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Public Law
123rd Legislature
First Regular Session

Chapter 125
H.P. 639 - L.D. 840

An Act To Update the Authority of the Maine Employers' Mutual Insurance Company To Better Serve the Needs of Maine Employers

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

Sec. 1. 24-A MRSA §3703, sub-§1, as amended by PL 1997, c. 661, §3, is further amended to read:

1. Workers' compensation. The company shall provide workers' compensation insurance and employers' liability insurance incidental to and written in connection with workers' compensation coverage to employers in this State. The company may provide employment practices liability insurance incidental to and written in connection with workers' compensation coverage for employers with an average of 100 or fewer employees if the employment practices liability insurance is provided as an endorsement to workers' compensation coverage approved by the superintendent and is provided under terms and conditions, including reinsurance protection, approved by the superintendent. Rates for employment practices liability insurance are subject to chapter 25. The company may not write other lines of insurance. The company may reinsure workers' compensation and employers' liability insurance written by other insurers that are covering out-of-state employees of Maine-based employers that are insured by the company. For the purpose of providing insurance to Maine-based employers operating in other states, the company may apply to appropriate regulatory authorities in those states for authority to write workers' compensation and, employers' liability and employment practices liability insurance for Maine-based employers' operations in those states. The company may form or acquire subsidiary insurers in other states that are authorized to write only workers' compensation insurance and, employers' liability insurance and employment practices liability insurance as long as such coverage is incidental to and written in connection with workers' compensation coverage. The superintendent may authorize a subsidiary insurer formed or acquired by the company to write workers' compensation, employers' liability and employment practices liability insurance in this State as long as such coverage is incidental to and written in connection with coverage in the state in which the insured's principal place of business is located. The superintendent may not authorize a subsidiary insurer formed or acquired by the company to write any other line of insurance in this State.

Sec. 2. Report. On or before March 1, 2008, the Superintendent of Insurance shall submit a report to the Joint Standing Committee on Insurance and Financial Services on whether the superintendent has approved the sale of employment practices liability insurance as an endorsement to workers' compensation insurance policies by the Maine Employers' Mutual Insurance Company pursuant to

the Maine Revised Statutes, Title 24-A, section 3703, subsection 1. The report must include, at a minimum, information on the terms and conditions of the approval and the number of employers who have chosen to purchase coverage for employment practices liability insurance. The report may include recommendations for any necessary legislation. The Joint Standing Committee on Insurance and Financial Services may submit legislation based on the superintendent's report to the Second Regular Session of the 123rd Legislature.

Effective September 20, 2007