

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 883

S.P. 297

In Senate, March 15, 1993

An Act to Allow the Bureau of General Services to Provide Insurance Services for Elementary and Secondary Schools in the State.

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

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

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator CLEVELAND of Androscoggin.
Cosponsored by Senator: PINGREE of Knox, Representatives: COLES of Harpswell,
FARNSWORTH of Hallowell, KILKELLY of Wiscasset, MITCHELL of Vassalboro,
MORRISON of Bangor.

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

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4 Sec. 1. 5 MRSA §1728-A, sub-§1, ¶¶F and G, as amended by PL 1987, c. 778, §1, are further amended to read:

6 F. To receive and, with the assistance of the Attorney
8 General, administer all claims for personal injury and
property damage against the State; and

10 G. With the assistance of the Attorney General, to pursue
12 all claims against 3rd parties in all cases in which the
State may be subrogated to the rights of injured employees
14 or where damage to state property may have resulted from the
negligence of a 3rd party; and

16 Sec. 2. 5 MRSA §1728-A, sub-§1, ¶H is enacted to read:

18 H. To provide insurance advice and services for all lines
20 of property and casualty insurance for school administrative
22 units and for private schools approved for tuition purposes
24 of whose students more than 60% are publicly funded. All
26 liabilities over \$300,000 per occurrence must be reinsured
by the director, with the insured entity paying the cost of
that reinsurance. In performing the functions authorized by
this paragraph, the director is not subject to the
provisions of Title 24-A.

28 Sec. 3. 5 MRSA §1728-A, sub-§§5 and 6 are enacted to read:

30 5. Actuarial services. The director shall retain the
32 services of a nationally recognized actuarial firm each fiscal
34 year to provide advice in the development of insurance premiums
36 charged for the succeeding fiscal year by the bureau and make
38 recommendations to the commissioner and the director regarding
40 the level of premium and reserves necessary to protect the funds
42 and the bureau's clients. Within 60 days of receiving the
recommendations from the actuarial firm, the director shall
report to the joint standing committee of the Legislature having
jurisdiction over banking and insurance matters stating the
recommended levels of premium and reserves, the director's
intention to implement those levels and any reasons for
deviations from the recommendations.

44 6. Rulemaking. The commissioner, with the advice of the
46 director, shall adopt rules to ensure that the fund is adequately
funded and that the assets of the fund are protected.

48 Sec. 4. Effective date. This Act takes effect January 1, 1994.

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STATEMENT OF FACT

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6 This bill authorizes the Department of Administrative and
Financial Services, Bureau of General Services, to provide
8 insurance advice and services to school administrative units.
Schools that choose to self-insure through the Bureau of General
10 Services could realize savings in insurance expenditures, which
could reduce future expenses to the Department of Education,
General Purpose Aid to Local Schools account.

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14 The bill further requires the Bureau of General Services to
contract for annual actuarial services and to adopt rules to
ensure that the insurance fund is adequately funded and the
16 assets of the fund are protected.