

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 987

S. P. 343

In Senate, February 25, 1981

On Motion of Senator Sewall of Lincoln, referred to the Committee on Labor. Sent down for concurrence and ordered printed.

MAY M. ROSS, Secretary of the Senate

Presented by Senator C. Sewall of Lincoln.

Cosponsors: Representative Perkins of Brooksville and Representative Beaulieu of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Require Disclosure of Reserves by Workers' Compensation Insurers.

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

39 MRSA § 107, as amended by PL 1973, c. 585, § 12, is further amended by adding at the end the following:

In addition, every insurance company subject to section 22 shall:

1. Explanation of reserving policy. On or before January 1, 1982, and annually thereafter, file with the superintendent a detailed explanation of its reserving policy in regard to claims under this chapter, including specific reserve guidelines;

2. Total reserves. At least annually, report to the superintendent total reserves for claims under this chapter, specifically identifying each claim with a reserve in excess of \$50,000; and

3. Number of claims closed. At least annually, report to the superintendent the number of claims under this chapter closed in the previous 12 months, specifically identifying any such claims wherein a reserve had at any time been established in excess of \$10,000 and reporting the difference between the total loss paid and such reserve.

STATEMENT OF FACT

Whereas the reserving practices of insurance companies may have a profound effect upon rates, it is essential that the Bureau of Insurance closely monitor such practices. This bill is a first step in the direction of closer scrutiny of reserves.