

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND SIXTEENTH LEGISLATURE

SECOND REGULAR SESSION

January 5, 1994 to April 14, 1994

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
JULY 14, 1994

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1993

F. Charges authorized as permissible additional charges by rule adopted by the administrator, for other benefits conferred on the consumer, if the benefits are of value to ~~him~~ the consumer and if the charges are reasonable in relation to the benefits or of a type that is not for credit; and

Sec. 5. 9-A MRSA §2-501, sub-§1, ¶G is enacted to read:

G. A late fee on credit card accounts, not to exceed the lesser of \$10 or 5% of the unpaid amount of the installment, on an installment not paid in full within 15 days after its scheduled or deferred due date.

See title page for effective date.

CHAPTER 619

H.P. 1278 - L.D. 1726

An Act to Modify the Workers' Compensation Board Assessment

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Maine Revised Statutes, Title 39-A, section 154, requires an assessment on workers' compensation insurers to fund the operations of the Workers' Compensation Board; and

Whereas, the Legislature intended that the assessment be a direct pass through to state employers such that insurers would suffer no financial loss as a result of the assessment; and

Whereas, the implementation of the assessment by the Workers' Compensation Board has caused workers' compensation insurers to suffer financial loss; and

Whereas, the next assessment is due to be levied by May 1, 1994 and paid by June 1, 1994, prior to the effective date of nonemergency legislation enacted in the Second Regular Session; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 5 MRSA §1737, sub-§4, as enacted by PL 1993, c. 470, §9, is amended to read:

4. Directed services. Notwithstanding the provisions of subsection 2, the director may provide insurance advice or services for family foster homes as defined in Title 22, section 8101, subsection 3; respite care providers as defined in Title 34-B, section 6201, subsection 2-A; the Casco Bay Island Transit District created by Private and Special Law 1981, chapter 22; the University of Maine System; the Maine Technical College System; ~~and~~ the Maine Maritime Academy; and the State's service delivery areas designated under the federal Job Training Partnership Act, Public Law 97-300, as amended.

Sec. 2. 39-A MRSA §154, sub-§3, as enacted by PL 1991, c. 885, Pt. A, §8 and affected by §§9 to 11, is repealed and the following enacted in its place:

3. Assessment on workers' compensation insurance. The following provisions apply regarding the Workers' Compensation Board assessment on workers' compensation insurance.

A. Every insurance company or association that writes workers' compensation insurance in the State and that does business or collects premiums or assessments in the State shall pay to the board the assessment determined pursuant to this section for the purpose of providing partial support and maintenance of the board.

B. The assessment must be a percentage of gross direct premiums written, whether in cash or in notes absolutely payable on contracts written on risks located or resident in the State for workers' compensation insurance, less the amount of the direct return premiums on the gross direct premiums written and all dividends paid to policyholders on direct workers' compensation premiums. In determining the assessment, consideration must be given to the balance in the Workers' Compensation Board Administrative Fund.

C. The assessment must be determined by the board by May 1st of each year. Insurance companies or associations must begin collecting the assessment from all employers on July 1st of each year.

D. Every insurance company or association subject to the assessment imposed by this section with an annual assessment of over \$5,000 must on or before the last day of each January, each April, the 25th day of each June and the last day of each October file with the board on forms prescribed by the board a return for the quarter

ending the last day of the preceding month, except the month of June, which is for the quarter ending June 30th and remit payment of the assessment based upon the results for the quarter reported. A final reconciled annual return must be filed on or before September 15th covering the prior fiscal year in which the previous assessment was levied. Insurance companies or associations with an annual assessment of under \$5,000 shall pay the assessment on or before June 1st.

Sec. 3. 39-A MRSA §154, sub-§§5 and 6, as amended by PL 1993, c. 145, §4, are further amended to read:

5. Amounts of premiums and losses; distribution of assessment. The Bureau of Insurance shall provide to the board the amounts of gross direct workers' compensation premiums written by each insurance carrier and the amounts of aggregate benefits paid by each self-insurer and group self-insurer on or before April 1st of each year. For the fiscal year beginning July 1, 1994, the total assessment must be distributed between insurance companies or associations and self-insured employers in direct proportion to the pro rata share of disabling cases attributable to each group for calendar year 1993. This distribution of the assessment must be determined on a basis consistent with the Five-Year Comparison, Disabling Cases, Number and Percent by Insurer Type, Maine, 1991-1992 reported by the Department of Labor, Bureau of Labor Standards, Research and Statistics Division in its October 1993 edition of Characteristics of Work-Related Injuries and Illnesses in Maine, 1992, provided that the segment of the market identified as "not-insured" must be excluded from the calculation of proportionate shares.

6. Assessment levied. The assessments levied under this section may not produce more than \$6,000,000 in revenues annually beginning in the 1993-94 fiscal year. The board shall determine the assessments prior to May 1st and shall assess each insurance company or association and self-insured employer its pro rata share for expenditures during the fiscal year beginning July 1st. ~~Each insurance company or association and self-insured employer shall pay the assessment on or before June 1st. Each insurance company or association shall pay the assessment in accordance with subsection 3.~~

Sec. 4. Equitable pro rata distribution of assessment. The Executive Director of the Workers' Compensation Board and the Superintendent of Insurance shall study methods of equitably distributing the costs of the Workers' Compensation Board assessment between insurance companies or associations and self-insured employers. The executive

director and the superintendent shall make a recommendation, including any necessary legislation, on an equitable distribution method by January 15, 1995 to the joint standing committee of the Legislature having jurisdiction over labor matters.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

Effective April 7, 1994.

CHAPTER 620

H.P. 1291 - L.D. 1739

An Act Regarding the Workers' Compensation Residual Market Mechanism

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Superintendent of Insurance may commence an examination of fresh start deficits in the State's residual market for workers' compensation for past policy years early in 1993; and

Whereas, the Bureau of Insurance requires additional funds to effectively conduct such a proceeding; and

Whereas, these funds must be assessed promptly to be available for any fresh start proceeding commenced in the first 1/2 of 1994; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 24-A MRSA §2386-A, sub-§6, ¶B, as enacted by PL 1991, c. 885, Pt. B, §12 and affected by §13, is amended to read:

B. At the time the superintendent begins the proceeding required by this ~~subsection~~ section, the insurance carriers participating in the proceeding shall pay to the superintendent a fee of \$20,000, which the superintendent shall immediately credit to the Public Advocate. The fee is to be segregated and expended for the purpose of employing outside consultants and paying other expenses, including staff salaries, to fulfill the