

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION

2
3 ONE HUNDRED AND ELEVENTH LEGISLATURE

4
5 Legislative Document

No. 300

6
7 H.P. 250

House of Representatives, January 27, 1983

8 Received by the Clerk of the House on January 27, 1983. Referred to the
9 Committee on Business Legislation, and ordered printed pursuant to Joint
Rule 14.

EDWIN H. PERT, Clerk

10 Presented by Representative Tuttle of Sanford.

Cosponsors: Senator Dutremble of York, Representative Lewis of Auburn
and Representative Beaulieu of Portland.

11
12 STATE OF MAINE

13
14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-THREE

16
17 AN ACT Relating to Assigned Risk Plans
18 In Workers' Compensation Insurance.

19
20 Be it enacted by the People of the State of Maine as
21 follows:

22 39 MRSA §22-B is enacted to read:

23 §22-B. Rates for assigned risks

24 A risk in the assigned risk pool shall be subject
25 to a surcharge of 8% of the rate applicable to it if
26 the incurred loss ratio for the previous year in this
27 State exceeded 100%, or to a discount of 8% of the
28 rate applicable to it if the incurred loss ratio for
29 the previous year in this State was less than 75%.
30 The superintendent shall adopt rules to administer
31 this section, including, but not limited to, rules
32 for the review and administrative appeal of griev-

1 ances of insureds, applicants and insurers under this
2 section.

3 STATEMENT OF FACT

4 Under our present workers' compensation system,
5 about half of all risks are assigned to an assigned
6 risk pool. Risks are assigned to the pool for
7 several reasons, only one of which is high exposure,
8 but rates for poor risks in the pool do not differ
9 from rates for other assigned risks. Thus, better
10 risks subsidize poorer risks, and there is no eco-
11 nomic incentive to improve safety in the workplace.
12 This bill surcharges poor risks in the pool and
13 rewards good risks with a discount.

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