

MAINE STATE LEGISLATURE

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**STATE OF MAINE
114TH LEGISLATURE
FIRST REGULAR SESSION**



**BILL SUMMARY
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE
JULY 1989**

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ONE HUNDRED AND FOURTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
AUGUST 1989

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The summaries are arranged by LD number for each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor for floor amendments. Final action is listed to the right of the title. If final House and Senate action differ, both are listed. Committee Reports and Floor Action are abbreviated as follows:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

Each individual summary was prepared by the analyst assigned, as noted for each committee. But, this document was produced by the efforts of all the office staff, including Research Assistant Barbara McGinn, and secretaries: Charlene Brann, and Valarie Parlin, and especially Laurette Knox who coordinated preparation of the overall document.

Please give us your suggestions and comments on these summaries and tell us of any inaccuracies.

SPONSOR(S)WEBSTER M
THERIAULT
TAMMARO
GOULD R RCOMMITTEE REPORT

LV/WD

AMENDMENTS ADOPTEDSUMMARY

The bill establishes the "Safety Pays" program, under which an employer would be entitled to a rebate of 10% of its workers' compensation premium payment if the employer maintains a safe workplace. The insurer would determine whether the workplace is safe by performing two inspections -- one planned, and the other a surprise inspection. Standards for safety would be set by rule by the superintendent of insurance. If the workplace passes both inspections, the employer is entitled to a 10% rebate of workers' compensation premium for the premium year. If serious safety deficiencies are found during the inspection, the insurer is required to report them to the Occupational Safety and Health Administration and the state Bureau of Labor Standards.

LD 953 An Act to Establish a Patient Compensation Fund

LV/WD

SPONSOR(S)MATTHEWS
RANDALL
DONALD
GARLANDCOMMITTEE REPORT

LV/WD

AMENDMENTS ADOPTEDSUMMARY

The bill establishes a "patient compensation fund" and caps medical malpractice liability of "qualified" health care providers and practitioners who contribute to the fund. A qualified health care provider or practitioner is one who pays a surcharge set by the superintendent of insurance to the patient compensation fund, and who proves to the superintendent that he or she is financially responsible up to the minimum limits established by law. Financial responsibility is established by maintaining malpractice insurance, filing a surety bond or cash with the superintendent, or a hospital's verified financial statement demonstrating current and future responsibility.

Malpractice liability against a qualified health care provider or practitioner is capped at \$500,000, with the provider or practitioner being responsible for the first \$100,000 and the patient compensation fund being responsible for the remainder of the liability. The fund is funded by surcharges on qualified health care providers and practitioners, in an amount determined by the superintendent to be actuarially sufficient to cover anticipated claims and expenses of the fund.

The bill also limits the contingency fee a lawyer may charge a claimant in a medical malpractice suit to 15% of any recovery from the patient compensation fund.