**§2385-D. Safety groups**

A safety group is an insured plan that provides for an alternative source of insurance for members of an organization or association. An insurer may issue a workers' compensation and employers' liability policy or policies insuring a safety group if the following requirements are met. [PL 1991, c. 885, Pt. B, §12 (NEW); PL 1991, c. 885, Pt. B, §13 (AFF).]

**1. Filings.**  The organization or association shall file with the superintendent:

A. A copy of its articles of incorporation and bylaws or its agreement of association and rules governing the conduct of its business, all certified by the custodian of the originals; [PL 1991, c. 885, Pt. B, §12 (NEW); PL 1991, c. 885, Pt. B, §13 (AFF).]

B. An agreement that only a member of the organization or association is eligible for insurance as a member of the group and that it will notify its insurers within 10 days if any member fails to remain a member in good standing in accordance with the standards and rules of the organization or association; [PL 1991, c. 885, Pt. B, §12 (NEW); PL 1991, c. 885, Pt. B, §13 (AFF).]

C. A description of the operation and makeup of a safety committee which, by means of education and otherwise, will seek to reduce the incidence and severity of accidents or claims; and [PL 1991, c. 885, Pt. B, §12 (NEW); PL 1991, c. 885, Pt. B, §13 (AFF).]

D. An agreement, if the policy is a group policy, duly executed, guaranteeing that, if the insurer notifies the safety group of the nonpayment of a premium by an insured member within 60 days after the premium was due, the safety group will pay to the insurer the amount of any past due premium that does not exceed the amount of the dividends that are due the safety group or its members from the insurer. The safety group shall promptly notify the insurer of the known insolvency of any member of the group and shall request, upon learning of the insolvency, the removal of the member from the group. A copy of the resolution of the governing superintendent of the group authorizing the execution of the guarantee agreement must be filed with the superintendent and with the insurer issuing the group policy. [PL 1991, c. 885, Pt. B, §12 (NEW); PL 1991, c. 885, Pt. B, §13 (AFF).]

[PL 1991, c. 885, Pt. B, §12 (NEW); PL 1991, c. 885, Pt. B, §13 (AFF).]

**2. Advance premium discounts.**  Any advance premium discount for any new or existing safety group must be filed with the superintendent not later than 5 days after the effective date.

[PL 1991, c. 885, Pt. B, §12 (NEW); PL 1991, c. 885, Pt. B, §13 (AFF).]

**3. Management.**  The safety group shall designate a person to act as the manager or authorized representative of the group. The manager or representative may be remunerated by the members for expenses, including all ordinary operating expenses of the group, but the amount charged to members may not exceed 10% of earned premiums.

[PL 1991, c. 885, Pt. B, §12 (NEW); PL 1991, c. 885, Pt. B, §13 (AFF).]

**4. Dividends.**  Dividends or returned premiums paid or credited to a safety group must be paid or credited to the individual members of the group, except that the indebtedness for any unpaid premium must be first deducted from any dividend or premium returned.

[PL 1991, c. 885, Pt. B, §12 (NEW); PL 1991, c. 885, Pt. B, §13 (AFF).]

**5. Other requirements.**  Any safety group formed or operating under this section is subject to the requirements of sections 2931 to 2940, except that the safety group or the insurer may establish reasonable underwriting standards regarding eligibility for acceptance and continued membership of the safety group. These underwriting standards must be filed with the superintendent and may be disapproved by the superintendent if they unreasonably limit membership in the safety group.

[PL 1991, c. 885, Pt. B, §12 (NEW); PL 1991, c. 885, Pt. B, §13 (AFF).]

SECTION HISTORY

PL 1991, c. 885, §B12 (NEW). PL 1991, c. 885, §B13 (AFF).

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