

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 375

H.P. 288

House of Representatives, February 9, 1993

**An Act Regarding the Workers' Compensation Residual Market
Mechanism.**

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

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative MITCHELL of Vassalboro.
Cosponsored by Senator McCORMICK of Kennebec and
Representatives: HALE of Sanford, JOSEPH of Waterville, PINEAU of Jay, TRACY of Rome.

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

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Sec. 1. 5 MRSA §12004-I, sub-§91 is enacted to read:

<u>91.</u>	<u>Workers'</u>	<u>Expenses</u>	<u>24-A MRSA</u>
<u>Workers'</u>	<u>Compensation</u>	<u>Only</u>	<u>§2386,</u>
<u>Compen-</u>	<u>Residual</u>		<u>sub-§9-A</u>
<u>sation</u>	<u>Market</u>		
	<u>Mechanism</u>		
	<u>Review</u>		
	<u>Committee</u>		

Sec. 2. 24-A MRSA §2386, sub-§9-A is enacted to read:

9-A. Workers' Compensation Residual Market Mechanism Review Committee. The Workers' Compensation Residual Market Mechanism Review Committee, as established by Title 5, chapter 379, shall review the operations of the residual market mechanism to ensure that the residual market mechanism carries out the purposes of this section.

A. The committee consists of 7 members with knowledge of and experience in the residual market mechanism, including equal representation of employer and employee viewpoints and one member representing the public interest.

B. The members must be appointed by the joint standing committee having jurisdiction over banking and insurance matters for terms of 3 years, except that initially 2 must be appointed for terms of one year and 2 must be appointed for terms of 2 years.

C. The members shall elect one of themselves to serve as chair.

D. The members serve without compensation, except for reimbursement for travel and actual expenses necessarily incurred in the performance of their duties.

E. The committee must review the operations of the residual market mechanism, including but not limited to servicing practices, data reporting and financial management. The committee must report to the joint standing committee of the Legislature having jurisdiction over banking and insurance matters on or before January 1st each year and may report to the designated committee and to the Legislature when the committee determines a report to be appropriate.

2 F. The committee may direct the performance of audits of
4 the functions and records of the residual market mechanism
6 when the committee determines audits to be appropriate.

8 G. The committee or any person employed by the committee
10 may upon demand inspect and copy books, papers, records,
12 accounts and memoranda of the residual market mechanism.
14 Individual claim information may be reviewed and copied but
16 remains confidential pursuant to section 2384-B, subsection
18 8 and must be treated in a manner that safeguards its
20 confidentiality.

22 H. The Residual Market Mechanism Review Committee Fund is
24 established to accomplish the purposes of this subsection.
26 All income generated pursuant to this paragraph must be
28 recorded on the books of the State in a separate account and
30 deposited with the Treasurer of State and be credited to the
32 Residual Market Mechanism Review Committee Fund and must be
34 used for the expenses of the committee and for no other
36 purposes. Any balance remaining continues from year to year
38 as a fund available for the purposes set out in this
40 subsection and for no other reasons. Expenditures from the
42 fund may be made without allocation by the Legislature for
44 the purposes of this subsection only.

26 I. The committee shall assess the residual market mechanism
28 for funds sufficient to pay the expenses of the committee,
30 which must be paid to the Treasurer of State and credited to
32 the Residual Market Mechanism Review Committee Fund. The
34 Treasurer of State may invest the funds in accordance with
36 state law. All interest must be paid to the fund.

34 STATEMENT OF FACT

36 This bill establishes the Workers' Compensation Residual
38 Market Mechanism Review Committee and a dedicated fund to meet
40 its expenses, paid for by an assessment against the residual
42 market mechanism. The review committee is directed to review the
44 servicing practices, financial management and data reporting of
the residual market mechanism and is charged with reporting to
the Joint Standing Committee on Banking and Insurance. The
committee may direct audits of the functions and records of the
residual market mechanism.