



# **117th MAINE LEGISLATURE**

### FIRST REGULAR SESSION-1995

Legislative Document

No. 838

S.P. 299

In Senate, March 14, 1995

## An Act to Extend the Final Determination of a Fresh Start Policy Year Status.

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

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MAY M. ROSS Secretary of the Senate

Presented by Senator KIEFFER of Aroostook. Cosponsored by Senators: ABROMSON of Cumberland, CIANCHETTE of Somerset, McCORMICK of Kennebec, Representative: VIGUE of Winslow.

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

Sec. 1. 24-A MRSA §2386-A, sub-§9, as enacted by PL 1991, c. 885, Pt. B, §12 and affected by §13, is amended to read:

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9. Final determination of deficit or surplus; timetable for 6 surcharge or credit. In making the annual determination required 8 by this section, the superintendent shall make a final determination of the deficit or surplus for any policy year with respect to which the superintendent has received 7 9 complete 10 annual evaluations of residual market policy year experience. 12 Regardless of receipt of 7 <u>9</u> complete evaluations, the superintendent shall make a final determination regarding a 14 policy year no later than the 8th 10th calendar year following the close of the policy year under review. If the superintendent determines that there is a surplus for that policy year, the 16 superintendent shall order a credit under subsection 1. If the superintendent determines that there is a deficit for that policy 18 year, the superintendent shall establish a schedule of surcharges 20 to recover the remainder of the deficit for that policy year over a period not to exceed 10 years, except that in each year 22 application of the surcharge is subject to subsection 2.

24 For cause, the superintendent may reopen the final determination of a policy year status upon the superintendent's own motion, the 26 motion of a party to the last determination or the motion of the board of governors of the workers' compensation residual market 28 pool.

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### STATEMENT OF FACT

This bill extends from 7 years to 9 years the deadline for 34 making a final determination of whether a deficit or surplus exists in the workers' compensation residual market pool for policy years 1988 to 1992. The bill also permits certain parties 36 to petition to reopen the determination of whether a policy year 38 from the former workers' compensation residual market pool has a surplus or deficit. This permits the Superintendent of Insurance to amend a determination so as not to improperly collect or 40 assess a surcharge as a result of an earlier decision.