

**Unofficial Draft Copy**

As of: August 28, 2014 (12:25pm)

LCloss

\*\*\*\* Bill No. \*\*\*\*

Introduced By \*\*\*\*\*

By Request of the Economic Affairs Interim Committee

A Bill for an Act entitled: "An Act requiring workers' compensation insurers to provide loss information on an employer's policy to the employer or the employer's insurance producer or broker; limiting discovery; providing a fine; amending section 39-71-606, MCA; and providing an immediate effective date."

Be it enacted by the Legislature of the State of Montana:

**Section 1.** Section 39-71-606, MCA, is amended to read:

**"39-71-606. Insurer to accept or deny claim within 30 days of receipt -- notice of benefits and entitlements to claimants -- notice of denial -- notice of reopening -- notice to employer -- employer's right to loss information -- providing jurisdiction -- penalty.** (1) Each insurer under any plan for the payment of workers' compensation benefits shall, within 30 days of receipt of a claim for compensation signed by the claimant or the claimant's representative, either accept or deny the claim and, if denied, shall inform the claimant and the department in writing of the denial.

(2) The department shall make available to insurers for distribution to claimants sufficient copies of a document describing current benefits and entitlements available under

**Unofficial Draft Copy**

As of: August 28, 2014 (12:25pm)

LCloss

Title 39, chapter 71. Upon receipt of a claim, each insurer shall promptly notify the claimant in writing of potential benefits and entitlements available by providing the claimant a copy of the document prepared by the department.

(3) Each insurer under plan No. 2 or No. 3 for the payment of workers' compensation benefits shall notify the employer of the reopening of the claim within 14 days of the reopening of a claim for the purpose of paying compensation benefits.

(4) (a) Upon the request of an employer that it an insurer currently insures or has insured in the immediately preceding 5 years or upon the request of the employer's authorized insurance producer, an insurer shall notify the employer of shall provide the loss information listed in subsection (4)(b) within 14 business days of the request.

(b) Loss information to be provided under this subsection (4) must include for the period requested:

(i) all date of injury or occupational disease data for the employer's claims;

(ii) payment data on the employer's closed claims; and

(iii) payment data and loss reserve amounts on the employer's open claims, including all compensation benefits that are ongoing and are being charged against that employer's account.

(c) The information provided under subsection (4) is intended only for the purposes of the employer that sought the information and may be used only for the requested purpose by an insurer or the employer's insurance producer to whom the employer

**Unofficial Draft Copy**

As of: August 28, 2014 (12:25pm)

LCloss

gives that information.

(5) Failure of an insurer to comply with the time limitations required in ~~this section~~ subsections (1) and (3) does not constitute an acceptance of a claim as a matter of law.

However, an insurer who fails to comply with 39-71-608 or this section may be assessed a penalty under 39-71-2907 if a claim is determined to be compensable by the workers' compensation court.

(6) An insurer who fails to comply with subsection (4) is subject to a fine of \$500 if the insurer does not respond in 14 business days and an additional \$500 if the insurer does not respond within 30 business days. Fines for noncompliance must be deposited in the workers' compensation administration fund in 39-71-201.

(7) A dispute over this section must be filed with the workers' compensation court."

{Internal References to 39-71-606:  
39-71-615 x}

NEW SECTION. Section 2. {standard} Effective date. [This act] is effective on passage and approval.

- END -

{Name : Pat Murdo  
Title : Legislative Research Analyst  
Agency : Legislative Services Division  
Phone : 444-3594  
E-Mail : pmurdo@mt.gov}