

MAINE STATE LEGISLATURE

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STATE OF MAINE
115TH LEGISLATURE

SECOND REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

MAY 1992

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**ONE HUNDRED AND FIFTEENTH LEGISLATURE
SECOND REGULAR SESSION**

**JOINT STANDING COMMITTEE
BILL SUMMARIES**

MAY 1992

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 far right of the title. Various types of final action are abbreviated as follows:

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

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, especially Laurette Knox who coordinated preparation of the overall document.

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

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COMMITTEE REPORT**AMENDMENTS ADOPTED****SUMMARY**

This bill establishes a new method of securing workers' compensation coverage through a combination of 24-hour health insurance and indemnity insurance. The health insurance allows the use of coinsurance and deductibles, through insurance, self-insurance, health maintenance organizations and preferred provider arrangements. The employer is required to pay all premiums for the health and indemnity coverages.

**LD 2238 An Act to Facilitate Self-insurance and Group Self-insurance
under the Maine Workers' Compensation Act**

PUBLIC 872

SPONSOR(S)

CONLEY
KANY
MITCHELL E

COMMITTEE REPORT

OTP-AM

AMENDMENTS ADOPTED

H-1287 MITCHELL E
S-633
S-638 KANY
S-701 VOSE

SUMMARY

This bill allows self-insurers to secure their workers' compensation obligations through the use of irrevocable standby letters of credit issued by qualified financial institutions. This bill outlines a procedure designed to foster the formation of sufficient group self-insurance plans to ensure that all employers have access to workers' compensation insurance through self-insurance. Group self-insurance plans will be subject to all existing laws and regulations in this State.

Committee Amendment "A", S-633, limits the use of irrevocable standby letters of credit in connection with the securing of workers' compensation self-insurance obligations and removes obstacles contained in the bill to access to letters of credit by the Superintendent of Insurance. It clarifies that unapplied proceeds from a draw on a letter of credit is the property of the employer.

The amendment also clarifies the current Bureau of Insurance position that audited financial statements are required at application and renewal.

The amendment deletes responsibilities that the bill would place on the Bureau of Insurance to conduct surveys to identify employers eligible for implementing self-insurance programs.

The amendment removes the provisions on grants from the Safety Education and Training Fund.

The amendment adds a fiscal note and an allocation section.

Senate Amendment "A", S-638, to Committee Amendment "A" allows the use of letters of credit for 5% of the confidence level of group self-insurers.

Senate Amendment "B", S-701, to Committee Amendment "A" makes grammatical changes in the amendment.

House Amendment "B", H-1287, to Committee Amendment "A" requires the Bureau of Insurance to adopt a rule to recognize the special circumstances applicable to professional hockey players.