

# MAINE STATE LEGISLATURE

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# 126th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2013

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Legislative Document

No. 651

S.P. 242

In Senate, February 26, 2013

### An Act To Amend the Captive Insurance Laws

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

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator CUSHING of Penobscot.  
Cosponsored by Representative McCLELLAN of Raymond and  
Senators: THIBODEAU of Waldo, WHITTEMORE of Somerset, Representatives: BLACK of  
Wilton, JOHNSON of Greenville, MALABY of Hancock, POULIOT of Augusta, TYLER of  
Windham, VOLK of Scarborough.

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

2 **Sec. 1. 24-A MRSA §6706, sub-§2-A,** as enacted by PL 2011, c. 90, Pt. I, §4, is  
3 amended to read:

4 **2-A. Association captive insurance company providing health insurance.** An  
5 association captive insurance company that provides health insurance may elect to  
6 require, in its plan of operation, that all association members who participate in the health  
7 insurance be jointly and severally liable for the health insurance obligations of the  
8 association captive insurance company and meet the financial criteria and employer  
9 required wellness criteria established in the plan of operation. The joint and several  
10 liability of an association member that is a state or federally chartered financial institution  
11 that holds funds in a fiduciary capacity for citizens of this State; a municipality that has  
12 the power to tax to provide municipal services for its citizens; or a hospital licensed in  
13 this State that provides health care for citizens of this State may not exceed an amount per  
14 year equal to the premium for the most recently completed annual insurance period, or  
15 such other greater amount as may be established by the association captive insurance  
16 company. The wellness criteria may not have the effect of making health status a  
17 condition of eligibility for any association member. The superintendent may not require  
18 joint and several liability as a condition of approval of an application.

19

#### SUMMARY

20 This bill provides that the joint and several liability for a bank, municipality or  
21 hospital that is a member of an association captive insurance company is limited to an  
22 amount per year equal to the premium for the most recently completed annual insurance  
23 period or a greater amount as established by the association captive insurance company.