

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
106th LEGISLATURE

HOUSE AMENDMENT "A" to H. P. 1345, L. D. 1779, Bill, "AN

ACT to Allow Group Self-Insurance Under Maine's Workmen's
Compensation Law."

Amend said Bill by striking out all of section 1 and inserting
in place thereof the following:

'Sec. 1. R.S., T. 39, § 22-A, additional. Title 39 of the Revised
Statutes is amended by adding a new section 22-A, to read as follows:

'§ 22-A. Prepayment of premium

No insurance company issuing industrial accident insurance policies
shall require prepayment of premium more than 1/4 year in advance.'

Further amend said Bill by inserting after section 2 the following:

'Sec. 3. R. S., T. 39, § 23, sub-§§ 4 and 5, additional. Section
23 of Title 39 of the Revised Statutes is amended by adding 2 new
subsections, 4 and 5, to read as follows:

4. Group self-insurance.

A. Definitions. As used in this section the term "employers"
shall include:

(1) Employers with related activity in a given industry
employing persons who perform work in connection with
the given industry;

(2) An incorporated or unincorporated association or
associations consisting exclusively of such employers
provided they employ persons who perform such related
work in the given industry;

(3) A combination of employers as described in subparagraph (1)
and an association or associations of employers as described
in subparagraph (2).

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B. Any group consisting exclusively of such employers may adopt
a plan for self-insurance, as a group, for the payment of
compensation under this chapter to their employees. Under such

plan the group shall assume the liability of all the employers within the group and pay all compensation for which the said employers are liable under this chapter. Where such plan is adopted the group shall furnish satisfactory proof to the chairman of its financial ability to pay such compensation for the employers in the industry covered by it, its revenues, their source and assurance of continuance. The chairman shall require the deposit with the chairman of such securities as may be deemed necessary of the kind prescribed in paragraphs A to E or the filing of a bond of a surety company authorized to transact business in this State, in an amount to be determined to secure its liability to pay the compensation of each employer as above provided in accordance with paragraph E. Such surety bond must be approved as to form by the chairman. The chairman may also require that any and all agreements, contracts and other pertinent documents relating to the organization of the employers in the group shall be filed with him at the time the application for group self-insurance is made. Such application shall be on a form prescribed by the chairman. The chairman shall have the authority to deny the application of the group to pay such compensation or to revoke his consent furnished under this section at any time for good cause shown. The group qualifying under this paragraph shall be known as a self-insurer.

C. An employer participating in group self-insurance shall not be relieved from the liability for compensation prescribed by this chapter except by the payment thereof by the group self-insurer or by himself. As between the employee and the

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group self-insurer, notice to or knowledge of the occurrence of the injury on the part of the employer shall be deemed notice or knowledge, as the case may be, on the part of the group self-insurer; jurisdiction of the employer shall, for the purpose of this chapter, be jurisdiction of the group self-insurer and such group self-insurer shall in all things be bound by and subject to the orders, findings, decisions or awards rendered against the participating employer for the payment of compensation under this chapter. The insolvency or bankruptcy of a participating employer shall not relieve the group self-insurer from the payment of compensation for injuries or death sustained by an employee during the time the employer was a participant in such group self-insurance. The group self-insurer shall promptly notify the chairman, on a prescribed form, of the addition of any participating employer or employers. Notice of termination of a participating employer shall not be effective until at least 10 days after notice of such termination, on a prescribed form, has been either filed in the office of the chairman or sent by registered mail, and also served in like manner upon the employer.

D. Each group self-insurer, in its application for self-insurance, shall set forth the names and addresses of each of its officers, directors, trustees and general manager. Notice of any change in the officers, directors, trustees or general manager shall be given to the chairman within 10 days thereof. No officer, director, trustee or employee of the group self-insurer may represent or participate directly or indirectly on behalf of an injured worker or his dependents in any workmen's compensation

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proceeding. All employees of employers participating in group self-insurance shall be and are deemed to be included under the group self-insurance plan.

E. If for any reason, the status of a group self-insurer under this paragraph is terminated, the securities or the surety bond on deposit referred to herein shall remain in the custody of the chairman for a period of at least 26 months. At the expiration of such time or such further period as the chairman may deem proper and warranted, he may accept in lieu thereof, and for the additional purpose of securing such further and future contingent liability as may arise from prior injuries to workers and be incurred by reason of any change in the condition of such workers warranting the board making subsequent awards for payment of additional compensation, a policy of insurance furnished by the group self-insurer, its successor or assigns or others carrying on or liquidating such self-insurance group. Such policy shall be in a form approved by the superintendent of insurance and issued by the state fund or any insurance company licensed to issue this class of insurance in this State. It shall only be issued for a single complete premium payment in advance by the group self-insurer. It shall be given in an amount to be determined by the chairman and when issued shall be noncancellable for any cause during the continuance of the liability secured and so covered.

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F. All the provisions of this chapter relating to self-insurance and the rules and regulations promulgated thereunder shall be deemed applicable to group self-insurance.

5. Self-insurance.

A. "Self-insurance," as used herein, shall be deemed to be the system of securing compensation as provided in subsection 4.

For the purposes only of subsection 4 concerning group self-insurance plans, the amount of deposit of securities or the amount of a bond to be filed pursuant to subsection 4 shall be jointly determined by the chairman and the Insurance Commissioner. The chairman may from time to time request the Insurance Commissioner for such other assistance, and the Insurance Commissioner is hereby authorized to render such assistance upon request of the chairman, as may be necessary to insure the financial ability of such groups to pay compensation for the employers in the industries covered by such plans.'

Further amend said Bill by renumbering section 3 to be section 4.

Statement of Fact

This amendment would allow employers to group together and petition the Industrial Accident Commission to be allowed to be self-insurers in lieu of providing workmen's compensation insurance through a carrier.

Filed by Mr. Smith of Dover-Foxcroft.

Reproduced and distributed under the direction of the Clerk of the House.

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