

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
115TH LEGISLATURE**

**FIRST REGULAR SESSION  
AND  
FIRST SPECIAL SESSION**

**BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE**

**AUGUST 1991**

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**ONE HUNDRED AND FIFTEENTH LEGISLATURE  
FIRST REGULAR SESSION  
AND  
FIRST SPECIAL SESSION  
JOINT STANDING COMMITTEE  
BILL SUMMARIES  
AUGUST 1991**

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 volume is organized alphabetically by committee; within each committee, the summaries are arranged by LD number. A subject index is provided at the beginning of each committee's summaries.

All adopted amendments are listed, by paper number (e.g., H - 584 or S - 222), together with the sponsor for floor amendments. Final action on each bill is listed to the right of the title. Various types of final action are abbreviated as follows:

<b>PUBLIC XXX</b>	<i>Chapter # of enacted Public Law</i>
<b>P&amp;S XXX</b>	<i>Chapter # of enacted Private &amp; Special Law</i>
<b>RESOLVE XXX</b>	<i>Chapter # of enacted Resolve</i>
<b>CON RES XXX</b>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<b>EMERGENCY</b>	<i>Enacted law takes effect sooner than 90 days</i>
<b>CARRIED OVER</b>	<i>Bill carried over to 2nd Session</i>
<b>FAILED EMERGENCY ENACTMENT</b>	<i>Bill failed to get 2/3 vote</i>
<b>ONTP</b>	<i>Ought Not to Pass report accepted</i>
<b>LVWD</b>	<i>Leave to Withdraw report accepted</i>
<b>INDEF PP</b>	<i>Bill Indefinitely Postponed</i>
<b>DIED BETWEEN BODIES</b>	<i>House &amp; Senate disagree; bill died</i>
<b>VETO SUSTAINED</b>	<i>Legislature failed to override Governor's Veto</i>
<b>UNSIGNED</b>	<i>Not signed by Governor within 10 days</i>
<b>DIED ON ADJOURNMENT</b>	<i>Action incomplete when 1st session ended</i>

These summaries were prepared by the analyst or analysts assigned to the committee. But, this document was produced by the efforts of all the office staff, including secretaries: Charlene Raymond and Valarie Parlin, and especially Laurette Knox who coordinated preparation of the overall document.

If you have any suggestions or comments on these summaries, please let us know.

**SPONSOR(S)**  
 GARLAND  
 BRAWN  
 THERIAULT  
 PINEAU

**COMMITTEE REPORT**  
 OTP-AM

**AMENDMENTS ADOPTED**  
 H-352

**SUMMARY**

Current law requires the Bureau of Insurance to notify each insurer, self-insurer or nonprofit hospital or medical service organization of the assessment due on or before April 20th of each year. However, all fiscal requirements mandated by the Legislature are not known by that date. This bill changes the notification date from April 20th to July 1st so that accurate assessments can be made in a timely fashion.

The bill also clarifies current law to allow the cap on the assessment to be calculated for the biennial period. Currently, because revenues from licensing fees are much greater in the first year of the biennial period, the cap may be exceeded during the 2nd year but is below the cap in the first year.

The bill also makes the recalculation assessment provision for self-insurers consistent with the assessment provisions for other insurers, adjusts the license fee schedules to be consistent with other states and adjusts for an anticipated drop in revenues.

Committee Amendment "A" (H-352) adds a fiscal note to the bill.

**SPONSOR(S)**  
 CONLEY  
 TAMMARO  
 TRACY

**COMMITTEE REPORT**  
 ONTP

**AMENDMENTS ADOPTED**

**SUMMARY**

This bill establishes the Safety Pays Program to provide a direct and immediate incentive for employers to maintain safe workplaces and to reward those employers who do so. Under the program, an employer may request that the employer's insurance carrier conduct a safety inspection of the employer's workplace. If the inspection determines that the workplace is safe, according to standards adopted by rule of the Superintendent of Insurance, the insurer has the right to conduct a 2nd surprise inspection at any time during the remainder of the policy year. If that inspection once again finds the workplace to be safe, or if the insurer fails to perform a 2nd inspection, the employer is entitled to receive a 10% rebate of the workers' compensation insurance premium paid during that policy year. If serious safety deficiencies are found during the first inspection, the insurance carrier is required to report those deficiencies to the manager of the workplace, who is allowed a 4-week period in which to correct the deficiencies. If, at the end of the 4-week period, the insurance carrier finds that the deficiencies have not been corrected, the insurance carrier is required to report these deficiencies to the federal Occupational Safety and Health Administration and the Bureau of Labor Standards. The purpose of this bill is to reduce workplace injuries by encouraging greater safety in Maine workplaces and to reward those employers who succeed in providing a safe workplace.