

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 223

H.P. 175

House of Representatives, January 24, 1995

**An Act to Amend the Workers' Compensation Laws Regarding Small
Businesses.**

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 DiPIETRO of South Portland.
Cosponsored by Representatives: CAMERON of Rumford, FISHER of Brewer, KEANE of
Old Town, LEMONT of Kittery, MURPHY of Berwick, PLOWMAN of Hampden, VIGUE of
Winslow.

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

2
4 **Sec. 1. 39-A MRSA §401, sub-§1, ¶¶B and C**, as enacted by PL
1991, c. 885, Pt. A, §8 and affected by §§9 to 11, are amended to
read:

6
8 B. Employers of employees engaged in agriculture or
aquaculture as seasonal or casual laborers, if the employer
maintains coverage by an employer's liability insurance
10 policy with total limits of not less than \$25,000 and
medical payment coverage of not less than \$1,000.

12 (1) As used in this subsection, "casual" means
14 occasional or incidental. "Seasonal" refers to
laborers engaged in agricultural or aquacultural
16 employment beginning at or after the commencement of
the planting or seeding season and ending at or before
18 the completion of the harvest season; and

20 C. Employers of 6 or fewer agricultural or aquacultural
laborers, if the employer maintains an employer's liability
22 insurance policy with total limits of not less than \$100,000
multiplied by the number of agricultural or aquacultural
24 laborers employed by that employer and medical payment
coverage of not less than \$1,000.

26 (1) In computing the number of agricultural or
28 aquacultural laborers under this paragraph, immediate
family members of unincorporated employers, immediate
30 family members of bona fide owners of at least 20% of
the outstanding voting stock of an incorporated
32 agricultural employer and seasonal and casual workers
are not included. For the purposes of this
34 subparagraph, "immediate family members" means
parents, spouse, brothers, sisters and children.

36 (2) This exemption does not apply if the employer has
38 employed more than 6 agricultural or aquacultural
laborers in regular and concurrent manner, as computed
40 under subparagraph 1 (1), at any time during the 52
weeks immediately preceding the injury; and

42 **Sec. 2. 39-A MRSA §401, sub-§1, ¶D** is enacted to read:

44 D. Employers of 10 or fewer employees, if the employer
46 maintains an employer's liability insurance policy in an
amount not less than \$1,000,000, coverage for health care in
48 an amount not less than \$100,000 and disability income
insurance that is available to pay claims for incapacity for

2 up to 12 weeks at benefit levels consistent with sections
3 212 and 213.

4 (1) In computing the number of employees under this
5 paragraph, seasonal and casual workers, immediate
6 family members of unincorporated employers and
7 immediate family members of bona fide owners of at
8 least 20% of the outstanding voting stock of an
9 incorporated employer are not included. For the
10 purposes of this subparagraph, "immediate family
11 members" means parents, spouse, brothers, sisters and
12 children.

13 (2) This exemption does not apply if the employer has
14 employed more than 10 employees in regular and
15 concurrent manner, as computed under subparagraph (1),
16 at any time during the 52 weeks immediately preceding
17 the injury.

18 (3) An employer who maintains employer liability
19 coverage and health care coverage under this paragraph
20 retains any liability that the employer may have for
21 assessments under Title 24-A, section 2386-A as if the
22 employer continued to secure the payment of
23 compensation under this section.

24 **STATEMENT OF FACT**

25 **30** This bill allows employers of 10 or fewer employees to
26 choose not to utilize the workers' compensation system and
27 requires those employers to maintain liability insurance, health
28 care coverage and disability income coverage. It provides that
29 employers who maintain coverage in this manner are still
30 responsible for assessment under the Maine Revised Statutes,
31 Title 24-A, section 2386-A, the fresh start provisions of
32 workers' compensation insurance. This bill is modelled on the
33 existing provision that applies to employees of small
34 agricultural employers.