

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 64

H.P. 72

House of Representatives, January 16, 2003

**An Act to Reduce Workers' Compensation Costs for Self-insured
Public Utilities**

Reference to the Committee on Labor suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative O'NEIL of Saco.

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

4 **Sec. 1. 39-A MRSA §403, sub-§8, ¶A**, as repealed and replaced
by PL 2001, c. 224, §1, is amended by enacting a new subparagraph
6 (4-A) to read:

8 (4-A) An individual self-insurer that is a public
utility as defined in Title 35-A, section 102,
10 subsection 13 with an investment grade credit rating
may reduce its required security level by up to
12 \$10,000,000, as long as:

14 (a) The self-insured public utility has a
tangible net worth equal to or in excess of
16 \$10,000,000;

18 (b) The self-insured public utility has had
positive net earnings demonstrated by certified
20 statements of financial condition audited by a
certified public accountant for at least 3 of the
22 5 latest fiscal years, including one of the 2 most
24 recent years, and its mean annual earnings for the
5 latest fiscal years are at least equal to the
26 normal annual premium for the prospective fiscal
coverage period, or it was eligible to make an
28 alternative election, under Statement of Financial
Accounting Standard No. 106, Employers' Accounting
30 for Postretirement Benefits Other Than Pensions,
that would have otherwise satisfied these earnings
requirements; and

32 (c) The reduction does not exceed \$10,000,000 and
34 does not reduce the minimum required security
level below \$100,000.

36 **SUMMARY**

38 This bill allows a public utility to reduce its security for
40 self-insuring its workers' compensation obligations in a manner
similar to that used by other companies with working capital
42 offsets.