

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
114TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 952, L.D. 1320, Bill, "An Act to Create a State Fund to Provide Workers' Compensation Insurance Coverage to Employers"

Amend the bill by striking out all of the title and inserting in its place the following:

'An Act to Study the Creation of a State Fund to Provide Workers' Compensation Insurance Coverage to Employers'

Further amend the bill by striking out everything after the title and before the statement of fact and inserting in its place the following:

**'Emergency preamble. Whereas,** Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** the availability and cost of workers' compensation insurance in the private market in the State has, in the past, necessitated emergency action by the Legislature; and

**Whereas,** to prevent resolving these problems as emergencies in the future, the Legislature wishes to study the feasibility of providing an alternative to the private market for workers' compensation insurance; and

**Whereas,** 21 states in the country currently have quasi-governmental funds to provide workers' compensation insurance to their employers; and

**Whereas,** many of those funds provide insurance to employers in those states at competitive cost, with improved service, and increased emphasis on safety in the workplace; and

**Whereas,** a recent survey of small businesses in Maine indicates significant interest in a quasi-governmental fund; and

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Whereas, the Special Study Commission on Workers' Compensation Insurance, known as the Menario report, recommended in 1984 that the State pursue the creation of a competitive state fund for workers' compensation, but did not determine the appropriate form for such a fund; and

Whereas, the Joint Committee on Banking and Insurance desires to reexamine the issues addressed in the Menario report, and to further study the feasibility and suggested form of a quasi-governmental, nonprofit entity to provide workers' compensation insurance to Maine employers; and

Whereas, the committee wishes to begin studying the issue as soon as feasible after adjournment of the First Regular Session of the 114th Legislature; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

**Sec. 1. Subcommittee study.** The joint standing committee of the Legislature having jurisdiction over banking and insurance matters shall study the feasibility of a quasi-governmental, nonprofit entity which would offer insurance to employers for their liability under the Workers' Compensation Act. The study shall be performed by a 9-member subcommittee, which shall include the chairs of the committee and 7 other committee members to be appointed by the chairs. Of the 7 committee members appointed, at least 4 shall be members of the minority party.

**Sec. 2. Study issues.** The study shall include, but not be limited to, the following issues:

1. Examining various models of quasi-governmental funds in other states;
2. Examining the efficacy and appropriateness of a quasi-governmental fund for this State; and
3. If the subcommittee determines that a quasi-governmental fund is appropriate for this State, determining what model is best suited for this State and drafting legislation to implement the model.

**Sec. 3. Meetings.** The subcommittee may hold up to 12 meetings, as necessary to complete its tasks pursuant to this Act.

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**Sec. 4. Compensation.** The members of the subcommittee shall receive the legislative per diem, as defined in the Maine Revised Statutes, Title 3, section 2, for days of attendance at committee meetings. All members of the subcommittee shall receive reimbursement for travel and other necessary expenses upon application to the Executive Director of the Legislative Council. If the subcommittee meets on a day when the Legislature is in session, legislative members shall receive only one legislative per diem on that day, but may be reimbursed for all necessary expenses upon application to the Executive Director of the Legislature Council.

**Sec. 5. Staff.** The subcommittee shall request staffing assistance from the Legislative Council. The Legislative Council shall contract with consultants as necessary to provide professional services to the subcommittee.

**Sec. 6. Report.** The subcommittee shall present its findings in a report, together with any necessary implementing legislation, to the Second Regular Session of the 114th Legislature by December 1, 1989.

**Sec. 7. Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Act.

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**LEGISLATURE**

**Study Commissions - Funding**

Personal Services	\$5,940
All Other	22,400

Provides funds for a study of the creation of a state fund to provide workers' compensation insurance to be conducted by a subcommittee of the Joint Standing Committee on Banking and Insurance. Funding includes up to \$15,000 for consultants.

**LEGISLATURE  
TOTAL**

\$28,340

**Emergency clause.** In view of the emergency cited in the preamble, this Act shall take effect when approved.

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STATEMENT OF FACT

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This amendment deletes the provisions of the bill that would have created a state fund to provide workers' compensation insurance and provides for a committee study on the feasibility of establishing such a fund.

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Reported by the Committee on Banking and Insurance  
Reproduced and distributed under the direction of the Clerk of the House

6/16/89

(Filing No. H-578)