

# MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION  
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE  
4

5 Legislative Document

No. 1776

7 S.P. 688  
8

In Senate, January 8, 1986

9 Submitted by the Department of Business, Occupational and Professional  
Regulation pursuant to Joint Rule 24.

10 Referred to the Committee on Labor. Sent down for concurrence and  
ordered printed.

JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator Dutremble of York.

11 Cosponsored by Representative Rydell of Brunswick, Representative  
Aliberti of Lewiston and Representative Telow of Lewiston.

12 STATE OF MAINE  
13

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

17 AN ACT to Protect Homeowners Against Workers'  
18 Compensation Exposures.  
19

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

22 24-A MRSA §3042 is enacted to read:

23 §3042. Securing payment of compensation for injured  
24 employers

25 1. Notwithstanding any other provision of this  
26 chapter, Title 39 or any other law to the contrary,  
27 all insurers authorized to provide comprehensive per-  
28 sonal liability, tenants' or homeowners' insurance in  
29 this State shall, in connection with that insurance,  
30 provide coverage against liability for the payment of  
31 any obligation, which the named insured may incur,  
32 pursuant to the workers' compensation laws, to an em-  
33 ployee arising out of and in the course of employment  
34 in or about the covered residence of the named in-  
35 jured in this State. The coverage shall provide for

1 the benefits in the standard workers' compensation  
2 policy issued in this State.

3 2. Nothing in this section may be deemed to al-  
4 ter or amend any provision of Title 39.

5 3. Except as otherwise provided in this section,  
6 insurers providing coverage pursuant to this section  
7 shall not be subject to the financial or other re-  
8 quirements of Title 39 with respect to workers' com-  
9 ensation insurance. Forms and rates used by insur-  
10 ers to provide workers' compensation insurance in ac-  
11 cordance with this section shall be subject to the  
12 requirements of this Title.

13 STATEMENT OF FACT

14 A homeowner is not required to provide workers'  
15 compensation insurance for domestic employees or any  
16 independent contractors he may engage. The former  
17 being specifically exempted and the latter are not  
18 considered employees if certain tests are met.

19 This bill deals with a potential situation in  
20 which a workers' compensation claim is filed against  
21 a householder, an employment relationship is found to  
22 exist and there is no workers' compensation to re-  
23 spond. An example could be a householder who pro-  
24 vides materials, and possibly tools and supervision,  
25 for a neighbor he hires to paint or shingle. Despite  
26 the limited time and payroll, if workers' compensa-  
27 tion is not provided and a claim is made, the results  
28 could be financially disastrous. In a case such as  
29 this, the liability benefits of the traditional  
30 homeowners or comprehensive personal liability policy  
31 are excluded since workers' compensation benefits are  
32 required.

33 Responding to this situation in a cost effective  
34 manner, several states have mandated that coverage be  
35 included as part of the liability insurance provided  
36 under a homeowners or comprehensive personal liabili-  
37 ty policy. The cost is nominal due to the large num-  
38 ber of risks and the very limited occasions on which  
39 it would respond.

1           This bill requires that insurers provide this  
2 protection for the residents of Maine. The coverage  
3 proposed requires a finding of liability under the  
4 workers' compensation law; there is no change in eli-  
5 gibility or benefits under that law.

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