

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)

M
R. of S.

L.D. 1402

DATE: 5-1-01

(Filing No. H-246)

BANKING AND INSURANCE

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

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

COMMITTEE AMENDMENT "A" to H.P. 1045, L.D. 1402, Bill, "An Act to Clarify and Update the Security Requirements for Employers Self-insured for Workers' Compensation Liabilities"

Amend the bill by striking out all of section 2 (page 3, lines 1 to 25 in L.D.) and inserting in its place the following:

Sec. 2. 39-A MRSA §404, sub-§4, ¶¶C and D, as enacted by PL 1991, c. 885, Pt. A, §8 and affected by §§9 to 11, are amended to read:

C. The following pertains to postinsolvency assessment.

(1) In the event the assets of the fund are not sufficient to pay the obligations of the association, the association shall make an additional assessment as follows.

(a) Each individual self-insurer must be assessed an amount not in excess of ~~2%~~ 4% each year of the annual standard premium that would have been paid by the individual self-insurer during the prior calendar year. The assessments of each member individual self-insurer must be in the proportion that the annual standard premium of the individual self-insurer for the premium preceding calendar year bears to the annual standard premium of all member self-insurers for the preceding calendar year.

(b) Each group self-insurer must be assessed an amount not in excess of .2% each year of the total annual standard premium that would have been paid

COMMITTEE AMENDMENT

R. of S.

COMMITTEE AMENDMENT "A" to H.P. 1045, L.D. 1402

2 by all the members of that group self-insurer
3 during the prior calendar year. The assessments
4 of each member group self-insurer must be in the
5 proportion that the annual standard premium of the
6 group self-insurer for the premium preceding
7 calendar year bears to the annual standard premium
8 of all member self-insurers for the preceding
9 calendar year.

10 (2) Each member self-insurer must be notified of the
11 assessment no later than 30 days before it is due.

12 (3) The association may exempt or defer, in whole or
13 in part, the assessment of any member self-insurer, if
14 the assessment would cause that member's financial
15 statement to reflect liabilities in excess of assets.

16 (4) Delinquent assessments, except as provided in
17 subparagraph (3), must bear interest at the rate to be
18 established by the board, but not exceed the discount
19 rate of the Federal Reserve Bank, Boston,
20 Massachusetts, on the due date of the assessment, plus
21 4% annually, computed from the due date of the
22 assessment.

23 (5) The association shall establish in the plan of
24 operations a mechanism to calculate the assessments
25 required by subparagraph (1) by a simple and equitable
26 means to convert from policy or fund years that are
27 different from a calendar year.

28 D. No An individual self-insurer may not be assessed in any
29 calendar year an amount greater than ~~2.5%~~ 4% of the annual
30 standard premium that would have been paid by that
31 self-insurer during the prior calendar year. No A group
32 self-insurer may not be assessed in any calendar year an
33 amount greater than .25% of the total annual standard
34 premium that would have been paid by all the members of that
35 group self-insurer during the prior calendar year. If the
36 maximum assessment does not provide in any one year an
37 amount sufficient to make all necessary payments, the funds
38 ~~available--must--be--prorated--and--the--unpaid--portion--must--be~~
39 ~~paid---as---soon---thereafter---as---funds---become---available~~
40 association shall secure financing as provided for in the
41 plan of operation.

42 There must be established in the plan of operations a
43 mechanism to calculate the assessments required by this
44 section by a simple and equitable means to convert from a
45 policy or a fund years year that are is different from a
46 calendar year.'

R. O. S.

COMMITTEE AMENDMENT "A" to H.P. 1045, L.D. 1402

2

SUMMARY

4

6

This amendment clarifies the cap on assessments that may be made by the Maine Self Insurance Guarantee Association upon individual and group self-insurers for workers' compensation.

COMMITTEE AMENDMENT