

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 1023
6

7 H.P. 713

House of Representatives, March 13, 1985

8 On Motion of Representative Brannigan of Portland, referred to the
9 Committee on Business and Commerce. Sent up for concurrence and ordered
printed.

10 EDWIN H. PERT, Clerk

Presented by Speaker Martin of Eagle Lake.

11 Cosponsored by President Pray of Penobscot.

12 STATE OF MAINE
13

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

17 AN ACT to Create a Competitive State Fund for
18 Workers' Compensation Insurance.
19

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

22 Sec. 1. 2 MRSA §6, sub-§1, as amended by PL
23 1983, c. 553, §46, is further amended to read:

24 1. Range 91. The salaries of the following
25 state officials and employees shall be within salary
26 range 91:

27 Commissioner of Transportation;

28 Commissioner of Conservation;

29 Director of State Development Office;

30 Commissioner of Finance and Administration;

31 Commissioner of Educational and Cultural Ser-
32 vices;

1 Commissioner of Environmental Protection;
2 Commissioner of Human Services;
3 Commissioner of Mental Health and Mental Retarda-
4 tion;
5 Commissioner of Public Safety;
6 Commissioner of Business, Occupational and Pro-
7 fessional Regulation;
8 Commissioner of Labor;
9 Commissioner of Personnel;
10 Commissioner of Agriculture, Food and Rural Re-
11 sources;
12 Commissioner of Inland Fisheries and Wildlife;
13 Commissioner of Marine Resources; and
14 Commissioner of Corrections; and
15 Executive Director of the Workers' Compensation
16 Insurance Fund.

17 Sec. 2. 5 MRSA §12004, sub-§7, as amended by PL
18 1983, c. 863, Pt. B, §§42 and 45, is further amended
19 to read:

20 7. Financing and administrative organization.
21 Financing and administrative organizations have the
22 primary responsibilities to finance construction of
23 projects, new businesses or business expansions; to
24 administer pension funds, insurance funds or the pro-
25 ceeds of bond sales; and administer organizations
26 created to fulfill these responsibilities. The pri-
27 mary powers of these boards, in addition to the au-
28 thority to hold hearings, adopt rules and establish
29 procedures and standards, include the authority to
30 lease or acquire property, sell bonds, invest income,
31 borrow money, hold adjudicatory proceedings and en-
32 ter into contracts.

33 A. This classification includes the following
34 boards:

NAME OF ORGANIZATION	RATE OF COMPENSATION	STATUTORY REFERENCE
(1) Maine Turnpike Authority	Legislative Per Diem	23 MRSA §1965
(2) Maine Port Authority	\$25/day	23 MRSA §4420
(3) Maine Health and Higher Educational Facilities Authority	Expenses only	22 MRSA §2054
(4) Maine School Building Authority	Expenses only	20-A MRSA §15704
(5) Finance Authority of Maine	Legislative Per Diem	10 MRSA §964
(6) Maine State Housing Authority	Legislative Per Diem	30 MRSA §4601-A
(7) Board of Trustees, Maine State Retirement System	\$50/day	5 MRSA §1031
(8) Board of Trustees, Maine Judicial Retirement System	\$50/day	4 MRSA §1231
(9) <u>Workers' Compensation Insurance Fund Board</u>	\$50/day	39 MRSA §270

21 Sec. 3. 39 MRSA §22-C, as reallocated by PL
22 1983, c. 816, Pt. B, §23, is amended to read:

23 §22-C. Approval of insurance policies and rates

24 The following provisions shall apply to approval
25 of insurance policies and rates by the Superintendent
26 of Insurance.

27 1. Policies. Every insurance company issuing
28 workers' compensation insurance policies covering the
29 payment of compensation and benefits provided for in
30 this Act and the Workers' Compensation Insurance Fund
31 shall file with the Superintendent of Insurance:

32 A. A copy of the form of the policies. A policy
33 may not be issued until the superintendent has
34 approved the form; and

1 B. Its classification of risks and their premium
2 rates and any subsequent proposed classifications
3 and premium rates, which may not take effect un-
4 til the superintendent has approved them.

5 Premium rates less than those approved may be used
6 and filed with the superintendent. If the superin-
7 tendent has reason to believe that the filing
8 produces rates which are inadequate or unfairly dis-
9 criminatory, he may disapprove them under Title 24-A,
10 chapters 23 and 25.

11 2. Approval of rates. The superintendent shall
12 apply the procedures and standards of this section in
13 investigating, reviewing and approving or disapprov-
14 ing rates.

15 A. He may require the filing of specific rates
16 for workers' compensation insurance, including
17 classifications of risks, experience or any other
18 rating information from insurance companies au-
19 thorized to transact insurance in this State and
20 the Workers' Compensation Insurance Fund.

21 B. He may make or cause to be made investiga-
22 tions as he may deem necessary to satisfy himself
23 that the rates to be promulgated are just and
24 reasonable.

25 C. He may at any time, after public hearing,
26 withdraw his approval of a previously approved
27 rate filing.

28 3. Contents of filing. A rate filing shall in-
29 clude, for each company included in the filing or the
30 fund:

31 A. For each of the 3 calendar years immediately
32 preceding the date of the filing:

33 (1) The actual gross earned premiums allo-
34 cable to the coverage of risks in this
35 State;

36 (2) For unearned premium, earned premium,
37 loss and loss expense reserve funds, and
38 capital and surplus subject to investment,

- 1 allocable to the coverage of risks in this
2 State:
- 3 (a) The amount of investments of each
4 type of funds;
- 5 (b) The types of investments of all of
6 these funds; and
- 7 (c) The annual income amounts, before
8 taxes, generated by the aggregate of
9 these investments;
- 10 (3) The gross rate of return on admitted
11 assets;
- 12 (4) The amount of dividends or the equiva-
13 lent allowed or returned to policyholders,
14 members or subscribers;
- 15 (5) The aggregate annual expenses allocable
16 to the coverage of risks in this State, in-
17 cluding acquisition and field supervision
18 expenses, taxes, licenses and fees, other
19 than federal income tax, and general ex-
20 penses, each stated separately. Safety en-
21 gineering expense and loss control services'
22 expense shall be stated separately under
23 general expense;
- 24 (6) The aggregate annual losses and loss
25 adjustment expense allocable to the coverage
26 of risks in this State;
- 27 (7) The total loss reserves for this cover-
28 age being held at the beginning and end of
29 each calendar year and the annual paid
30 losses, including methods and interest rates
31 used in determining present value for the
32 reserves to which they apply; and
- 33 (8) The changes and improvements instituted
34 in loss control and employee safety engi-
35 neering;
- 36 B. For each risk classification:

1 (1) The rate presently applicable to the
2 classification;

3 (2) The rate proposed for the classifica-
4 tion;

5 (3) Loss experience in this State for each
6 of the 3 most recent years available, in-
7 cluding, in each classification, payroll,
8 number of serious workers' compensation
9 cases, number of nonserious cases, the
10 losses, including medical expenses incurred
11 with respect to each type of case, loss ad-
12 justment expense and the total of all losses
13 and expenses incurred; and

14 (4) The information required by this para-
15 graph shall be presented in tabular form;

16 C. If data reported is determined by percentage
17 factors, rather than actual expense, there shall
18 be stated an explanation of the basis of the fac-
19 tors used;

20 D. Statements or exhibits that reasonably sub-
21 stantiate assumptions, methodology or calcula-
22 tions used in support of the proposed rates or to
23 generate the information or data in the filing;
24 and identification of any of those that are known
25 or believed to be contrary to established policy
26 of the superintendent; and

27 E. Any other information required to be included
28 by the superintendent.

29 4. Aggregate data. Aggregate expense data, an-
30 nual loss and loss adjustment expense data and loss
31 experience data required to be reported under subsec-
32 tion 3, paragraph A, subparagraphs (5) and (6) and
33 paragraph B, subparagraph (3) shall be based on ex-
34 pense and experience data pertaining to this State,
35 except as otherwise provided in this subsection. The
36 profit factor used in establishing the rates re-
37 quested, the rate of return on the investment allocable
38 to the coverage of risks in this State repre-
39 sented by that profit factor, and the facts, assump-
40 tions and calculations employed to derive that profit

1 factor and rate of return shall also be reported in
2 the aggregate.

3 A. To the extent that the Maine expense and ex-
4 perience data is not fully credible, the superin-
5 tendent may allow reporting of and consider data
6 from outside this State.

7 B. Aggregate loss experience data shall:

8 (1) Include and be categorized as required
9 in subsection 3, paragraph B, subparagraph
10 (3); and

11 (2) Be presented in tabular form. The ta-
12 bles shall indicate, with respect to each
13 classification, the relative weight given to
14 experience in this State and to national ex-
15 perience in determining the applicable rate.

16 5. Additional information. The superintendent
17 may require, at any time, any additional information
18 he deems necessary and may reasonably extend the time
19 periods established in subsection 9 to allow time to
20 provide that information.

21 6. Standard for approval. The provisions of
22 this subsection apply to approval or disapproval of
23 rate filings.

24 A. To approve a rate filing, the superintendent
25 shall find that, from the filing and sworn testi-
26 mony, the rating organization or insurer has es-
27 tablished, in addition to all other requirements,
28 that:

29 (1) The proposed rates are just and reason-
30 able and not excessive, inadequate or un-
31 fairly discriminatory;

32 (2) The profit factor used in establishing
33 the rate requested will produce only a just
34 and reasonable return on investment alloca-
35 ble to the coverage of risks in this State;
36 and

37 (3) The reported loss reserves, including

1 the discount rates applied to those re-
2 serves, are reasonable.

3 B. In determining if the proposed rates are just
4 and reasonable, the superintendent shall consid-
5 er:

6 (1) The profit factor used in establishing
7 the rate requested and its relationship to
8 the return on the investment allocable to
9 the coverage of risks in this State;

10 (2) The reported investment income earned
11 or realized from funds generated from busi-
12 ness in this State;

13 (3) The reported loss reserves, including
14 the methods and the interest rates used in
15 determining the present value for reported
16 reserves;

17 (4) Reported annual losses and loss adjust-
18 ment expenses;

19 (5) The measures taken to contain costs,
20 including loss control, loss adjustment and
21 employee safety engineering programs;

22 (6) The relationship of the aggregate
23 amount of operating expenses reported by all
24 companies to the annual operating expenses
25 reported in the filing and the annual insur-
26 ance expense exhibits filed by each company
27 with the bureau; and

28 (7) The operating and management efficiency
29 of the companies or the fund.

30 C. The justness and reasonableness of rates
31 shall be determined for the period in which the
32 rates shall be in effect.

33 D. The rating organization or insurer shall have
34 the burden of proving that the proposed rates
35 meet the requirements of this section and Title
36 24-A, chapters 23 and 25.

1 E. A rate filing may not be approved unless the
2 superintendent finds that the information sup-
3 plied in the filing and sworn testimony is accu-
4 rate and sufficient to meet the requirements of
5 this section.

6 7. Public record. A rate filing shall be a pub-
7 lic record and shall be available for public review
8 and inspection.

9 8. Information for parties and intervenors. A
10 party or intervenor may make written application to
11 the superintendent for an order that a rating organi-
12 zation or insurer, which has presented a filing,
13 produce any information relevant to whether the fil-
14 ing rates meet the requirements of this section and
15 Title 24-A, except for information relating to a par-
16 ticular claim. If the rating organization or insurer
17 fails to furnish the information within the time pre-
18 scribed by the superintendent, the party or interve-
19 nor making the request may make written application
20 to the superintendent for an order disapproving the
21 filing. If, after a hearing, the superintendent de-
22 termines that the failure to furnish the information
23 was without good cause, he shall issue an order for
24 disapproval of the filing.

25 9. Public hearing. The superintendent shall
26 hold a public hearing, as provided in Title 24-A,
27 sections 229 and 235, on each filing. The public
28 hearing shall be conducted not sooner than 30 days
29 and not later than 120 days of the receipt of the
30 rate filing by the Bureau of Insurance, unless he ex-
31 tends these limits under subsection 5. The superin-
32 tendent shall approve or disapprove that filing and
33 state his findings in a written order issued within
34 180 days from the receipt of the filings by the bu-
35 reau, unless he extends this limit under subsection
36 5. If the superintendent denies a filing, any fur-
37 ther filing shall be deemed to be a new filing, sub-
38 ject to this public hearing requirement.

39 10. Subsequent filing. A rating organization or
40 insurer may not file a rate filing within 180 days of
41 receiving approval of a prior rate filing.

42 11. Procedures; rules. Subject to the applica-

1 ble requirements of the Maine Administrative Procedure Act, Title 5, chapter 375, the superintendent
2 may adopt rules establishing procedures for the ad-
3 ministration of this section, including, but not limited
4 to, procedures governing submission of petitions
5 for intervenor status, prefiling of testimony and ex-
6 hibits, information requests, subpoenas, prehearing
7 conferences and conduct of hearings.
8

9 12. Costs. For the purpose of determining
10 whether the filing meets the requirements of this
11 section, the superintendent may employ staff person-
12 nel and outside consultants. The reasonable costs re-
13 lated to the review of workers' compensation rate
14 filings, including conduct of the hearing, shall be
15 borne by the rating organizations or insurers making
16 the filing.

17 Sec. 4. 39 MRSA §23, sub-§1-A is enacted to
18 read:

19 1-A. Fund. By insuring and keeping insured the
20 payment of the compensation and other benefits under
21 an insurance policy with the Workers' Compensation
22 Insurance Fund;

23 Sec. 5. 39 MRSA c. 7 is enacted to read:

24 CHAPTER 7

25 WORKERS' COMPENSATION INSURANCE FUND

26 §251. Fund

27 There is created and established a fund to be
28 known as the "Workers' Compensation Insurance Fund,"
29 in this chapter called the "fund," to be administered
30 by the Workers' Compensation Insurance Fund Board, in
31 this chapter called the "board," for the purpose of
32 insuring employers against liability for injuries
33 compensable under this Act and for the purpose of in-
34 sureing to employees and other persons the compensa-
35 tion and benefits provided by this Act for employees
36 and their dependents. The fund shall be governed by
37 the Maine Insurance Code, Title 24-A, except where
38 the provisions are in conflict with the express pro-
39 visions of this chapter, and the reasonable implica-

1 tions of this chapter, in which case the provisions
2 of this chapter shall govern.

3 §252. Contents

4 The Workers' Compensation Insurance Fund shall
5 consist of:

6 1. Premiums. All premiums received and paid in-
7 to the fund for insurance issued by it;

8 2. Property. All property and securities ac-
9 quired by and through the use of money belonging to
10 the fund and acquired by gift or otherwise; and

11 3. Interest. All interest earned upon money be-
12 longing to the fund and deposited or invested as pro-
13 vided in this chapter.

14 §253. Rates

15 The fund shall be subject to the provisions of
16 Title 24-A, chapter 25, except that the fund may not
17 become a member of, or subscriber to, a rating orga-
18 nization.

19 §254. Liability

20 The fund may insure employers against their lia-
21 bility for compensation under this Act and against
22 liability for compensation under the United States
23 Longshoremen's and Harbor Workers' Compensation Act
24 or any extension of that Act.

25 §255. Self-supporting

26 The fund shall, after a reasonable time during
27 which to establish itself, become neither more nor
28 less than self-supporting. For that purpose, loss
29 experience and expense may be ascertained and divi-
30 dends or credits may be made as provided in this
31 chapter. The fund is exempt from any financial or
32 budgetary control or supervision by any state agency,
33 except for the examination made by the Superintendent
34 of Insurance.

35 The State, its instrumentalities and political

1 subdivisions, shall, if they elect to be policyhold-
2 ers, be subject to the same obligations as other pol-
3 icyholders.

4 §256. Application of assets

5 The assets of the fund are applicable to the pay-
6 ment of losses sustained on account of insurance and
7 to the payment of the salaries and all other adminis-
8 trative expenses charged against it.

9 §257. Real estate

10 The fund may acquire, own, sell and repurchase
11 real property for its offices when so determined by
12 the board.

13 §258. Custodian

14 The Treasurer of State shall be the custodian of
15 all money and securities belonging to the fund, ex-
16 cept as provided in this chapter. He is liable on
17 his official bond for their safekeeping.

18 §259. Delivery or deposit of money belonging to the
19 fund

20 All money which belongs to the fund and is col-
21 lected or received under this chapter shall be deliv-
22 ered to the Treasurer of State or deposited to his
23 credit in such bank or banks throughout the State as
24 he designates, but this money is not state money.

25 §260. Securities

26 All securities belonging to the fund shall be de-
27 livered to the Treasurer of State and held by him un-
28 til otherwise disposed of as provided by this chap-
29 ter.

30 §261. Expenditures

31 Upon delivery or deposit, the money and securi-
32 ties shall be credited by the Treasurer of State to
33 the fund. No money received or collected on account
34 of the fund may be expended or paid out without first
35 passing into the State Treasury and being drawn as

1 provided in this chapter.

2 §262. Ledger account

3 The Treasurer of State shall keep a special ledg-
4 er account showing all of the assets pertaining to
5 the fund. In the Treasurer of State's general ledg-
6 er, this account may appear as a cash account, like
7 other accounts of funds in the State Treasury, and
8 only the actual cash coming into the fund shall be
9 entered into the account.

10 §263. Revolving fund

11 The board may withdraw from the fund in the State
12 Treasury, without at the time presenting vouchers and
13 itemized statements, a sum not to exceed in the ag-
14 gregate \$100,000 to be used as a revolving fund. The
15 revolving fund shall be deposited in such banks and
16 under such conditions as the board decides.

17 §264. Expenditures

18 Expenditures made from the revolving fund in pay-
19 ments made in connection with the insurance business
20 transacted by the fund are exempt from the restric-
21 tions imposed upon the expenditures of state money.
22 Reimbursement of the revolving fund shall be made
23 upon presentation to the Treasurer of State of an ab-
24 stract or statement of these expenditures. This ab-
25 stract shall be in the form required by the Treasurer
26 of State.

27 §265. Investments

28 The board shall cause all money in the fund which
29 is in excess of current requirements to be invested
30 and reinvested, from time to time, in securities au-
31 thorized by law for the investment of funds of sav-
32 ings banks.

33 §266. Deposits

34 All money in the fund, in excess of current re-
35 quirements and not otherwise invested, may be depos-
36 ited by the Treasurer of State, from time to time, in
37 banks authorized by law to receive deposits of public

1 money, under the same rules that govern the deposit
2 of public funds. The interest accruing thereon shall
3 be credited to the fund.

4 §267. Valuation

5 Annually, the board shall cause a valuation to be
6 made of the properties and securities acquired and
7 held for the fund and shall report the results of the
8 valuation to the Governor and Superintendent of In-
9 surance.

10 §268. Acts

11 All business and affairs of the fund, including
12 any litigation, shall be conducted in the name of the
13 fund, and in that name, without any other name or ti-
14 tle, the board or the executive director of the fund
15 may perform the acts authorized by this chapter.

16 §269. Reimbursements

17 The fund shall annually reimburse the Treasurer
18 of State for services performed as custodian of the
19 money of the fund. Reimbursement received by the
20 Treasurer of State under this section shall be dedi-
21 cated to carrying out the Treasurer of State's duties
22 under section 258.

23 §270. Workers' Compensation Insurance Fund Board

24 The Workers' Compensation Insurance Fund Board
25 shall be composed of 5 members who shall be different
26 policyholders or representatives of the board. Ini-
27 tial appointments shall be made by the Governor as
28 follows: One shall be appointed for a term of one
29 year; one for a term of 2 years; one for a term of 3
30 years; one for a term of 4 years; and one for a term
31 of 5 years. Thereafter, members shall be appointed
32 by the Governor for terms of 5 years each. They
33 shall serve until their successors are appointed and
34 have qualified. Vacancies shall be filled for the
35 unexpired term. With the exception of appointments
36 in the first instance, members shall have been poli-
37 cyholders in the fund for one year prior to appoint-
38 ment and shall continue in that status during the pe-
39 riod of membership.

1 §271. Chairman

2 The board shall elect annually in January from
3 its members a chairman and vice-chairman, who shall
4 act as chairman in the absence of the chairman.

5 §272. Powers and duties of the board

6 1. General. The board is vested with full pow-
7 er, authority and jurisdiction over the fund. The
8 board may perform all acts necessary or convenient in
9 the exercise of any power, authority or jurisdiction
10 over the fund, either in the administration or in
11 connection with the insurance policies to be carried
12 on by it under this chapter, subject to such regula-
13 tions as provided.

14 2. Rules. The board may adopt rules relating to
15 the conduct of the business of the fund.

16 3. Suits. The board may sue and be sued in all
17 actions arising out of any act or omission in connec-
18 tion with its business or affairs. Service of pro-
19 cessing suits affecting the fund shall be made upon
20 the executive director of the fund and he shall be
21 responsible for initiating all litigation necessary
22 in the affairs of the fund. The board shall provide
23 for its own legal services by contract or otherwise,
24 in respect to this litigation. The board may obtain
25 insurance to cover any liability for these acts or
26 omissions.

27 4. Contracts. The board may enter into any con-
28 tracts or obligations relating to the fund which are
29 authorized or permitted by law.

30 5. Investments. The board may invest and rein-
31 vest the money belonging to the fund as provided by
32 this chapter.

33 6. Reinsurance. The board may reinsure any risk
34 or any part of a risk and shall reinsure against spe-
35 cific and excess losses.

36 7. Dividends. The board may declare a dividend
37 when there is an excess of assets over liabilities,
38 necessary reserves and a reasonable surplus for a ca-

1 tastrophe hazard.

2 8. Delegation. The board may delegate to the
3 executive director of the fund, under such rules and
4 subject to such conditions as it may from time to
5 time prescribe, any power, function or duty conferred
6 by law on the board in connection with the fund or in
7 connection with the administration, management and
8 conduct of business and affairs of the fund. The ex-
9 ecutive director may exercise such powers and func-
10 tions and perform such duties with the same force and
11 effect as the board, but subject to its approval.

12 9. Other business. The board may conduct all
13 business and affairs and perform all acts relating to
14 the fund whether or not specifically designated in
15 this chapter.

16 §273. Meetings; quorum

17 The board shall meet at least once in each month
18 and at such other times as it may determine or the
19 business of the fund may require. Three or more mem-
20 bers present and voting at a meeting in the conduct
21 of the affairs of the board shall constitute a quo-
22 rum. The action of 3 or more members present is the
23 action of the board.

24 §274. Compensation

25 The members of the board shall be compensated in
26 accordance with Title 5, chapter 379.

27 §275. Audit

28 The board shall have an annual audit of the books
29 and records of the fund made by a duly qualified cer-
30 tified public accountant and shall cause an abstract
31 summary of this audit to be published.

32 §276. Reports of the Superintendent of Insurance

33 The statistical and actuarial data compiled by
34 the fund shall at all times be available to the Su-
35 perintendent of Insurance for his use in judging the
36 adequacy or inadequacy of rates and schedules filed.
37 The executive director of the fund shall make to the

1 Superintendent of Insurance reports required by law
2 to be made to him, including an annual report compa-
3 rable to that required of casualty insurers.

4 §277. Executive director

5 The board shall appoint an Executive Director of
6 the Worker's Compensation Insurance Fund who shall be
7 in charge of the day-to-day operation of the fund.
8 The executive director shall have proven successful
9 experience as an executive at the general management
10 level and must have been employed in the workers'
11 compensation division of a casualty insurer for at
12 least 5 years. The executive director shall serve at
13 the pleasure of the board.

14 §278. Bond

15 The executive director, before entering in the
16 duties of his office, shall qualify by giving an of-
17 ficial bond approved by the board, in such sum as the
18 board may order, and by taking and subscribing to an
19 official oath. The approval of the board shall be by
20 written endorsement on the bond. The bond shall be
21 filed in the office of the Secretary of State.

22 §279. Powers and duties of the executive director

23 In conducting the business and affairs of the
24 fund, the executive director shall perform all duties
25 required by the board. In addition, subject to rules
26 adopted by the board, the executive director may:

27 1. Act for fund. Act for the fund in the col-
28 lection and disbursements of all money necessary for
29 administration of the fund and the conduct of the
30 business of the fund;

31 2. Annuities. Sell annuities covering compensa-
32 tion benefits;

33 3. Contract. Enter into contracts of workers'
34 compensation insurance and other liability insurance
35 authorized under this Act, provided that no such po-
36 licies of insurance may be issued until the fund has
37 been certified by the chairman of the Workers' Com-
38 penensation Commission, the Superintendent of Insurance

1 and the Commissioner of Labor as being, in their
2 view, of sufficient assets to conduct the affairs of
3 the fund;

4 4. Decline to insure. Decline to insure any
5 risk in which the minimum requirement of safety fixed
6 by law or regulation of the State with regard to a
7 safe place of employment is not complied with, or
8 which is beyond the safe carrying of the fund. Oth-
9 erwise, the executive director may not refuse to in-
10 sure any workers' compensation risk under state law,
11 tendered with premium therefor;

12 5. Inspect. Cause to be inspected and audited
13 the payrolls of employers applying to the fund for
14 insurance;

15 6. Insure. Insure against any loss deemed ad-
16 visable;

17 7. Reinsure. Reinsure any risk or any part of a
18 risk; and

19 8. Treatment. Contract with physicians, sur-
20 geons, hospitals and rehabilitation facilities for
21 medical, surgical and rehabilitation treatment and
22 the care and nursing of injured persons entitled to
23 benefits under this Act.

24 §280. Employees

25 Subject to the approval of the board, the execu-
26 tive director shall appoint all employees, who shall
27 be subject to the Personnel Law.

28 §281. Reports

29 Each quarter, the executive director of the fund
30 shall make a report to the Governor of the business
31 done by the fund during the previous quarter and a
32 statement of the fund's resources and liabilities at
33 the close of that previous quarter. Copies of this
34 report shall be forwarded at the same time to the Su-
35 perintendent of Insurance, the President of the Sen-
36 ate and the Speaker of the House of Representatives.

37 §282. Declartion of public purpose

