

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 1410 (Substitute S-1 as reported)
Sponsor: Senator Bill Bullard, Jr.
Committee: Financial Services

CONTENT

The bill would amend the Worker's Disability Compensation Act to allow insurers to submit certain notices either in writing or electronically. Under the Act, insurers issuing a workers' compensation insurance policy in the State must file a notice of the policy's issuance and effective date. The notice must be filed with the Director of the Bureau of Worker's and Unemployment Compensation within 30 days after the policy's effective date.

Under the bill, a notice of issuance or termination of insurance, or a notice of employer name change could be submitted in writing or by the use of Bureau-approved electronic record layout and transaction standards. The notice could be submitted by the insurer directly or by the Compensation Advisory Organization of Michigan on the insurer's behalf. Neither the Bureau nor a third party could require payment for the use of Bureau-approved electronic record layout and transaction standards under the Act. Time requirements for notices under the Act would apply whether they were filed by the insurer or the Compensation Advisory Organization.

The Act also allows the Bureau Director to assess a civil fine of up to \$750 against an insurer for numerous intentional violations of the reporting requirements. Alternatively, the Director may proceed under Section 631 (which provides for the revocation of an insurer's license, or an employer's privilege to be a self-insurer, for repeated failure to pay compensation or make required reports). Neither provision applies after the Director certifies that an electronic data reporting system is operational. The bill would delete these provisions.

MCL 418.625

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 9-25-02

Fiscal Analyst: Maria Tyszkiewicz