

MAINE STATE LEGISLATURE

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(New Title)
New Draft of: H. P. 1155, L. D. 1488

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1958

H. P. 1528

House of Representatives, May 22, 1973

Reported by Mr. Binnette from the Committee on Labor and printed under
Joint Rules No. 18.

E. LOUISE LINCOLN, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

**AN ACT Relating to Self-insurance under Workmen's Compensation Law
and to Create a Fund for Payment of Adjudicated Industrial Accident
Claims Involving State Employees and to Establish a Safety Program.**

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

Sec. 1. R. S., T. 39, § 23, sub-§ 2, amended. The last sentence of subsection 2 of section 23 of Title 39 of the Revised Statutes is repealed.

Sec. 2. R. S., T. 39, § 23, sub-§ 2, amended. Subsection 2 of section 23 of Title 39 of the Revised Statutes is amended by adding at the end 2 new paragraphs to read as follows:

The privilege of being a self-insurer may be denied to an employer after a hearing before the commission on a complaint initiated by an injured employee or a labor organization certified to represent the affected employee under federal or state law.

At such hearing the self-insurer shall have the burden of proving that it is entitled to the privilege of self-insurance and that retention of the privilege of self-insurance is consistent with the public interest and the interest of the injured employee. The commission may suspend the privilege of self-insurance for a private employer for a specific period of time, or may condition retention of the privilege of self-insurance of the State of Maine or a private employer upon adherence to reasonable restrictions set forth by the commission.

Sec. 3. R. S., T. 39, § 29, additional. Title 39 of the Revised Statutes is amended by adding a new section 29 to read as follows:

§ 29. Reserve Fund; payment of claims of state employees

Notwithstanding section 23, subsection 2, the State of Maine shall maintain for the payment of workmen's compensation claims of state employees of those departments or agencies in which the State of Maine is a self-insurer the following reserve accounts.

1. For employees of the Department of Transportation, a reserve account shall be created by allocating from the Highway Surplus Account a minimum of \$200,000 for each fiscal year.

2. For employees of all other departments and agencies in which the State of Maine is a self-insurer, a reserve account shall be created by appropriating from the General Fund a minimum of \$200,000 for each biennium.

When the reserve account of the Department of Transportation shall be depleted by payment of claims until only $\frac{1}{5}$ of the annual allocation remains, the administrator of the reserve fund may at his discretion ask for an additional allocation sufficient to pay any remaining claims during that fiscal year. Any portion of an allocation remaining at the end of a fiscal year may be used to reduce the appropriation for the next fiscal year by a like amount.

When the reserve account established for all other state employees shall be depleted in any year by payment of claims until only $\frac{1}{5}$ of an annual appropriation remains, the administrator may at his discretion request from the Executive Council an additional appropriation sufficient to pay any remaining claims during that year. Any portion of an appropriation remaining at the end of a biennium may be used to reduce the appropriation for the next biennium by a like amount. All orders issued by the Industrial Accident Commission for payment of workmen's compensation claims of state employees of those departments or agencies in which the State of Maine is a self-insurer shall be paid from the appropriate reserve fund.

The administrator of the reserve funds shall be the director of the Personnel Safety Group of the Department of Transportation. The administrator may spend up to \$15,000 annually from the general Workmen's Compensation Fund to investigate accidents and to institute safety programs in state departments and agencies other than the Department of Transportation.

Sec. 4. Appropriation. There is appropriated from the General Fund to the reserve account for payment of workmen's compensation claims to carry out the purposes of this Act the sum of \$88,000 for the fiscal year ending June 30, 1974 and the sum of \$113,500 for the fiscal year ending June 30, 1975. The breakdown shall be as follows:

	1973-74	1974-75
WORKMEN'S COMPENSATION		
RESERVE FUND		
Personal Services	(2) \$12,000	(2) \$ 12,000
Operating Costs	1,500	1,500
Reserve Fund	75,000	100,000
	<hr/> \$88,500	<hr/> \$113,500