

MAINE STATE LEGISLATURE

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STATE OF MAINE
117TH LEGISLATURE

FIRST REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

AUGUST 1995

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**Denotes Chair*



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**ONE HUNDRED AND SEVENTEENTH LEGISLATURE
FIRST REGULAR SESSION**

**SUMMARY OF LEGISLATION BEFORE
THE JOINT STANDING COMMITTEES**

AUGUST 1995

This document is a compilation of the bill summaries prepared by this office for the Joint Standing 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. The publication, History and Final Disposition of Legislative Documents, is helpful in determining to which committee any particular bill was referred.

In this document, the committee report or reports, the prime sponsor for each bill and the lead co-sponsor in each house if one has been designated are listed below each bill title. All adopted amendments are listed, by paper number, together with the sponsor for floor amendments. Final action on each bill is listed to the right of the title. Various categories of final action are abbreviated as follows:

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

These summaries were prepared by the analyst or analysts assigned to the committee. If more detailed information is needed on a bill, contact the committee analyst.

5581LHS

LD 1556 An Act to Extend the Workers' Compensation Deficit Evaluation Proceeding

P & S 25
EMERGENCY

SPONSOR(S)
ABROMSON
VIGUE

COMMITTEE REPORT

AMENDMENTS ADOPTED
S-203 ABROMSON

SUMMARY

Under current law, the Superintendent of Insurance is required to determine annually by June 1st whether a deficit or surplus exists in the workers' compensation residual market and to order assessments on insurers premiums or employers surcharges accordingly. This bill which was introduced without reference to committee extends the deadline for the Superintendent of Insurance's decision from June 1, 1995 to June 22, 1995.

SENATE AMENDMENT "A" (S-203) clarifies the determination made by the Superintendent of Insurance in the deficit evaluation proceeding. The amendment also shortens the deadline extension from June 22, 1995 to June 19, 1995.

LD 1573 An Act to Further Extend the Workers' Compensation Deficit Evaluation Proceeding

P & S 30
EMERGENCY

SPONSOR(S)
ABROMSON

COMMITTEE REPORT

AMENDMENTS ADOPTED

SUMMARY

This bill which was introduced without reference to committee further extends the deadline for the workers' compensation deficit evaluation proceeding to adjournment sine die of the First Regular Session of the 117th Legislature. The extension of the Superintendent's decision relates only to the determination of the deficit and the possible establishment of workers' compensation premium surcharges on employers and assessments on insurers.

LD 1578 An Act to Create the Workers' Compensation Residual Market Deficit Resolution and Recovery Act

PUBLIC 289
EMERGENCY

SPONSOR(S)
KIEFFER
MITCHELL EH

COMMITTEE REPORT

AMENDMENTS ADOPTED
S-305 ABROMSON

SUMMARY

This bill which was introduced without reference to committee affects the workers' compensation insurance system in the following ways. It creates the Workers' Compensation Residual Market Deficit Resolution and Recovery Act to provide means to ensure funding of the obligations of the residual market pool, by providing for an initial infusion of \$220,000,000 in net present value funds estimated to be sufficient to pay the pool's future obligations. Insurance companies are required to pay \$65,000,000 of this amount on or before January 1, 1996, with those carriers most active in the market prior to the "Fresh Start" period paying 90% of that amount.

Employers are required to pay \$110,000,000 over a period of 8 to 10 years through surcharges at a rate of 6.32% beginning July 1, 1995; current law requires a 9.5% surcharge on policies imposed under the "Fresh Start" statute. These surcharges are allocated between self-insured employers and insured businesses in the State. The remaining portion of the initial payment to the pool is required to be paid by the Maine