

MAINE STATE LEGISLATURE

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Date: 4-21-09

LABOR

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**STATE OF MAINE
SENATE
124TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 236, L.D. 620, Bill, "An Act To Ensure the Workers' Compensation Board's Regulatory Oversight of the Maine Insurance Guaranty Association"

Amend the bill by inserting after section 1 the following:

'Sec. 2. 24-A MRSA §4438, sub-§1, ¶F, as amended by PL 1973, c. 585, §12, is further amended to read:

F. Handle claims through its employees or through one or more insurers licensed in the State or other persons using employees licensed as adjusters in the State designated as servicing facilities. Designation of a servicing facility is subject to the approval of the superintendent, but designation of a member insurer as a servicing facility may be declined by such insurer.'

Amend the bill by striking out all of section 3 (page 1, lines 30 to 34 in L.D.) and inserting the following:

'Sec. 3. 24-A MRSA §4438, sub-§1, ¶I is enacted to read:

I. Pay all penalties, sanctions, forfeitures and fines provided for under the Maine Workers' Compensation Act of 1992 including penalties payable to the Workers' Compensation Board and the General Fund, except the penalty provided for in Title 39-A, section 359, subsection 2. No penalty, fine, forfeiture, attorney's fees or other sanction may be imposed on the association if:

(1) The Workers' Compensation Board finds that the association was prevented from complying with the Maine Workers' Compensation Act of 1992 because the association was unable in the exercise of reasonable diligence to obtain the records of the insolvent insurer; or

(2) The Workers' Compensation Board finds that the association was prevented from complying with the Maine Workers' Compensation Act of 1992 because of circumstances beyond its reasonable control.'

Amend the bill by inserting after section 11 the following:

COMMITTEE AMENDMENT

R 23

COMMITTEE AMENDMENT "A" to S.P. 236, L.D. 620

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'Sec. 12. Application. This Act applies only to acts or omissions occurring on or after the effective date of this Act.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment specifies that the Maine Insurance Guaranty Association, or "association," must employ Maine licensed adjusters in the handling of claims. The amendment prohibits the imposition of penalties if the association is unable, in the exercise of reasonable diligence, to obtain the records of an insolvent insurer or was prevented from complying with the Maine Workers' Compensation Act of 1992 through no fault of its own. The amendment also makes clear that any acts or omissions by the association prior to the effective date of this legislation are not governed by the provisions of this legislation.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



124th MAINE LEGISLATURE

LD 620

LR 347(02)

An Act To Ensure the Workers' Compensation Board's Regulatory Oversight of the Maine Insurance Guaranty Association

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

Committee: Labor

Fiscal Note Required: Yes

Fiscal Note

Minor revenue increase - General Fund

Fiscal Detail and Notes

This legislation may result in increased General Fund revenue from fines and penalties assessed by the Workers' Compensation Board. The amount can not be determined at this time but is not expected to be significant.