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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 on a form approved by the superintendent and 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 insurance 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. 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.

SUMMARY

This bill permits the Superintendent of Insurance to determine whether, and on what conditions, the Maine Employers' Mutual Insurance Company, or "MEMIC," may offer employment practices liability insurance as part of the workers' compensation policy it issues to Maine employers. The terms and conditions of the coverage, including terms of reinsurance necessary to protect MEMIC and its policyholders, must be approved by the superintendent.