

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND ELEVENTH LEGISLATURE

SECOND SPECIAL SESSION

November 18, 1983

AND AT THE

SECOND REGULAR SESSION

January 4, 1984 to April 25, 1984

AND AT THE

THIRD SPECIAL SESSION

September 4, 1984 to September 11, 1984

PUBLISHED BY THE DIRECTOR OF LEGISLATIVE RESEARCH
IN ACCORDANCE WITH MAINE REVISED STATUTES
ANNOTATED, TITLE 3, SECTION 164, SUBSECTION 6.

J.S. McCarthy Co., Inc.
Augusta, Maine
1986

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
SECOND REGULAR SESSION
of the
ONE HUNDRED AND ELEVENTH LEGISLATURE
JANUARY 4, 1984 TO APRIL 25, 1984

F. Speed in excess of 45 miles per hour shall be unlawful when a school bus is transporting pupils to and from school. At all other times, a school bus shall not exceed the duly posted speed limits.

Effective July 25, 1984.

CHAPTER 668

S.P. 740 - L.D. 2043

AN ACT to Define Primary Excess Insurer
Pursuant to Self-insurance under the Maine
Workers' Compensation Act.

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

Sec. 1. 39 MRSA §23, sub-§2, as amended by PL 1981, c. 484, §2, is further amended to read:

2. By furnishing satisfactory proof to the Superintendent of Insurance of his solvency and financial ability to pay the compensation and benefits, and deposit cash, satisfactory securities or a security bond, with the Workers' Compensation Commission, in such sum as the superintendent may determine; such bond to run to the Treasurer of State and his successor in office, and to be conditional upon the faithful performance of this Act relating to the payment of compensation and benefits to any injured employee. In case of cash being deposited, it shall be placed at interest by the Treasurer of State, and the accumulation of interest on said cash or securities so deposited shall be paid to the employer depositing the same. The superintendent may at any time in his discretion deny to an employer the right to continue in the exercise of the option granted by this section.

Notwithstanding any provision of this section or chapter, any bond or security deposit required of a public employer which is a self-insurer shall not exceed \$50,000, provided that such public employer has a net worth equal to or in excess of \$25,000,000 and a state-assessed valuation equal to or in excess of \$300,000,000. "Public employer" includes the State, the University of Maine, counties, cities and towns.

In his consideration of a self-insuring entity's application for authorization to operate a plan of self-insurance, the superintendent may require or permit an applicant to employ valid risk transfer by the utilization of primary excess insurance. Standards respecting the application of primary excess insurance shall be contained in a regulation promulgated by the superintendent pursuant to the Maine Administrative Procedure Act, Title 5, chapter 375. Primary excess insurance shall be defined as insurance covering workers' compensation exposures in excess of risk retained by a self-insurer.

Sec. 2. 39 MRSA §23, sub-§2-A, as amended by PL 1981, c. 484, §§3 - 5, is further amended to read:

2-A. Group self-insurers; application. Except for the provision relating to individual public employer self-insurers, subsection 2 shall be equally applicable in all respects to group self-insurers. Any employer or group of employers desiring to become a self-insurer shall submit to the Superintendent of Insurance with an application for self-insurance, in a form prescribed by the superintendent the following:

A. A payroll report for each participating employer of the group for 3 preceding annual fiscal periods;

B. A report of compensation losses incurred, payments plus reserves, by each participating employer of the group for the corresponding 3 annual periods;

C. A sworn itemized statement of the group's assets and liabilities; satisfactory proof of financial ability to pay compensation for the employers participating in the group plan; the group's reserves, their source and assurance of continuance;

D. A description of the safety organization maintained by the employer or group for the prevention of injuries;

E. A statement showing the kind of operations performed or to be performed; and

F. Any and all agreements, contracts or other pertinent documents relating to the organization of the employers in the group.

If, upon examination of the sworn financial statement and other data submitted, the superintendent is satisfied as to the ability of the employer or group to make current compensation payments and that the employer's or group's tangible assets make reasonably certain the payment of all obligations that may arise under the Workers' Compensation Law, the application shall be granted subject to the terms and conditions setting out the exposure of cash deposits or securities or an acceptable surety bond, all as required by the superintendent. Security against shock or catastrophe loss shall be provided either by depositing securities with the Workers' Compensation Commission in such amount as the superintendent may determine, or by filing with the superintendent and the Workers' Compensation Commission an insurance carrier's certificate of a standard self-insurer's primary excess contract issued to the self-insurer or group in form approved by the superintendent, providing ~~reinsurance~~ coverage against losses arising out of one injury in such amounts as the superintendent may determine, or a combination of the foregoing, satisfactory to the superintendent. Notwithstanding any provision of this section or chapter, no specific or aggregate excess insurance shall be required of any individual public employer who is self-insured and has a net worth equal to or in excess of \$25,000,000 and a state-assessed valuation equal to or in excess of \$300,000,000.

Yearly reports in a form prescribed by the superintendent shall be filed by each self-insurer or group. The superintendent may, in addition, require the filing of quarterly financial status reports whenever he has reason to believe that there has been a deterioration in the financial condition of either an individual or group self-insurer which adversely affects the individual's or group's ability to pay expected losses. Said reports shall be filed within 30 days after the superintendent's request, or at such time as the superintendent shall otherwise set.

After approving any application for self-insurance, the superintendent shall promptly notify the Workers' Compensation Commission and forward to it copies of the application and all supporting materials.

Effective July 25, 1984.
