

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-190)
109TH LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "A" to H.P. 396, L.D. 526, Bill, "AN ACT
Relating to Self-insurance under the Workers' Compensation Act."

Amend the bill by striking out all of section 1 and
inserting in its place the following:

'Sec. 1. 39 MRSA §23, sub-§2, as amended by PL 1973, c. 746,
§6, is repealed and the following enacted in its place:

2. Proof. By furnishing satisfactory proof to the Super-
intendent of Insurance of his solvency and financial ability to pay
the compensation and benefits and deposit with the Workers' Compen-
sation Commission cash or bonds and other obligations issued or
guaranteed by this State, or issued by any instrumentality or
agency of this State, or any political subdivision thereof which is
not in default on any of its outstanding funded obligations. The
cash or bonds and obligations shall be in a sum equal to 25 times
the average annual compensation insurance premium charged by casualty
insurers for an employer of the size and experience of that self-
insurer, as determined by the superintendent. Earnings or
interest derived from the securities or cash deposited pursuant to
this subsection shall, during the time they are on deposit, be paid
to the superintendent to assist in paying the costs of administer-
ing this section. The superintendent may at any time in his
discretion deny to an employer the right to continue in the exercise
of the option granted by this section.'

Further amend the bill by inserting after section 2 the following:

'Sec. 2-A. 39 MRSA §23, sub-§§-2-B and 2-C are enacted to read:

2-B. Schedule. All self-insurers, whether individual or group, shall annually on or before February 1st, submit to the Superintendent of Insurance, in a form prescribed by the superintendent, a schedule setting out:

A. The percentage of workers' compensation claims voluntarily paid in the preceding calendar year;

B. The average delay in time between claim and payment in the preceding calendar year; and

C. The percentage of contested claims ultimately won by the claimant in the preceding calendar year.

2-C. Fee. Every self-insurer, whether group or individual, who is subject to subsection 2, shall annually, prior to April 1st, pay to the Treasurer of State, a fee according to a fee schedule established by the Superintendent of Insurance. This fee schedule shall, as closely as is practicable, set a fee for a self-insurer which shall be a sum equivalent to the sum which would be paid by an insurance company in taxes pursuant to Title 36, chapter 357, on the annual gross premium paid by an employer of a size and experience equivalent to that of the self-insurer. '

Statement of Fact

The purposes of this amendment are:

1. To regulate and define the type of security which a self-insurer must deposit, the amount of securities which must be deposited and the payment of interest earned on securities while on deposit;

2. To provide that self-insurers must file annually with the commissioner, information concerning workers' compensation claims which accrued during the preceding year; and

3. To impose a fee on all self-insurers that will help cover the costs of administering the provisions of the Workers' Compensation Act which apply to self-insurers.

Filed by Mr. Howe of So. Portland
Reproduced and distributed under the direction of the
Clerk of the House.

4/9/79 (Filing No. H-190)