

MAINE STATE LEGISLATURE

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103
R of 8

L.D. 1650

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DATE: 2/20/96

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BANKING AND INSURANCE

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10 Reproduced and distributed under the direction of the Clerk of
12 the House.

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
SECOND REGULAR SESSION**

16

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18 COMMITTEE AMENDMENT "A" to H.P. 1200, L.D. 1650, Bill. "An
20 Act Enabling the Maine Employers' Mutual Insurance Company to
22 Better Serve the Needs of Small Business"

22

24 Amend the bill by striking out everything after the enacting
26 clause and before the statement of fact and inserting in its
28 place the following:

26

28 **Sec. 1. 24-A MRSA §2385-A, sub-§2.** as enacted by PL 1991, c.
885, Pt. B, §12 and affected by §13, is amended to read:

30

30 **2. Optional deductible of \$250 or \$500.** To employers whose
32 ~~premium is between 100% and 500% of the premium qualifying for~~
34 ~~experience rating and to all employers in the logging and~~
36 ~~lumbering industries, including employers of drivers and sawmill~~
38 ~~industries who are experience-rated,~~ insurers shall offer a
40 deductible of \$250 or \$500 per occurrence.

36

38 **Sec. 2. 24-A MRSA §2385-A, sub-§3.** as enacted by PL 1991, c.
885, Pt. B, §12 and affected by §13, is repealed.

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40 **Sec. 3. 24-A MRSA §3702, sub-§3-A** is enacted to read:

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42 **3-A. Maine-based employer.** "Maine-based employer" means an
44 employer with a principal place of business located in this State.

44

46 **Sec. 4. 24-A MRSA §3703, sub-§1.** as amended by PL 1991, c.
885, Pt. C, §3, is further amended to read:

46

P of S.

COMMITTEE AMENDMENT "A" to H.P. 1200, L.D. 1650

1. **Workers' compensation.** The company shall provide workers' compensation insurance and employers' liability insurance incidental to and written in connection with workers' compensation coverage to employees ~~employers~~ in this State. The company may not write other lines of insurance. The company may not write reinsurance or excess insurance. For the purpose of providing insurance to Maine-based employers operating in other states, the company may apply to appropriate regulatory authorities in those states for authority to write workers' compensation and employers' liability insurance for Maine-based employers' operations in those states. Until the company has obtained the surplus otherwise required under this Title for casualty insurance companies, the company must receive approval from the superintendent before actually writing policies in each other state.

Sec. 5. 24-A MRSA §3710, sub-§2, ¶¶A and B, as enacted by PL 1991, c. 885, Pt. C, §8, are amended to read:

A. Shall collect from each applicant an advance premium of 25% of the estimated annual premium and shall bill subsequent premiums with advance notice to insureds to ensure that, if periodic premiums are not paid by insureds in a timely manner, that adequate time is available to give proper notice of cancellation prior to a previously collected premium being fully earned; and

B. May assess its policyholders for additional funds to meet operating needs or as required by law; and

Sec. 6. 24-A MRSA §3710, sub-§2, ¶C is enacted to read:

C. May provide premium payment plans and premium financing programs providing payment terms other than those specified in paragraph A. Until the company has obtained the surplus otherwise required under this Title for casualty insurance companies, the company must receive approval from the superintendent before implementing these programs.'

Further amend the bill by inserting at the end before the statement of fact the following:

FISCAL NOTE

The Bureau of Insurance within the Department of Professional and Financial Regulation will incur some minor additional costs to approve certain premium payment plans and plans to offer out-of-state policies submitted by the Maine Employers' Mutual Insurance Company. These costs can be absorbed within the bureau's existing budgeted resources.'

H. & S.

COMMITTEE AMENDMENT "A" to H.P. 1200, L.D. 1650

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STATEMENT OF FACT

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6 This amendment replaces the bill and makes changes in Maine
8 Employers' Mutual Insurance Company's enabling legislation to
10 give the company the authority to provide alternative premium
12 payment plans and to apply for authority to write workers'
14 compensation insurance covering employees of Maine-based
employers with out-of-state operations with the Superintendent of
Insurance's prior approval. The amendment also repeals the
requirement that workers' compensation insurers offer a mandatory
deductible of \$500 for medical expenses. The amendment also adds
a fiscal note to the bill.

COMMITTEE AMENDMENT