



**House
Legislative
Analysis
Section**

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WORKERS' COMP. INSURANCE

House Bill 5383

Sponsor: Rep. Charles Perricone

Committee: Human Resources & Labor

Complete to 11-28-95

A SUMMARY OF HOUSE BILL 5383 AS INTRODUCED 11-8-95

The Worker's Disability Compensation Act currently requires every insurer mentioned in the act, including the Accident Fund, that issues a worker's compensation insurance policy to notify the director of the Bureau of Worker's Disability Compensation, within 30 days of a policy's effective date, that the policy has been issued and what its effective date is. Under the act, if the fund or an insurer fails to furnish this information to the director within 30 days of a policy's effective date, it must pay a civil penalty of \$10 for each day the filing is late, up to \$750. The director of the bureau must advise each insurer and the Accident Fund monthly by first class mail of all delinquent notices received by the bureau in the prior month with a calculation of the penalties due and payable to the bureau; a penalty is payable by the insurer within 30 days after the date of the bureau's notice. The director must consider proof presented by the fund or an insurer that a notice of issuance had been filed on time, and must take whatever action is proper to ensure collection of any delinquent payments. Money received under these provisions must be deposited in the Worker's Compensation Administrative Revolving Fund.

House Bill 5383 would amend the act to delete the penalty provisions for failing to file this information on time and would delete other provisions related to filing late (i.e., requiring the bureau director to advise insurers about delinquent notices, considering proof of notification, and providing for penalty money to be deposited into the fund).

MCL 418.625

House Bill 5383 (11-28-95)

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