

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

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Legislative Document

No. 360

H.P. 296

House of Representatives, January 23, 1997

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**An Act to Amend the Process of Competitive Bidding for Insurance by  
School Boards.**

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Reference to the Committee on Education and Cultural Affairs suggested and ordered  
printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative MAYO of Bath.  
Cosponsored by Senator AMERO of Cumberland and  
Representatives: BELANGER of Caribou, BRENNAN of Portland, BRUNO of Raymond,  
McALEVEY of Waterboro, PINKHAM of Brunswick, WINGLASS of Auburn, Senator:  
PARADIS of Aroostook.

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

Sec. 1. 20-A MRSA §1001, sub-§14, first ¶, as enacted by PL 1993, c. 423, §1, is amended to read:

14. Insurance purchase by competitive bidding. Except as otherwise provided by waiver, a school board shall purchase insurance by competitive bidding, including a school board in a municipal school unit in which the municipality is the owner of school property. On each insurance policy, a competitive bid must be sought at least once every 5 years. To take advantage of commercial package policies in the marketplace, a school board shall group qualifying lines of insurance into a single competitive bid process. Each policy secured by competitive bidding must be issued with a 3-year policy term or, if this is not possible, a commitment for 3 one-year policy terms must be secured with an option for 2 additional one-year policy terms, subject to annual review and adjustment.

Sec. 2. 20-A MRSA §1001, sub-§14, ¶A, as enacted by PL 1993, c. 423, §1, is amended to read:

A. The requirement of competitive bidding may be waived by a school board when:

(1) In the opinion of the school board, an emergency exists that requires the immediate procurement of insurance. The emergency may include the premature cancellation of an existing policy or acquisition of a risk that can not be added to an existing policy, including the signing of a lease. However, at the next renewal of the policy, procurement of insurance is subject to competitive bidding;

(2) After reasonable investigation by the school board, it appears that the required insurance is procurable from only one source; or

(3) It appears to be in the best interest of the school board to negotiate for the procurement of an excess insurance line;

~~(4) -- The line of insurance is workers' compensation or an employee benefit such as life, disability or health insurance in accordance with subsection 5, or~~

~~(5) -- The school board is in a municipal school unit and school insurance and municipal insurance are purchased as a package through competitive bidding by the municipal government.~~

## SUMMARY

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4       This bill clarifies that school boards located in  
6 municipalities where the school buildings and other properties  
are owned by the municipality must purchase insurance through  
competitive bidding.

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10       The bill removes the waiver of competitive bidding available  
to school boards for workers' compensation and employee benefit  
insurance such as life, disability and health insurance.

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14       The bill also removes the waiver of competitive bidding  
available to school boards in a municipal school unit when the  
municipal government competitively purchases municipal and school  
insurance as a package.