

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 1556

S.P. 579

In Senate, May 31, 1995

An Act to Extend the Workers' Compensation Deficit Evaluation Proceeding.

(EMERGENCY)

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

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS
Secretary of the Senate

Presented by Senator ABROMSON of Cumberland. (GOVERNOR'S BILL).
Cosponsored by Representative VIGUE of Winslow.

2 **Emergency preamble. Whereas,** Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4

6 **Whereas,** the Superintendent of Insurance is required to
determine, by June 1st of each year, the incurred deficit of the
Maine Workers' Compensation Residual Market Pool and to establish
8 the level of premium surcharges for the repayment of that
deficit; and

10

12 **Whereas,** the Governor has appointed a committee to make
recommendations concerning replacement of the present system for
funding that deficit; and

14

16 **Whereas,** the Legislature may take action that will cause
substantial changes to the Maine Insurance Code that will have a
direct and immediate effect on the appropriate amounts for the
18 surcharges, but these effects can not be taken into account under
the current applicable law in the pending surcharge proceeding;
20 and

22 **Whereas,** in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
24 Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
26 safety; now, therefore,

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

30 **Sec. 1. Extension of time.** Notwithstanding the required
reporting date of June 1st, as specified in the Maine Revised
32 Statutes, Title 24-A, section 2386-A, first paragraph, the
Superintendent of Insurance is not required to evaluate the
34 incurred deficit of the Maine Workers' Compensation Residual
Market Pool and to establish the level of premium surcharges as
36 required by section 2386-A until June 22, 1995. In making the
determination, the superintendent shall take into consideration
38 the effect of any relevant changes in the workers' compensation
residual market mechanism that may result from changes to Title
40 24-A as enacted by the First Regular Session of the 117th
Legislature or a subsequent special session. This extension of
42 time applies only to that report due on June 1, 1995.

44 **Emergency clause.** In view of the emergency cited in the
preamble, this Act takes effect when approved.

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STATEMENT OF FACT

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4 Under current law, the Superintendent of Insurance is
6 required to determine annually by June 1st whether premiums
8 collected from risks in the residual workers' compensation market
are greater or less than the incurred losses and expenses and to
adjust the rates accordingly. This bill extends the reporting
deadline of the Superintendent of Insurance from June 1, 1995 to
June 22, 1995.