

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
115TH LEGISLATURE
FIRST SPECIAL SESSION

HOUSE AMENDMENT "J" to H.P. 1397, L.D. 1981, Bill, "An Act to Make Changes in the Workers' Compensation System"

Amend the bill in Part D by striking out all of section D-25 and inserting in its place the following:

'Sec. D-25. Rate change limitations. The following provisions apply to all workers' compensation insurance rates under the Maine Revised Statutes, Title 24-A.

1. Purpose. The provisions of this section reflect the rate effect of amendments to Title 39 implemented by this Act.

2. Rate reduction. The Superintendent of Insurance shall, in the workers' compensation proceeding authorized pursuant to Private and Special Law 1991, chapter 16 and subsequent rate proceedings, order appropriate reductions in workers' compensation rates to reflect the impact of this Act. A rate filing is not permitted after the effective date of this section unless the overall manual rate level is no higher than the overall manual rate level in effect on January 1, 1991. If no rate filing is permitted after the effective date of this section, the Superintendent of Insurance shall immediately promulgate rates, to be effective on November 1, 1991, the overall manual rate level of which is no higher than the overall manual rate level effective on January 1, 1991. The superintendent's determination without a filing requires notice and hearing as provided under Title 5, chapter 375, subchapter IV and the notice and hearing provisions of Title 24-A do not apply.

A. "Overall manual rate level" means the projected total amount of money to be generated by the application of manual rates per \$100 of payroll on file with the superintendent, exclusive of any rating system adjustments, including minimum premiums, loss constants, experience or retrospective rating plans or dividend plans.

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2 B. An insurer may not use a rate for workers' compensation insurance higher than this rate.

4 3. Rates during 1991 and 1992. From November 1, 1991 to
December 31, 1992, each insurer's rates may not exceed the
6 workers' compensation rates in effect on January 1, 1991, except
that this rate must be adjusted under subsection 2.

4. Application. The rate limitations in this section apply to all workers' compensation insurance written in this State and to rates in the competitive and residual markets. For policies in effect on the effective date of this sections, the premiums due or paid must be reduced on a pro rata basis for the remainder of the term of that policy after November 1, 1991, to reflect the reduction under subsection 2.'

18 STATEMENT OF FACT

20 This amendment requires a minimum workers' compensation
insurance rate reduction of 14% to reflect the savings achieved
22 in the bill.

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Filed by Rep. Michaud of East Millinocket
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