

# MAINE STATE LEGISLATURE

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L.D. 887

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DATE: 6/5/95

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
117TH LEGISLATURE  
FIRST REGULAR SESSION

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HOUSE AMENDMENT "A" to H.P. 664, L.D. 887, Bill, "An Act to Encourage Job Creation by Exempting Small Businesses from the Current Workers' Compensation System".

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Amend the bill in section 4 by striking out all of paragraph D (page 2, lines 9 to 12 in L.D.) and inserting in its place the following:

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'D. Employers of 5 or fewer employees, if the employer maintains an employer's liability insurance policy in an amount not less than \$1,000,000, coverage for health care in an amount not less than \$100,000 and disability income insurance that is available to pay claims for incapacity for up to 26 weeks at benefit levels consistent with sections 212 and 213.

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

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(2) This exemption does not apply if the employer has employed more than 5 employees in regular and concurrent manner, as computed under subparagraph (1), at any time during the 52 weeks immediately preceding the injury.

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HOUSE AMENDMENT "A" to H.P. 664, L.D. 887

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

**STATEMENT OF FACT**

This amendment allows employers of 5 or fewer employees to choose not to utilize the workers' compensation system and requires those employers to maintain liability insurance, health care coverage and disability income coverage. It provides that employers who maintain coverage in this manner are still responsible for assessment under the Maine Revised Statutes, Title 24-A, section 2386-A, the fresh start provisions of workers' compensation insurance. This amendment is modelled on the existing provision that applies to employees of small agricultural employers.

SPONSORED BY: *J. Paul Waterhouse*  
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