULAR SESSION-1999

Legislative Document

No. 1943

H.P. 1343

House of Representatives, March 18, 1999

An Act to Ensure that Workers Are Informed about Their Employers' Cancellation of Workers' Compensation Insurance.

Reference to the Committee on Labor suggested and ordered printed.

JOSEPH W. MAYO, Clerk

Presented by Representative WHEELER of Bridgewater. Cosponsored by Senator O'GARA of Cumberland and Representatives: AHEARNE of Madawaska, CLARK of Millinocket, MacDOUGALL of North Berwick, McALEVEY of Waterboro, O'NEAL of Limestone, SHERMAN of Hodgdon, TRACY of Rome, TREADWELL of Carmel.

## Be it enacted by the People of the State of Maine as follows:

Sec. 1. 39-A MRSA §403, sub-§1, as enacted by PL 1991, c. 885, 4 Pt. A, §8 and affected by §§9 to 11, is amended to read:

б Insuring under workers' compensation insurance policy. 1. The employer may comply with this section by insuring and keeping insured the payment of such compensation and other benefits under 8 a workers' compensation insurance policy. The insurance company shall file with the board notice, in the form required by the 10 board, of the issuance of any workers' compensation policy to an employer. The insurance may not be cancelled within the time 12 limited in such policy for its expiration until at least 30 days 14 after the insurance company mails to the board and to the employer a notice of the cancellation of the insurance. In the 16 event that the employer has obtained a workers' compensation policy from another insurance company, or has otherwise secured 18 compensation as provided in this section, and such insurance or other security becomes effective prior to the expiration of the 20 30-day notice period, cancellation takes effect on the effective date of the other insurance or on receipt of security. An employer whose workers' compensation insurance is to be canceled 22 or to expire without renewal shall notify the employer's 24 employees at least 20 days before the date of cancellation or nonrenewal, unless the employer has secured insurance coverage 26 from another insurance company. An employer who fails to give the required notice commits a Class E crime.

## **SUMMARY**

32 This bill requires employers to notify their employees when the employers' workers' compensation insurance policy is canceled 34 or expires without being renewed, unless the employer has obtained insurance coverage from another insurance company. 36 Failure to give the required notice is a Class E crime.

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