



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5383 (Substitute H-2 as reported without amendment)
Sponsor: Representative Charles Perricone
House Committee: Human Resources and Labor
Senate Committee: Human Resources, Labor and Veterans Affairs

CONTENT

The bill would amend the Worker's Disability Compensation Act to delete a requirement that an insurer pay a civil fine for failing to furnish to the Director of the Bureau of Worker's Disability Compensation a notice of the issuance of a policy and its effective date, within 30 days after the policy's effective date. The required civil penalty is \$10 per day that the filing is late, up to \$750 for each late notice.

The bill provides, instead, that, following a hearing, if the Director determined that an insurer had engaged in a pattern and practice of numerous intentional violations, the Director could assess a civil fine of up to \$750 against that insurer. Alternatively, the Director could proceed under the provision of the Code allowing him or her to recommend to the Insurance Commissioner that the insurer's license be revoked, if an insurer repeatedly or unreasonably fails to pay claims promptly or repeatedly fails to make reports to the Director. The provisions for assessing a civil fine or recommending license revocation would not apply, however, after the Director certified that an electronic data reporting system was operational.

MCL 418.625

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill's provision that would eliminate the late filing fee would have an impact on the Worker's Compensation Administrative Revolving Fund. The Department of Labor does not have an estimate of annual revenue from late fees, but any reduction in revenue to this restricted fund could affect the budgets for Departmental Administration and the Bureau of Worker's Disability Compensation. This bill would not have an impact on local governmental units.

Date Completed: 12-13-95

Fiscal Analyst: K. Lindquist

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