

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 888

H.P. 654

House of Representatives, March 22, 1989

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative WEBSTER of Cape Elizabeth.

Cosponsored by Senator THERIAULT of Aroostook, Representative TAMMARO of Baileyville and Senator GOULD of Waldo.

STATE OF MAINE

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

**An Act to Amend the Workers' Compensation Insurance Laws to
Encourage Safety in the Workplace.**



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

3 24-A MRSA §2365-A is enacted to read:

5 §2365-A. Safety Pays Program

7 1. Program established. There is established the Safety
8 Pays Program as provided in this section. The superintendent
9 shall adopt rules, subject to Title 5, chapter 379, necessary to
10 implement this section.

11 2. Safe workplace defined. The superintendent shall adopt
12 rules, subject to Title 5, chapter 379, establishing standards
13 that an employer must meet in order to qualify for the Safety
14 Pays Program. These standards shall ensure that the employer's
15 workplace provides a safe and healthy working environment for
16 employees that to the greatest extent practicable is free from
17 any correctable physical hazards and minimizes the possibility of
18 workplace accidents. The standards shall ensure that physical
19 hazards are minimized and that appropriate safety education or
20 training programs are implemented when necessary. The Bureau of
21 Labor Standards and the Commission on Safety in the Maine
22 Workplace shall assist the superintendent in establishing these
23 standards.

24 3. Employer participation; notice to carrier. Any employer
25 who purchases workers' compensation insurance may elect to
26 participate in the Safety Pays Program. The employer shall
27 notify the employer's insurance carrier within 3 months after a
28 new policy takes effect of the employer's desire to participate
29 in the Safety Pays Program. The bureau shall prepare
30 participation notice forms and provide a form to any employer
31 upon request.

32 4. Initial inspection by insurer. After receiving a notice
33 of participation under subsection 3, the insurance carrier shall
34 provide for an inspection of the employer's workplace at the
35 earliest opportunity and at a mutually agreed upon time. The
36 purpose of the inspection is to determine whether the employer's
37 workplace meets the standards established for a safe workplace
38 under subsection 2.

39 A. If the insurance carrier determines that the employer's
40 workplace does not meet the standards established under
41 subsection 2, the employer is ineligible to participate in
42 the Safety Pays Program for that policy year. An insurance
43 carrier shall report any serious safety deficiencies
44 discovered during the inspection to the United States
45 Occupational Safety and Health Administration and the Bureau
46 of Labor Standards.

1 B. The employer continues to be eligible to participate in
2 the Safety Pays Program for that policy year if:

3 (1) The insurance carrier fails to perform the
4 inspection within the policy year; or

5 (2) The insurance carrier determines that the
6 employer's workplace meets the standards established
7 under subsection 2.

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11 5. Second inspection. During the remainder of the policy
12 year, the employer shall permit a 2nd inspection of the
13 employer's workplace to be conducted by the insurer during normal
14 working hours on any date selected by the insurer, with or
15 without prior notice. The purpose of this inspection is to
16 determine whether the employer's workplace continues to meet the
17 standards established under subsection 2.

18 A. The employer is ineligible to participate in the Safety
19 Pays Program for that policy year if:

20 (1) The employer refuses to permit the 2nd inspection
21 to occur; or

22 (2) The insurance carrier determines that the
23 employer's workplace does not meet the standards
24 established in subsection 2. An insurance carrier
25 shall report any serious safety deficiencies discovered
26 during the inspection to the Occupational Safety and
27 Health Administration and the Bureau of Labor Standards.

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31 B. The employer continues to be eligible to participate in
32 the Safety Pays Program for that policy year if:

33 (1) The insurance carrier fails to perform the 2nd
34 inspection within the policy year; or

35 (2) The insurance carrier determines that the
36 employer's workplace meets the standards established in
37 subsection 2.

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41 6. Premium rebate; credit. If an employer remains eligible
42 for participation in the Safety Pays Program at the end of a
43 policy year, the employer's insurance carrier shall pay to the
44 employer an amount equal to 10% of the premium paid to the
45 insurance carrier by that employer for workers' compensation
46 coverage in that premium year. If the employer retains workers'
47 compensation coverage with the same insurance carrier for the
48 ensuing year, the employer may elect to have a credit applied in
49 lieu of a rebate.

