

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 606

S.P. 221

In Senate, February 17, 2009

**An Act To Enable the Maine Employers' Mutual Insurance
Company To Better Serve the Needs of All Employers**

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator ALFOND of Cumberland.
Cosponsored by Representative RICHARDSON of Warren and
Senators: BOWMAN of York, McCORMICK of Kennebec.

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

2 **Sec. 1. 24-A MRSA §3703, sub-§1**, as amended by PL 2007, c. 125, §1, is
3 further amended to read:

4 **1. Workers' compensation.** The company shall provide workers' compensation
5 insurance and employers' liability insurance incidental to and written in connection with
6 workers' compensation coverage to employers in this State. The company may provide
7 employment practices liability insurance incidental to and written in connection with
8 workers' compensation coverage for employers ~~with an average of 100 or fewer~~
9 ~~employees~~ if the employment practices liability insurance is provided as an endorsement
10 to workers' compensation coverage approved by the superintendent and is provided under
11 terms and conditions, including reinsurance protection, approved by the superintendent.
12 Rates for employment practices liability insurance are subject to chapter 25. The
13 company may not write other lines of insurance. The company may reinsure workers'
14 compensation and employers' liability insurance written by other insurers that are
15 covering out-of-state employees of Maine-based employers that are insured by the
16 company. For the purpose of providing insurance to Maine-based employers operating in
17 other states, the company may apply to appropriate regulatory authorities in those states
18 for authority to write workers' compensation, employers' liability and employment
19 practices liability insurance for Maine-based employers' operations in those states. The
20 company may form or acquire subsidiary insurers in other states that are authorized to
21 write only workers' compensation insurance, employers' liability insurance and
22 employment practices liability insurance as long as such coverage is incidental to and
23 written in connection with workers' compensation coverage. The superintendent may
24 authorize a subsidiary insurer formed or acquired by the company to write workers'
25 compensation, employers' liability and employment practices liability insurance in this
26 State as long as such coverage is incidental to and written in connection with coverage in
27 the state in which the insured's principal place of business is located. The superintendent
28 may not authorize a subsidiary insurer formed or acquired by the company to write any
29 other line of insurance in this State.

30 **SUMMARY**

31 Current law permits the Maine Employers' Mutual Insurance Company to offer
32 employment practices liability insurance to its policyholders that have an average of 100
33 or fewer employees. This bill removes that limitation and allows the company to offer
34 that insurance to its policyholders regardless of the number of employees employed by
35 the policyholder.