

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 189

H.P. 146

House of Representatives, January 16, 1997

An Act to Exempt Companies That Employ 5 People or Fewer from Carrying Workers' Compensation Insurance.

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 VIGUE of Winslow.
Cosponsored by Senator MITCHELL of Penobscot and
Representatives: BOUFFARD of Lewiston, KERR of Old Orchard Beach, LEMONT of
Kittery, MAILHOT of Lewiston, TRUE of Fryeburg, WATERHOUSE of Bridgton, Senator:
JENKINS of Androscoggin.

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
6 1991, c. 885, Pt. A, §8 and affected by §§9 to 11, are amended to
8 read:

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

20 (1) As used in this subsection, "casual" means
22 occasional or incidental. "Seasonal" refers to
24 laborers engaged in agricultural or aquacultural
26 employment beginning at or after the commencement of
28 the planting or seeding season and ending at or before
30 the completion of the harvest season; and

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

44 (1) In computing the number of agricultural or
46 aquacultural laborers under this paragraph, immediate
48 family members of unincorporated employers, immediate
50 family members of bona fide owners of at least 20% of
52 the outstanding voting stock of an incorporated
54 agricultural employer and seasonal and casual workers
56 are not included. For the purposes of this
58 subparagraph, "immediate family members" means
60 parents, spouse, brothers, sisters and children.

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

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

74 D. Employers of 5 or fewer employees, if the employer
76 maintains an employer's liability insurance policy in an
78 amount not less than \$1,000,000, coverage for health care in
80 an amount not less than \$100,000 and disability income
82 insurance that is available to pay claims for incapacity for

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

4 (1) In computing the number of employees under this
6 paragraph, seasonal and casual workers, immediate
8 family members of unincorporated employers and
10 immediate family members of bona fide owners of at
12 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.

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

20 (3) An employer who maintains employer liability
22 coverage and health care coverage under this paragraph
24 retains any liability that the employer may have for
assessments under Title 24-A, chapter 26 as if the
employer continued to secure the payment of
compensation under this section.

28 SUMMARY

30 This bill allows employers of 5 or fewer employees to choose
32 not to utilize the workers' compensation system and requires
34 those employers to maintain liability insurance, health care
36 coverage and disability income coverage. It provides that
38 employers who maintain coverage in this manner are still
responsible for assessment under the Maine Revised Statutes,
Title 24-A, chapter 26, the "fresh start" provisions of workers'
compensation insurance. This bill is modelled on the existing
provision that applies to employees of small agricultural
employers.