

MAINE STATE LEGISLATURE

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1 L.D. 1558

3 (Filing No. S- 315)

5
7 STATE OF MAINE
8 SENATE
9 114TH LEGISLATURE
10 FIRST REGULAR SESSION
11

13 COMMITTEE AMENDMENT " B " to S.P. 555, L.D. 1558, Bill, "An
14 Act to Clarify the Provisional Payments Provision of the Workers'
15 Compensation Law Regarding Disability and Medical Payments"

17 Amend the bill by striking out everything after the enacting
18 clause and before the statement of fact and inserting in its
19 place the following:

21 '39 MRSA §111-A, as amended by PL 1977, c. 696, §408, is
22 repealed and the following enacted in its place:

23 §111-A. Provisional payment of certain disability benefits
24

25 1. No delay of benefits. If an employee is due benefits
26 from an employer or insurer under any insured disability plan or
27 any insured medical or hospital payment plan because of a
28 personal injury, disease or disability that has not been
29 determined to be compensable under this Act, the employer or
30 insurer shall not delay or decline to make payments because the
31 employee has filed a workers' compensation claim or because of
32 any exclusion of coverage for work-related injuries or
33 occupational diseases or because of workers' compensation claims
34 regarding the same period of disability, or the need for
35 treatment of the same injury or disease.

36
37 A. Any provision in any policy of insurance in or
38 concerning any risk located or to be paid within this State
39 that excludes coverage of work-related injuries or
40 occupational diseases shall be interpreted to mean that the
41 policy does not cover those injuries or diseases that are
42 determined to be compensable under this Act.

43
44 B. No provision in any policy of insurance in or concerning
45 any risk located or to be paid within this State may be
46 given any force or effect which is contrary to or in any way
47 diminishes the rights and duties created by this section.

1
2. Repayment. If an employee has received benefits or if
3 payments are made on the employee's behalf for an injury or
4 disease as described in subsection 1, and the same injury or
5 disease is later determined to be compensable under this Act, the
6 employer or insurer who made payments as required under
7 subsection 1 shall be reimbursed by the employer or insurance
8 carrier liable for payment of the employee's workers'
9 compensation claim within 30 days after the employee receives
10 payment of workers' compensation benefits for the injury or
11 occupational disease. The amount of this reimbursement is equal
12 to:

13
14 A. The amount of the payments made to or on behalf of an
15 employee under subsection 1;

16
17 B. An additional amount of 5% of the amount determined
18 under paragraph A as reimbursement for administrative costs;
19 and

20
21 C. Interest on the amount determined under paragraph A at
22 the rate of 10% per year, calculated from the date or dates
23 that a payment or payments were made to or on behalf of the
24 employee under subsection 1.

25
26 The employer or insurance carrier's liability for the employee's
27 workers' compensation claim shall be reduced only by the amount
28 determined in paragraph A.

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FISCAL NOTE

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32 Neither the Bureau of Insurance nor the state employee
33 health insurance program will require additional resources to
34 implement this legislation. However, this bill may result in
35 some additional workers' compensation payments for State
36 Government as an employer.'

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STATEMENT OF FACT

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40 This amendment completely replaces the original bill. It
41 requires a health or disability insurer to pay benefits under its
42 policy to a covered employee pending the resolution of any
43 workers' compensation claim arising out of the same injury or
44 disease. If the employee's workers' compensation claim is
45 upheld, the insurer who paid the health or disability benefits
46 will be reimbursed by the workers' compensation insurance
47 carrier, or the employer if the employer is self-insured for
48 purposes of workers' compensation. This reimbursement is equal
49 to all payments made by the health or disability insurer to the
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COMMITTEE AMENDMENT "B " to S.P. 555, L.D. 1558

1 employee plus a 5% surcharge to cover administrative expenses of
the claim. Interest is charged on the amount of payments made to
3 the employee at the rate of 10%. The amendment also requires
health or disability insurance contract clauses that exclude
5 coverage of work-related injuries or diseases to be interpreted
to mean that the insurer is not liable for injuries or diseases
7 that are determined to be compensable under the Workers'
Compensation Act.

Reported by the Minority for the Committee on Labor.
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