

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 680

7 H.P. 477

House of Representatives, February 26, 1985

8 Reference to the Committee on Business and Commerce is suggested and
9 ordered printed.

10 EDWIN H. PERT, Clerk

Presented by Representative Brannigan of Portland.

11 Cosponsored by Representative Rioux of Biddeford and Representative
Descoteaux of Biddeford.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-FIVE
16

17 AN ACT Concerning the Net Worth Requirement
18 for Individual Public Employer
19 Self-insurers.
20

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

23 39 MRSA §23-A, sub-§2, as amended by PL 1981, c.
24 637, §3, is further amended to read:

25 2. Created; legal entity. There is created a non
26 profit unincorporated legal entity to be known as the
27 Maine Self-Insurance Guarantee Association. All
28 self-insurers, as defined in this Title, shall be and
29 remain members of the association as a condition of
30 authority to ~~self-insurer~~ self-insure in this State,
31 except that all of public employers which are indi-
32 vidual self-insurers, with a ~~net worth equal to or in~~
33 ~~excess of \$25,000,000~~ bond rating A or higher, as
34 rated by a national bond rating company acceptable to
35 the Superintendent of Insurance, and in the case of
36 counties, cities and towns, a state-assessed valua-

1 tion equal to or in excess of \$300,000,000 shall not
2 be subject to this subsection. The association shall
3 perform its functions under a plan of operation es-
4 tablished or amended, or both, and approved by the
5 superintendent and shall exercise its powers through
6 the board of directors established in this section.

7 A. A self-insurer shall be deemed to be a member
8 of the association for purposes of another
9 self-insurer's insolvency, as defined in subsec-
10 tion 6, when:

11 (1) The self-insurer is a member of the as-
12 sociation when an insolvency occurs, or

13 (2) The self-insurer has been a member of
14 the association at some point in time during
15 the 12-month period immediately preceding
16 the insolvency in question.

17 B. A self-insurer shall be deemed to be a member
18 of the association for purposes of its own insol-
19 vency when:

20 (1) The self-insurer is a member of the as-
21 sociation when the insolvency occurs, but
22 claims relating to a compensable event which
23 occurred prior to the date the self-insurer
24 joined the association are not included
25 hereunder; or

26 (2) The self-insurer becomes insolvent af-
27 ter leaving the association, but claims re-
28 lating to a compensable event which occurred
29 prior to the date the self-insurer joined
30 the association are not included hereunder,
31 and claims relating to a compensable event
32 which occurred after the self-insurer ceased
33 to be an approved self-insurer are not to be
34 afforded coverage hereunder.

35 C. In determining the membership of the associa-
36 tion pursuant to paragraphs A and B for any date
37 after January 1, 1983, no employer claiming self-
38 insurer status may be deemed to be a member of
39 the association on any date after January 1,
40 1983, unless that employer is at that time regis-

