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An Act Regarding the Computation of Workers' Compensation Rates Based on Past Claims

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

Sec. 1. 24-A MRSA §3714, sub-§7, ¶A, as enacted by PL 2001, c. 350, §10, is amended to read:

A. An employer must be placed in the high-risk program if the employer has at least 2 lost-time claims, each greater than ~~\$10,000~~\$40,000 of incurred loss, and a loss ratio greater than 1.0 during the previous 3-year experience rating period. Notwithstanding paragraph C, an employer may also be placed in the high-risk program during the term of a policy for noncompliance with reasonable safety standards.

SUMMARY

Under current law, an employer is placed in a high-risk pool if the employer has at least 2 lost-time claims, each greater than \$10,000 of incurred loss during the previous 3-year experience rating period. This bill increases the incurred loss amount from \$10,000 to \$40,000.