

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1914

S.P. 729

In Senate, May 30, 1991

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27. Reference to the Committee on Banking and Insurance suggested. Under suspension of the Rules, Read Twice and Passed to Be Engrossed, without reference to a Committee and ordered printed. Ordered sent down forthwith for concurrence.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator KANY of Kennebec

Cosponsored by Representative MITCHELL of Vassalboro, Representative HASTINGS of Fryeburg and Representative CARLETON of Wells.

STATE OF MAINE

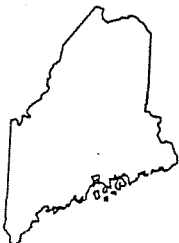
IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

An Act Relating to Workers' Compensation Insurance Rate Setting.

(AFTER DEADLINE)

(EMERGENCY)

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

4
Whereas, there is currently pending before the
6 Superintendent of Insurance a filing seeking increases in
workers' compensation insurance rates and imposition of
8 surcharges on which a decision is required to be issued under
applicable laws by June 1st; and

10
Whereas, the Legislature is in the process of enacting
12 substantial changes to the Workers' Compensation Act, Maine
Revised Statutes, Title 39 that have a direct and immediate
14 effect on the appropriate rates for coverage but which effects
can not be taken into account under current applicable law in the
16 pending rate case and can not be taken into account in approved
rates before 1992; and

18
Whereas, in the judgment of the Legislature, these facts
20 create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
22 necessary for the preservation of the public peace, health and
safety; now, therefore,

24
Be it enacted by the People of the State of Maine as follows:

26
Sec. 1. Workers' Compensation Act changes; rate effect. For
28 purposes of the proceeding pending before the Superintendent of
Insurance on the effective date of this section to establish
30 workers' compensation rates and to determine the need for any
surcharge, the deadline for issuance of a decision on the rate
32 filing under the Maine Revised Statutes, Title 24-A, section
2363, subsection 11 and the deadline for making the
34 determinations required under Title 24-A, section 2367 are both
extended to September 30, 1991, in order to allow the
36 Superintendent of Insurance to conduct a proceeding for the
limited purpose of determining the effect of amendments to Title
38 39, enacted by the First Regular Session of the 115th Legislature
in the Workers' Compensation Act on workers' compensation
40 insurance rates and to take those findings into account in
establishing rates and surcharges, if any, in connection with the
42 pending rate filing. The Superintendent of Insurance may not
issue a decision in the pending proceeding until the
44 Superintendent of Insurance has evaluated the effect of these
changes on the workers' compensation rates and incorporated those
46 findings in the superintendent's decision on the pending rate
proceeding.

48
The Superintendent of Insurance shall order the filing of
50 information necessary to determine the effect on rates of these
changes to the workers' compensation insurance laws and shall
52 conduct a hearing within 30 days after the filing is made.
Evidence and argument must be limited to matters

2 relevant to evaluation of the effect of these changes on rates
3 and the time limitations of Title 24-A, section 2363, subsections
4 3, 6, 11 and 12 do not apply. Any proceeding held pursuant to
5 this Act must be considered a filing for a rate change under the
6 terms of Title 24-A, section 2363, subsection 9, paragraph B.
7 The rates and any surcharges established by the decision of the
8 Superintendent of Insurance on the pending proceeding and the
9 valuation change are effective beginning July 1, 1991.

10 This section does not apply to any rate proceeding commenced
11 on or after October 1, 1991.

12 **Sec. 2. Repeal.** This Act is repealed on October 1, 1991.

13 **Emergency clause.** In view of the emergency cited in the
14 preamble, this Act takes effect when approved.

18 STATEMENT OF FACT

19
20 The Legislature is currently revising the Workers'
21 Compensation Act, Maine Revised Statutes, Title 39. These
22 revisions will have a material effect on rates for workers'
23 compensation insurance. The Superintendent of Insurance is
24 required to issue a decision on the pending rate filing, which
25 has been the subject of extensive hearings, before these changes
26 become final under the current applicable rating laws. This
27 decision would not permit the rate effect of these changes to the
28 laws to be incorporated into insurance rates until after January
29 1, 1992.

30
31 To avoid the implementation of high rates, this bill
32 proposes to extend the deadline for decision by the
33 Superintendent of Insurance in the pending rate proceeding to
34 September 30, 1991 providing for a limited purpose hearing to
35 evaluate the rate effect of the changes to Title 39 enacted by
36 the First Regular Session of the 115th Legislature and issuance
37 of a single decision addressing the pending rate proceeding and
38 the superintendent's findings with respect to the changes to the
39 laws. The rates and fresh start surcharges established by the
40 superintendent's decision are in effect from July 1, 1991, thus
41 avoiding any inequitable effect of the delay of the decision in
42 the pending proceeding.

43
44 This bill does not apply to any rate proceeding commenced on
45 or after October 1, 1991 and is repealed on that date.