

# MAINE STATE LEGISLATURE

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**LAWS**  
**OF THE**  
**STATE OF MAINE**

**AS PASSED BY THE**

**ONE HUNDRED AND TWENTY-SIXTH LEGISLATURE**

**FIRST REGULAR SESSION**  
**December 5, 2012 to July 10, 2013**

**THE GENERAL EFFECTIVE DATE FOR**  
**FIRST REGULAR SESSION**  
**NON-EMERGENCY LAWS IS**  
**OCTOBER 9, 2013**

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

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**Augusta, Maine**  
**2013**

commencing July 1, 2006 and after, the assessment is ~~.75%~~ 0.75% of premium unless adjusted pursuant to ~~this subsection~~ rules adopted in accordance with subsection 4. The assessment rate is intended to result in collections no greater than \$500,000 per assessment year. ~~When the program fund balance is \$50,000 or less, the assessment rate must increase to 1% of premium. When the program fund balance is more than \$50,000, the assessment rate must decrease to .75% of premium.~~ The superintendent shall notify affected parties of any assessment rate adjustment and the effective date of that adjustment.

The program fund balance may be used to pay assistance to qualified eligible physicians in prior years for which there were insufficient funds. If all prior years' eligible qualified physicians have received assistance, any excess funds must be carried forward to subsequent plan years as part of the program fund balance. Excess funds must be applied first to the assessment year commencing July 1, 1998 and then to each successive assessment year.

For the purposes of this section, "program fund balance" means the total funds collected in excess of assistance paid for all years.

**Sec. 2. 24-A MRSA §6305, sub-§4** is enacted to read:

**4. Establishment of assessment rate by rule.** The superintendent may adopt rules pursuant to section 6311 establishing an assessment rate or a methodology for calculating an assessment rate designed to provide an adequate and reliable funding source for the program and allow for the orderly and prudent drawdown of any long-term fund balance in excess of reasonable program needs. The assessment rate may not result in expected collections exceeding \$500,000 per assessment year and may not exceed 0.75% of premium unless the program fund balance is \$50,000 or less, in which case the assessment rate must be set to a higher rate but may not exceed 1% of premium.

**Sec. 3. 24-A MRSA §6311**, as enacted by PL 1989, c. 931, §5 and amended by PL 2003, c. 689, Pt. B, §7, is further amended to read:

#### §6311. Rules

The superintendent and the Commissioner of Health and Human Services may adopt rules in accordance with the Maine Administrative Procedure Act to carry out this chapter. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

See title page for effective date.

## CHAPTER 171 H.P. 459 - L.D. 667

### An Act To Increase Funding to Schools

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

**Sec. 1. 20-A MRSA §15690, sub-§1, ¶D**, as amended by PL 2013, c. 1, Pt. C, §6, is repealed and the following enacted in its place:

D. In any fiscal year in which the sum of the State's contribution toward the cost of the components of essential programs and services, exclusive of federal funds that are provided and accounted for in the cost of the components of essential programs and services, falls below the State's target of 55% of the cost of the components of essential programs and services, the commissioner shall calculate the percentage of the State's 55% share that is funded by state appropriations and, notwithstanding any other provision of this paragraph, a school administrative unit may not have the amount of its state subsidy limited or reduced under paragraph C if the school administrative unit:

(1) In fiscal year 2013-14, raises at least the same percentage of its required local contribution to the total cost of funding public education from kindergarten to grade 12, including state-funded debt service, as the State's contribution toward its 55% share of the cost of the components of essential programs and services;

(2) In fiscal year 2014-15, raises the same percentage of its required local contribution to the total cost of funding public education from kindergarten to grade 12, including state-funded debt service, as the State's contribution toward its 55% share of the cost of the components of essential programs and services plus 33% of the difference between that percentage and 100% of its required local contribution; and

(3) In fiscal year 2015-16, raises the same percentage of its required local contribution to the total cost of funding public education from kindergarten to grade 12, including state-funded debt service, as the State's contribution toward its 55% share of the cost of the components of essential programs and services plus 66% of the difference between that percentage and 100% of its required local contribution.

This paragraph is repealed June 30, 2016.

See title page for effective date.

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**CHAPTER 172**  
**S.P. 255 - L.D. 706**

**An Act To Amend the  
Workers' Compensation  
Self-insurance Laws**

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

**Sec. 1. 39-A MRSA §403, sub-§4-A,** as amended by PL 2009, c. 232, §2, is further amended to read:

**4-A. Group self-insurance reinsurance account.** As an alternative to obtaining a reinsurance contract providing coverage against losses arising out of one occurrence, an individual or group self-insurer authorized under this section may, with the approval of the Superintendent of Insurance, participate in a group self-insurance reinsurance account, referred to in this subsection as "an account," as provided in this subsection. A group self-insurer authorized under the laws of another state may participate in an account through a protected cell arrangement as provided in paragraph L. More than one account may be established pursuant to this subsection. An account established pursuant to this subsection may be established as either an independent private entity or an instrumentality of the State, but the debts and liabilities of an account established as an instrumentality of the State are not debts and liabilities of the State. An account established as an instrumentality of the State within 24 months of its formation, with the approval of the Superintendent of Insurance, may transfer all of its assets and liabilities into an account established as an independent private entity.

A. A group self-insurer that is subject to joint and several liability pursuant to subsection 4, paragraph F, a group self-insurer authorized under the laws of another state and that executes an agreement that its members will be jointly and severally liable in accordance with the provisions of paragraph L or an individual self-insurer authorized under this section that executes an agreement to be responsible for contingent assessment liability in accordance with the provisions of paragraph F may apply to reinsure through an account.

- (1) Upon the petition of 4 or more authorized group self-insurers, the Superintendent of Insurance may approve an account for the deposit of funds in lieu of reinsurance.
- (2) The account must indemnify its participating self-insurer members for claims in-

curring during the account's operation. The purpose of the account is to accumulate funds to provide coverage against losses arising out of one occurrence in excess of ~~\$500,000 or such other amounts as may be permitted or required for particular members~~ established retention levels consistent with the plan of operation established pursuant to paragraph B.

(3) A self-insurer is deemed to be a member of the account for reinsurance coverage for purposes of a claim if the self-insurer is a member of the account when an injury occurs or a covered occupational disease loss is incurred.

(4) A self-insurer that reinsures through an account shall continue to make payments into that account in accordance with the plan of operation established pursuant to paragraph B.

(5) A self-insurer's participation in an account is considered as a component of the self-insurer's renewal application. A self-insurer's membership in an account is considered adequate protection against losses arising out of a single occurrence unless the Superintendent of Insurance determines, after considering the financial condition and catastrophic loss exposure of both the self-insurer and the account, that it is necessary to maintain additional reinsurance protection, maintain a lower self-insured retention level or provide some other form of additional security, singly or in combination.

B. An account must operate in accordance with a plan of operation established by the group self-insurer members and approved by the Superintendent of Insurance.

(1) Those group self-insurers creating an account shall submit to the Superintendent of Insurance a plan of operation and any amendments to it that are necessary to ensure the fair, reasonable and equitable administration of the account. The plan of operation is effective upon approval by the superintendent. Any amendments subsequent to the plan's initial approval must be submitted to the superintendent by the plan's board of directors and are effective upon approval by the superintendent.

(2) The plan of operation must:

- (a) Create a board of directors and initial bylaws, including the terms and conditions of board membership and the manner by which board members are initially