

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 770

H.P. 547

House of Representatives, February 15, 2005

An Act To Provide Disclosure Related to Workers' Compensation Insurance

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND

Clerk

Presented by Representative LERMAN of Augusta.

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

4 **Sec. 1. 24-A MRSA §2385-B**, as amended by PL 2001, c. 176, §1,
is further amended to read:

6 **§2385-B. Disclosure of premium information**

8 All policies issued to employers for workers' compensation
10 insurance must disclose clearly to the employer as separate
12 figures the base rate and, the employer's experience modification
factor, the basis for scheduled rating of the employer and other
incentive adjustments to the premium.

14 Upon request from an employer, when a policy is issued to an
16 employer for workers' compensation insurance, it must be
18 accompanied by a statement disclosing the percentages of premium
20 expended during the previous year by the insurer for claims paid,
22 loss control and other administrative costs, medical provider
expenses, insurer and employee attorney's fees and private
investigation costs and the status and justification for
subrogation decisions made by the insurer during the previous
year.

24 **SUMMARY**

26 This bill requires that workers' compensation insurers
28 disclose to employers the basis for scheduled rating and other
incentive adjustments to their premiums. It also requires that,
30 upon request when a policy is issued, companies provide employers
with information regarding the status and justification of
32 subrogation decisions during the previous year.