

MAINE STATE LEGISLATURE

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BANKING AND INSURANCE

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 471, L.D. 599, Bill, "An Act to Eliminate Maine Employers' Mutual Insurance Company Industry and Geographic Divisions and Related Advisory Boards and Other Outdated Provisions"

Amend the bill by inserting after section 2 the following:

'Sec. 3. 24-A MRSA §3702, sub-§6, as enacted by PL 1991, c. 885, Pt. C, §2, is amended to read:

6. Workers' compensation residual market mechanism. "Workers' compensation residual market mechanism" means the instrument to provide coverage to employers not able to obtain coverage in the voluntary market that immediately preceded the Maine Workers'-Compensation Employers' Mutual Insurance Company.'

Further amend the bill in section 9 in subsection 7 in paragraph A in the last line (page 3, line 27 in L.D.) by inserting after the following: "available." the following: 'Notwithstanding paragraph C, an employer may also be placed in the high-risk program during the term of a policy for noncompliance with reasonable safety standards.'

Further amend the bill in section 9 in subsection 7 by inserting after paragraph G the following:

'H. The board, with the approval of the superintendent, shall implement a plan for surcharges for policyholders in the high-risk program based on the policyholder's specific

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2 loss experience beyond the uniform experience rating plan
3 approved by the superintendent. Any plan of surcharges must
4 consider the actual claims experience of the employer and
5 must provide for rate adjustments reasonably related to the
6 employer's risk of loss.'

7 Further amend the bill by relettering or renumbering any
8 nonconsecutive Part letter or section number to read
9 consecutively.

12 SUMMARY

13 This amendment clarifies that an employer may be placed in
14 the high-risk program for noncompliance with reasonable safety
15 standards and allows the Board of Directors of the Maine
16 Employers' Mutual Insurance Company to establish a plan for
17 surcharges in the high-risk program based on an employer's
18 specific loss experience. The amendment also corrects a technical
19 error in the bill.
20