

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

SECOND REGULAR SESSION-2002

Legislative Document

No. 2077

H.P. 1572

House of Representatives, January 17, 2002

An Act to Require Logging Contractors to Notify Landowners and Employees of the Cancellation of Workers' Compensation Insurance Coverage.

Reported by Representative GAGNE for the Round Table to Study Economic and Labor Issues Relating to the Forest Products Industry pursuant to Resolve 1999, chapter 124.

Reference to the Joint Standing Committee on Labor suggested and printing ordered under Joint Rule 218.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

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

4 **Sec. 1. 39-A MRSA §401, sub-§3-A is enacted to read:**

6 **3-A. Cancellation notice requirements.** Any person engaged
8 in harvesting forest products not exempt under subsection 1 shall
10 provide within 3 business days of the cancellation written
12 notification to the landowner to whom the person is under
14 contract of a cancellation of that person's workers' compensation
16 insurance policy. That person shall provide identical notice to
any employee who was covered by the cancelled workers'
compensation insurance policy. A person engaged in harvesting
forest products not exempt under subsection 1 who is found in
noncompliance with these notification requirements is liable for
a civil forfeiture of not less than \$50 nor more than \$100 for
each day of noncompliance.

18 **Sec. 2. Review of enforcement policies and practices.** The Workers'
20 Compensation Board shall study its enforcement policies and
22 activities concerning any persons engaged in harvesting forest
24 products not exempt under the Maine Workers' Compensation Act of
26 1992 who fail to maintain mandated workers' compensation
28 insurance coverage for their employees. In studying its
30 enforcement efforts, the board shall examine its current
32 enforcement practices in the area of policy cancellations,
34 identify ways to enhance its enforcement efforts in this area and
36 determine staffing requirements for additional enforcement
38 efforts. In addition to studying its enforcement practices, the
40 board shall redirect its staff's attention to the forest products
harvesting industry and work with the industry to develop
incentive-based systems that will continue efforts to reduce the
number and frequency of accidents in the industry. The board
shall report its findings and recommendations, including any
implementing legislation, to the joint standing committee of the
Legislature having jurisdiction over labor matters and the joint
standing committee of the Legislature having jurisdiction over
agriculture, conservation and forestry matters by January 15,
2003. Each of the 2 joint standing committees may report out
legislation based upon the report to the First Regular Session of
the 121st Legislature.

42 **SUMMARY**

44 This bill requires any person engaged in harvesting wood
46 products and not exempt from carrying workers' compensation
48 coverage for that person's employees to notify landowners and
50 employees within 3 business days of canceling a workers'
compensation insurance policy. The bill also requires the
Workers' Compensation Board to study its enforcement policies and
practices concerning persons engaged in harvesting wood products

2 who fail to maintain required workers' compensation coverage for
their employees. The bill also requires the board to refocus its
4 attention on safety in the forest products harvesting industry
and to work with the industry to develop incentive-based systems
6 to reduce the number of accidents in the industry. The board is
required to submit its findings and recommendations to the joint
8 standing committee of the Legislature having jurisdiction over
labor matters and the joint standing committee of the Legislature
having jurisdiction over agriculture, conservation and forestry
10 matters by January 15, 2003.