

# MAINE STATE LEGISLATURE

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*R.O.S.*

L.D. 2053

DATE: *2-11-02*

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**LABOR**

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

COMMITTEE AMENDMENT "*A*" to H.P. 1550, L.D. 2053, Bill, "An Act to Clarify the Treatment of Members of Limited Liability Companies Under the Workers' Compensation Laws"

Amend the bill by inserting after section 1 and before the summary the following:

**Sec. 2. 39-A MRSA §102, sub-§11, ¶B**, as enacted by PL 1991, c. 885, Pt. A, §8 and affected by §§9 and 11, is amended to read:

B. "Employee" includes, if the person elects to be personally covered by this Title, any person who regularly operates a business or practices a trade, profession or occupation, whether individually or in partnership or association with other persons or as a member of a limited liability company, whether or not the person hires employees. Such a person shall elect personal coverage by insuring and keeping insured the payment of compensation and other benefits under a workers' compensation insurance policy. The insurance policy must clearly indicate the intention of the parties to provide coverage for the person electing to be personally covered. The insurance company shall file with the board notice, in such form as the board approves, of the issuance of any workers' compensation policy to a person electing personal coverage. That insurance may not be cancelled within the time limited in that policy for its expiration until at least 30 days after mailing a notice of the cancellation of that insurance to the board and the person electing personal coverage. In the event that the person electing personal coverage has obtained a workers' compensation insurance policy from another insurance company, and that insurance becomes effective prior to the expiration of the 30 days,

**COMMITTEE AMENDMENT**

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COMMITTEE AMENDMENT "A" to H.P. 1550, L.D. 2053

2 cancellation is effective as of the effective date of the  
other insurance. The Superintendent of Insurance is  
4 authorized to review for approval, at the superintendent's  
discretion, an appropriate classification for this class of  
persons and a reasonable rate.'

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**SUMMARY**

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Under current law, family members of a sole proprietor or of a partner in a partnership may waive workers' compensation coverage when they work for the sole proprietor or partnership. The bill extends the same treatment to family members of a member of a limited liability company. The amendment gives members of limited liability companies the same opportunity as sole proprietors and partners to elect to be covered by the Maine Workers' Compensation Act of 1992.