

MAINE STATE LEGISLATURE

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L.D. 1501

(Filing No. H-458)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
112TH LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "C" to COMMITTEE AMENDMENT "A"
to S.P. 555, L.D. 1501, Bill, "AN ACT Establishing
Assessments to Defray the Expense of Maintaining the
Bureau of Insurance."

Amend the amendment by inserting after the 4th
line after the title the following:

'Further amend the bill by inserting after sec-
tion 3 the following:'

'Sec. 4. 39 MRSA §23, sub-§2, as amended by PL
1983, c. 668, §1, is further amended to read:

2. By furnishing satisfactory proof to the Su-
perintendent of Insurance of his solvency and finan-
cial ability to pay the compensation and benefits,
and deposit cash, satisfactory securities or a secu-
rity bond, with the Workers' Compensation Commission,
in such sum as the superintendent may determine pur-
suant to subsection 6; such bond to run to the Treas-
urer of State and his successor in office, and to be
conditional upon the faithful performance of this Act
relating to the payment of compensation and benefits
to any injured employee. In case of cash being depos-
ited, it shall be placed at interest by the Treasurer
of State, and the accumulation of interest on said
cash or securities so deposited shall be paid to the
employer depositing the same. The superintendent may
at any time ~~in his discretion~~, upon not less than 3
days notice and following hearing, for cause deny to
an employer the right to continue in the exercise of
the option granted by this section.

As an alternative to the method described in the
first paragraph of this subsection, an eligible em-
ployer may establish an actuarially funded trust,

HOUSE AMENDMENT "C" to COMMITTEE AMENDMENT "A" to S.P. 555
L.D. 1501

1 funded at a level sufficient to discharge those obli-
2 gations incurred by the employer pursuant to this Act
3 as they become due and payable from time to time,
4 provided that the value of trust assets shall be at
5 least equal to the present value of such incurred
6 claims. The trust asset shall consist of cash or
7 marketable securities of a type and risk character as
8 specified in subsection 7, and shall have a situs in
9 the United States. In all other respects, the trust
10 instrument, including terms for certification, fund-
11 ing, designation of trustee and pay out shall be as
12 approved by the superintendent; provided, that the
13 value of the trust account shall be actuarially cal-
14 culated at least annually and adjusted to the re-
15 quired level of funding. For purposes of this para-
16 graph, an "eligible employer" is one who is found by
17 the superintendent to be capable of paying compensa-
18 tion and benefits required by this Act and:

19 A. Has positive net earnings; or

20 B. Can demonstrate a level of working capital
21 adequate to its operating needs.

22 Notwithstanding any provision of this section or
23 chapter, any bond or security deposit required of a
24 public employer which is a self-insurer shall not ex-
25 ceed \$50,000, provided that such public employer has
26 a net worth equal to or in excess of \$25,000,000 and
27 a state-assessed valuation equal to or in excess of
28 \$300,000,000. "Public employer" includes the State,
29 the University of Maine, counties, cities and towns.

30 In his consideration of a self-insuring entity's ap-
31 plication for authorization to operate a plan of
32 self-insurance, the superintendent may require or
33 permit an applicant to employ valid risk transfer by
34 the utilization of primary excess insurance. Stan-
35 dards respecting the application of primary excess
36 insurance shall be contained in a regulation promul-
37 gated by the superintendent pursuant to the Maine Ad-

