

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

**STATE OF MAINE
115TH LEGISLATURE**

**FIRST REGULAR SESSION
AND
FIRST SPECIAL SESSION**

**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE**

AUGUST 1991

MEMBERS:

**Sen. Judy C. Kany
Sen. Raynold Theriault
Sen. Linda Curtis Brawn*

**Rep. Elizabeth H. Mitchell
Rep. Phyllis R. Erwin
Rep. Richard H. C. Tracy
Rep. Harriet A. Ketover
Rep. Ruth Joseph
Rep. Anne M. Rand
Rep. Edward L. Pineau
Rep. Joseph A. Garland
Rep. Peter Hastings
Rep. Joseph G. Carleton*

Staff:

Jane Orbeton, Legislative Analyst

*Office of Policy and Legal Analysis
Room 101, State House Station 13
Augusta, ME 04333
(207) 289-1670*

**Denotes Chair*

MARTHA E. FREEMAN, DIRECTOR
WILLIAM T. GLIDDEN, JR., PRINCIPAL ANALYST
ULIE S. JONES, PRINCIPAL ANALYST
DAVID C. ELLIOTT, PRINCIPAL ANALYST
RON CLARK
RYAN M. DYTTER
BRO FLATEBO
DEBORAH C. FRIEDMAN
MICHAEL D. HIGGINS
KANE ORBETON



STATE OF MAINE
OFFICE OF POLICY AND LEGAL ANALYSIS
ROOM 101/107/135
STATE HOUSE STATION 13
AUGUSTA, MAINE 04333
TEL.: (207) 289-1670

KAREN L. HRUBY
JILL IPPOLITI
JOHN B. KNOX
PATRICK NORTON
MARGARET J. REINSCH
PAUL J. SAUCIER
HAVEN WHITESIDE
MILA M. DWELLEY, RES. ASST.
ROY W. LENARDSON, RES. ASST.
BRET A. PRESTON, RES. ASST.

**ONE HUNDRED AND FIFTEENTH LEGISLATURE
FIRST REGULAR SESSION
AND
FIRST SPECIAL SESSION
JOINT STANDING COMMITTEE
BILL SUMMARIES
AUGUST 1991**

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The volume is organized alphabetically by committee; within each committee, the summaries are arranged by LD number. A subject index is provided at the beginning of each committee's summaries.

All adopted amendments are listed, by paper number (e.g., H - 584 or S - 222), together with the sponsor for floor amendments. Final action on each bill is listed to the right of the title. Various types of final action are abbreviated as follows:

PUBLIC XXX	<i>Chapter # of enacted Public Law</i>
P&S XXX	<i>Chapter # of enacted Private & Special Law</i>
RESOLVE XXX	<i>Chapter # of enacted Resolve</i>
CON RES XXX	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
EMERGENCY	<i>Enacted law takes effect sooner than 90 days</i>
CARRIED OVER	<i>Bill carried over to 2nd Session</i>
FAILED EMERGENCY ENACTMENT	<i>Bill failed to get 2/3 vote</i>
ONTP	<i>Ought Not to Pass report accepted</i>
LVWD	<i>Leave to Withdraw report accepted</i>
INDEF PP	<i>Bill Indefinitely Postponed</i>
DIED BETWEEN BODIES	<i>House & Senate disagree; bill died</i>
VETO SUSTAINED	<i>Legislature failed to override Governor's Veto</i>
UNSIGNED	<i>Not signed by Governor within 10 days</i>
DIED ON ADJOURNMENT	<i>Action incomplete when 1st session ended</i>

These summaries were prepared by the analyst or analysts assigned to the committee. But, this document was produced by the efforts of all the office staff, including secretaries: Charlene Raymond and Valarie Parlin, and especially Laurette Knox who coordinated preparation of the overall document.

If you have any suggestions or comments on these summaries, please let us know.

LD 1594 An Act to Improve the Maine Workers' Compensation System**ONTP**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
HASTINGS	ONTP	
WHITCOMB		
BRAWN		
CAHILL P		

SUMMARY

This bill contained the following changes in the workers' compensation system recommended by the Governor's Task Force on Workers' Compensation. It created incentives and deductibles, and granted to the Superintendent of Insurance rulemaking authority, to reward employers with good safety records, reduce premiums, and reduce the residual market. It excluded fringe benefits from the wage calculation. It created an independent medical examiner system and a medical review/case management system for lengthy or high cost cases. It limited physician choice and medical testing. It required employment to be the predominant cause of injury/illness. It defined intoxication at .04 blood alcohol. It prohibited lump sum settlements, provided for notice to employers of settlements, and allowed limits on the impact of settlements on an employers' experience rating factor. It limited the length and cost of rehabilitation plans and required the administrator to develop rules for the assessment/approval of plans. It capped attorneys' fees.

It altered procedures as follows: changed the 44-day rule to 60 days, eliminated the need for medical releases, replaced the maximum medical improvement concept with a 430 week cap on benefits, shortened the statute of limitations from 10 years to 3 years, created a system of automatic discontinuances under certain circumstances, established an apportionment arbitration system, and eliminated notice of injury for medical only claims. It required the Superintendent to commence a hearing to determine the bill's effect on rates.

LD 1603 An Act Relating to Workers' Compensation Insurance for Leased Employees**ONTP**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
AIKMAN	ONTP	
THERIAULT		
BRAWN		
CARPENTER		

SUMMARY

This bill responds to issues raised when employee leasing firms seek to procure workers' compensation insurance coverage upon those persons who work for clients of the leasing company. The bill is part of a model regulatory program currently proposed for adoption by the National Association of Insurance Commissioners.

The bill requires employee leasing companies to register with the Superintendent of Insurance as one condition of eligibility to be issued a workers' compensation insurance policy with respect to leased employees. (See Business Legislation bill, PL 468)