

**§2253. Public self-funded pools; powers; limitations**

**1. Coverage.** Any public self-funded pool formed by 10 or more municipalities or school administrative districts or an organization representing 10 or more political subdivisions may provide risk management and coverage for pool members and employees of pool members, for acts or omissions arising out of the scope of their employment, including any of the following:

A. Casualty insurance, including general and professional liabilities coverage, but excluding workers' compensation insurance provided under Title 39-A; [PL 1991, c. 885, Pt. E, §40 (AMD); PL 1991, c. 885, Pt. E, §47 (AFF).]

B. Property insurance, including marine insurance and inland navigation, transportation, boiler and machinery insurance coverage; [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

C. Automobile insurance and protection against other liability and loss associated with the ownership of motor vehicles; [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

D. Surety and fidelity insurance coverage; and [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

E. Environmental impairment insurance coverage. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[PL 1991, c. 885, Pt. E, §40 (AMD); PL 1991, c. 885, Pt. E, §47 (AFF).]

**1-A. Self-funded pool for medical expenses incurred by county jails.** A public self-funded pool formed by 5 or more counties or by an organization representing 5 or more counties may provide risk management and coverage for pool members for medical expenses incurred by county jails for prisoners. A self-funded pool established pursuant to this subsection may collect a premium from pool members to cover 80% of medical expenses totaling \$10,000 or more incurred for any one prisoner. [PL 2001, c. 97, §1 (NEW).]

**2. Limitations.** A public self-funded pool may not provide for hospital, medical, surgical or dental benefits to the employees of the member political subdivisions in the pool except when those benefits arise from the obligations and responsibilities of the pool in providing automobile insurance coverage and protection against other liability and loss associated with the ownership of motor vehicles. [PL 1989, c. 104, Pt. A, §15 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**3. Excess insurance; reinsurance.** A public self-funded pool shall obtain excess insurance or reinsurance. Aggregate excess insurance to be purchased by the pool under its plan shall be bound before the effective date of the plan. The insurance shall limit the exposure of the pool to a defined level both as to ultimate claims values and loss ratio at which recovery from the insurer will be realized. The attachment point of continuing aggregate excess coverage shall provide risk relief to the plan adequate to its financing needs.

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**4. Amounts to be paid when coverage issued.** Any member joining the pool before the effective date of the plan or during the first year of operation must pay at least 25% of the first year's annual contribution before coverage becomes effective.

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**5. Underwriting guidelines.** Prior to the operation of the pool's plan, underwriting guidelines shall be adopted which embody rate charges to prospective members at a level adequate to its financial needs as certified by the pool's actuary. Fixed costs of operations shall likewise be covered for the first prospective fund year and an overlay sufficient to reasonably meet immediate claims costs shall be held in a separate account to be used solely for this purpose.

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**6. Actuarial advisory opinion.** Prior to the operation of the pool's plan, the pool must obtain an independent actuarial advisory opinion report given by a member of the American Academy of Actuaries qualified as a casualty loss reserve specialist as defined by the National Association of Insurance Commissioners. Two copies of this report shall be filed with the Superintendent of Insurance; one copy shall be filed with each member of the board of directors; and one copy shall be provided to each prospective pool member. The report shall address:

A. The financial viability of the plan; and [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. Ultimate risk exposures attendant to each line being underwritten by the plan. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**7. General powers.** A public self-funded pool, for the purposes of carrying on the business of the public self-funded pool whether or not a body corporate, may:

A. Sue or be sued; [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. Make contracts; [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

C. Hold and dispose of real property; and [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

D. Borrow money, contract debts and pledge assets in the name of the public self-funded pool. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**8. Establishment as separate legal or administrative entity.** The public self-funded pool may be established as a separate legal or administrative entity for purposes of effectuating public self-funded pool agreements.

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

#### SECTION HISTORY

PL 1987, c. 737, §§A2,C106 (NEW). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 104, §§A15,C8,C10 (AMD). PL 1991, c. 885, §E40 (AMD). PL 1991, c. 885, §E47 (AFF). PL 2001, c. 97, §1 (AMD).

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