

MAINE STATE LEGISLATURE

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M
R.O.S.

Date: 4/24/17

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INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 639, L.D. 840, Bill, "An Act To Update the Authority of the Maine Employers' Mutual Insurance Company To Better Serve the Needs of Maine Employers"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 24-A MRSA §3703, sub-§1, as amended by PL 1997, c. 661, §3, is further amended to read:

1. Workers' compensation. The company shall provide workers' compensation insurance and employers' liability insurance incidental to and written in connection with workers' compensation coverage to employers in this State. The company may provide employment practices liability insurance incidental to and written in connection with workers' compensation coverage for employers with an average of 100 or fewer employees if the employment practices liability insurance is provided as an endorsement to workers' compensation coverage approved by the superintendent and is provided under terms and conditions, including reinsurance protection, approved by the superintendent. Rates for employment practices liability insurance are subject to chapter 25. The company may not write other lines of insurance. The company may reinsure workers' compensation and employers' liability insurance written by other insurers that are covering out-of-state employees of Maine-based employers that are insured by the company. For the purpose of providing insurance to Maine-based employers operating in other states, the company may apply to appropriate regulatory authorities in those states for authority to write workers' compensation and, employers' liability and employment practices liability insurance for Maine-based employers' operations in those states. The company may form or acquire subsidiary insurers in other states that are authorized to write only workers' compensation insurance and, employers' liability insurance and employment practices liability insurance as long as such coverage is incidental to and written in connection with workers' compensation coverage. The superintendent may authorize a subsidiary insurer formed or acquired by the company to write workers' compensation, employers' liability and employment practices liability insurance in this

COMMITTEE AMENDMENT

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COMMITTEE AMENDMENT "A" to H.P. 639, L.D. 840

1 State as long as such coverage is incidental to and written in connection with coverage in
2 the state in which the insured's principal place of business is located. The superintendent
3 may not authorize a subsidiary insurer formed or acquired by the company to write any
4 other line of insurance in this State.

5 **Sec. 2. Report.** On or before March 1, 2008, the Superintendent of Insurance shall
6 submit a report to the Joint Standing Committee on Insurance and Financial Services on
7 whether the superintendent has approved the sale of employment practices liability
8 insurance as an endorsement to workers' compensation insurance policies by the Maine
9 Employers' Mutual Insurance Company pursuant to the Maine Revised Statutes, Title
10 24-A, section 3703, subsection 1. The report must include, at a minimum, information on
11 the terms and conditions of the approval and the number of employers who have chosen
12 to purchase coverage for employment practices liability insurance. The report may
13 include recommendations for any necessary legislation. The Joint Standing Committee on
14 Insurance and Financial Services may submit legislation based on the superintendent's
15 report to the Second Regular Session of the 123rd Legislature.'

16 **SUMMARY**

17 This amendment replaces the bill. The amendment permits the Maine Employers'
18 Mutual Insurance Company to offer employers with an average of 100 or fewer
19 employees employment practices liability insurance as an endorsement to workers'
20 compensation coverage under terms and conditions approved by the Superintendent of
21 Insurance. The amendment requires the Superintendent of Insurance to submit a report by
22 March 1, 2008 on whether the superintendent has approved the coverage, the terms and
23 conditions required for offering the coverage and the number of employers who have
24 purchased the coverage. The Joint Standing Committee on Insurance and Financial
25 Services is authorized to submit legislation based on the report to the Second Regular
26 Session of the 123rd Legislature.

27 The amendment retains the provisions in the bill that permits a subsidiary of the
28 Maine Employers' Mutual Insurance Company to write coverage in Maine if the coverage
29 is incidental to and written in connection with coverage in the state in which the insured's
30 principal place of business is located.

31 **FISCAL NOTE REQUIRED**
32 (See attached)

COMMITTEE AMENDMENT



Approved: 04/07/07 *mac*

123rd MAINE LEGISLATURE

LD 840

LR 1287(02)

**An Act To Update the Authority of the Maine Employers' Mutual Insurance Company To Better
Serve the Needs of Maine Employers**

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Bureau of Insurance in the Department of Professional and Financial Regulation can be absorbed by the bureau utilizing existing budget resources.