

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND TENTH LEGISLATURE
4

5 **Legislative Document**

No. 1971

6
7 H. P. 1995 House of Representatives, February 11, 1982
Approved for introduction by the Legislative Council pursuant to
Joint Rule 26.

Referred to the Committee on Business Legislation. Sent up for
concurrence and ordered printed.

EDWIN H. PERT, Clerk

8 Presented by Representative Lewis of Auburn.

Cosponsors: Representative Perkins of Brooksville,
Representative Beaulieu of Portland and Representative Tuttle of
Sanford.
9

10 STATE OF MAINE
11

12 IN THE YEAR OF OUR LORD
13 NINETEEN HUNDRED AND EIGHTY-TWO
14

15 **AN ACT Relating to Assigned Risk**
16 **Plans in Workers' Compensation**
17 **Insurance.**
18

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

20 39 MRSA §22-B is enacted to read:

21 §22-B. Rates for assigned risks

22 A risk in the assigned risk pool shall be subject to a
23 surcharge of 8% of the rate applicable to it if the incurred
24 loss ratio for the previous year in this State exceeded
25 100%, or to a discount of 8% of the rate applicable to it if
26 the incurred loss ratio for the previous year in this State
27 was less than 75%. The superintendent shall adopt rules to
28 administer this section, including, but not limited to,
29 rules for the review and administrative appeal of grievances
30 of insureds, applicants and insurers under this section.

1 STATEMENT OF FACT

2 Under our present workers' compensation system, about
3 half of all risks are assigned to an assigned risk pool.
4 Risks are assigned to the pool for several reasons, only one
5 of which is high exposure, but rates for poor risks in the
6 pool do not differ from rates for other assigned risks.
7 Thus, better risks subsidize poorer risks, and there is no
8 economic incentive to improve safety in the workplace. This
9 bill would surcharge poor risks in the pool and reward good
10 risks with a discount.

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