

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34

(EMERGENCY)

SECOND REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

---

Legislative Document

No. 1864

---

H.P. 1419

House of Representatives, January 10, 1984

Approved for introduction by the Legislative Council pursuant to Joint Rule 26.

Reference to the Committee on Business Legislation is suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Speaker Martin of Eagle Lake.

---

STATE OF MAINE

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

---

**AN ACT to Clarify Disposition of Assets  
of Maine Self-Insurance Guarantee Association  
in the Event of Dissolution.**

---

**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, Public Law 1981, chapter 484, created the Maine Self-Insurance Guarantee Association without specifically providing for disposition of assets upon dissolution; and

Whereas, the Maine Self-Insurance Guarantee Association has applied for federal tax exempt status under the United States Internal Revenue Code, Section 501 (c) (6), which requires that, upon dissolution of an organization, its assets be turned over to another exempt organization; and

1           Whereas, the Maine Self-Insurance Guarantee Asso-  
2           ciation will incur federal tax liability upon its  
3           1982 income unless it obtains exempt status prior to  
4           the deadline for filing tax returns; and

5           Whereas, reduction of the Maine Self-Insurance  
6           Guarantee Association assets by federal taxation is  
7           not in the best interests of the people of the State;  
8           and

9           Whereas, in the judgment of the Legislature,  
10          these facts create an emergency within the meaning of  
11          the Constitution of Maine and require the following  
12          legislation as immediately necessary for the preser-  
13          vation of the public peace, health and safety; now,  
14          therefore,

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

17                Sec. 1. 39 MRSA §23-A, sub-§1, as enacted by PL  
18                1981, c. 484, §8, is amended to read:

19                1. Created. There is created a Maine Self-  
20                Insurance Guarantee Association as an instrumentality  
21                of the State to provide mechanisms for the payment of  
22                covered claims under self-insurance coverage, to  
23                avoid excessive delay in payment, to avoid financial  
24                loss to claimants because of the insolvency of a  
25                self-insurer and to assist in the detection and pre-  
26                vention of self-insurer insolvencies.

27                Sec. 2. 39 MRSA §23-A, sub-§13 is enacted to  
28                read:

29                13. Disposition of assests upon dissolution. In  
30                the event of dissolution of the association, all as-  
31                sets remaining after provision for satisfaction of  
32                all outstanding claims shall be distributed to the  
33                Treasurer of State for establishment of a reserve to  
34                satisfy potential claims against the association and,  
35                all such claims being satisfied, for inclusion in the  
36                general assets of the State.

37                Emergency clause. In view of the emergency  
38                cited in the preamble, this Act shall take effect

1 when approved.

2 STATEMENT OF FACT

3 Section 1 specifically states the Legislature's  
4 intent that the Maine Self-Insurance Guarantee Asso-  
5 ciation be an instrumentality of the State.

6 Section 2 provides that, upon dissolution of the  
7 Maine Self-Insurance Guarantee Association, any as-  
8 sets remaining, after payment of all outstanding lia-  
9 bilities and after provision for all pending claims,  
10 be turned over to the Treasurer of State.

11

4920113083