



126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 651

S.P. 242

In Senate, February 26, 2013

An Act To Amend the Captive Insurance Laws

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator CUSHING of Penobscot.
Cosponsored by Representative McCLELLAN of Raymond and
Senators: THIBODEAU of Waldo, WHITTEMORE of Somerset, Representatives: BLACK of
Wilton, JOHNSON of Greenville, MALABY of Hancock, POULIOT of Augusta, TYLER of
Windham, VOLK of Scarborough.

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

2 **Sec. 1. 24-A MRSA §6706, sub-§2-A**, as enacted by PL 2011, c. 90, Pt. I, §4, is
3 amended to read:

4 **2-A. Association captive insurance company providing health insurance.** An
5 association captive insurance company that provides health insurance may elect to
6 require, in its plan of operation, that all association members who participate in the health
7 insurance be jointly and severally liable for the health insurance obligations of the
8 association captive insurance company and meet the financial criteria and employer
9 required wellness criteria established in the plan of operation. The joint and several
10 liability of an association member that is a state or federally chartered financial institution
11 that holds funds in a fiduciary capacity for citizens of this State; a municipality that has
12 the power to tax to provide municipal services for its citizens; or a hospital licensed in
13 this State that provides health care for citizens of this State may not exceed an amount per
14 year equal to the premium for the most recently completed annual insurance period, or
15 such other greater amount as may be established by the association captive insurance
16 company. The wellness criteria may not have the effect of making health status a
17 condition of eligibility for any association member. The superintendent may not require
18 joint and several liability as a condition of approval of an application.

19

SUMMARY

20 This bill provides that the joint and several liability for a bank, municipality or
21 hospital that is a member of an association captive insurance company is limited to an
22 amount per year equal to the premium for the most recently completed annual insurance
23 period or a greater amount as established by the association captive insurance company.