

# MAINE STATE LEGISLATURE

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R.S.

DATE: 5-27-97

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
118TH LEGISLATURE  
FIRST SPECIAL SESSION

HOUSE AMENDMENT "D" to COMMITTEE AMENDMENT "B" to S.P. 491, L.D. 1523, Bill, "An Act to Make the Workers' Compensation System More Equitable"

Amend the amendment by inserting after section 8 the following:

'Sec. 9. 39-A MRSA §359, sub-§2, as enacted by PL 1991, c. 885, Pt. A, §8 and affected by §§9 to 11, is amended to read:

2. **Penalty.** In addition to any other penalty assessment permitted under this Act, the board may assess civil penalties not to exceed \$10,000 upon finding, after hearing, that an employer, insurer or 3rd-party administrator for an employer has engaged ~~in a pattern of questionable claims handling techniques or repeated unreasonably contested~~ improper handling of claims or has repeatedly contested claims without good cause or without proper investigation. The board shall certify its findings to the Superintendent of Insurance, who shall take appropriate action so as to bring any such practices to a halt. This certification by the board is exempt from the provisions of the Maine Administrative Procedure Act. Upon complaint by any interested party or on its own motion, the Superintendent of Insurance may directly investigate, make findings and assess penalties for practices for which the board has not assessed a penalty. Penalties assessed by the superintendent are payable to the Workers' Compensation Board Administrative Fund.'

Further amend the amendment by inserting after section 9 the following:

'Sec. 10. **Allocation.** The following funds are allocated from Other Special Revenue to carry out the purposes of this Act.

**HOUSE AMENDMENT**

H. of S.

	1997-98	1998-99
2		
4	<b>PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF</b>	
6	<b>Bureau of Insurance</b>	
8	Positions - Legislative Count (2,000)	(2,000)
	Personal Services \$65,831	\$92,175
10	All Other 4,500	6,000
	Capital Expenditures 6,000	
12		
14	Allocates funds for 1 1/2 additional Senior Claims Examiner positions, 1/2 additional Staff Attorney position and operating costs necessary to administer certain responsibilities pertaining to penalties under the workers' compensation law.	
16		
18		
20		
22		
24	<b>DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION</b>	
	<b>TOTAL</b>	
	<u>\$76,331</u>	<u>\$98,175'</u>

26 Further amend the amendment by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

30 **FISCAL NOTE**

	1997-98	1998-99
32		
34	<b>APPROPRIATIONS/ALLOCATIONS</b>	
36	Other Funds \$76,731	\$98,175
38		
40	<b>REVENUES</b>	
42	Other Funds \$76,731	\$98,175

44 The Bureau of Insurance within the Department of Professional and Financial Regulation will require additional Other Special Revenue allocations of \$76,331 and \$98,175 in fiscal years 1997-98 and 1998-99, respectively, for 1 1/2 additional Senior Claims Examiner positions, one additional half-time Staff Attorney position and operating costs necessary to administer certain responsibilities pertaining to prohibited practices under the workers' compensation law. These additional

**HOUSE AMENDMENT**

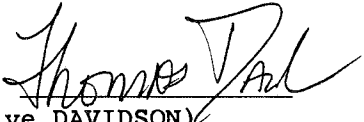
HOUSE AMENDMENT "D" to COMMITTEE AMENDMENT "B" to S.P. 491, L.D.  
1523

costs with corresponding revenue increases will not exceed the  
revenue available to the bureau under its statutory assessment  
cap.

#### SUMMARY

This amendment changes the penalty provisions of the  
worker's compensation law to allow the Superintendent of  
Insurance to investigate and penalize improper claims-handling  
practices.

SPONSORED BY:

  
(Representative DAVIDSON)

TOWN: Brunswick

# HOUSE AMENDMENT