

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1490

H. P. 1261

House of Representatives, April 11, 1977

On motion of Ms. Clark of Freeport, referred to Committee on Labor. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Wyman of Pittsfield.

Cosponsors: Mr. Hobbins of Saco, Mrs. Chonko of Topsham.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT to Avoid Delays in Payment of Workmen's Compensation Claims
because of the Involvement of Two or More Insurance Carriers.**

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

39 MRSA § 104-B is enacted to read:

§ 104-B. Liability when 2 carriers dispute over financial responsibility

If an employee has twice been injured while being employed by the same employer and if the employer was insured under this Act by one carrier when the first injury took place and insured under this Act by a 2nd carrier when the 2nd injury took place and if there is a dispute between the 2 carriers as to their financial responsibility concerning each injury, the first carrier shall be responsible to the employee for the complete amount of both injuries and shall have the right of subrogation against the 2nd insurance carrier for the amount of that 2nd carrier's financial responsibility for the employee's 2nd injury.

STATEMENT OF FACT

Employers subject to the workmen's compensation law occasionally switch insurance carriers from one to another. This switch causes problems for an employee who has been injured once while his employer was covered by the first carrier and then injured again while the employer was covered by the 2nd carrier, as the 2 carriers will often dispute how much damage is attributable to the first injury and how much to the 2nd injury. This bill provides

that in such a case the first insurance carrier shall assume responsibility for making payments on both injuries to the employee. The bill also provides that the first carrier will have the right of subrogation against the 2nd insurance carrier for the amount of that 2nd carrier's responsibility for the employee's 2nd injury.