

MAINE STATE LEGISLATURE

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ONE - HUNDRED TH LEGISLATURE

Legislative Document

No. 1181

S. P. 370

In Senate, February 2, 1961

Referred to Committee on Business Legislation. Sent down for concurrence and ordered printed.

CHESTER T. WINSLOW, Secretary

Presented by Senator Brown of Hancock.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-ONE

AN ACT Relating to Assigned Risks.

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

R. S., c. 60, § 345, amended. Section 345 of chapter 60 of the Revised Statutes, as amended by chapter 115 of the public laws of 1959, is further amended to read as follows:

‘Sec. 345. Assigned risks. Agreements may be made among insurers with respect to the equitable apportionment among them of insurance which may be afforded applicants who are in good faith entitled to but who are unable to procure such insurance through ordinary methods and such insurers may agree among themselves on the use of reasonable rate modifications for such insurance, such agreements and rate modifications to be subject to the approval of the commissioner.

~~The use of uniform rates for automobile assigned risks is permitted.~~

Every insurer undertaking to transact in this State the business of automobile and motor vehicle bodily injury and property damage liability insurance and every rating organization which files rates for such insurance shall cooperate in the preparation and submission of a plan for the equitable apportionment among insurers of applicants for insurance who are in good faith entitled to, but who are unable to procure through ordinary methods, such insurance. The plan shall provide:

I. Distribution of risks. Reasonable rules governing the equitable distribution of risks by direct insurance, reinsurance or otherwise and their assignment to insurers;

II. Rates. Rates and rate modifications applicable to such risks which shall not be excessive, inadequate or unfairly discriminatory;

III. Liability. The limits of liability which the insurer shall be required to assume;

IV. Hearings; appeal. A method whereby applicants for insurance, insureds and insurers may have a hearing on grievances and the right of appeal to the commissioner.

The plan shall be filed in writing with the commissioner. The commissioner shall review the plan as soon as reasonably possible after filing in order to determine whether it meets the requirements set forth in subsections I, II, III and IV. The plan, unless sooner approved in writing, shall be on file for a waiting period of 30 days before it becomes effective. The plan shall be deemed approved unless disapproved by the commissioner within the waiting period.

Subsequent to the waiting period, the commissioner may disapprove the plan on the ground that it does not meet the requirements set forth in subsections I, II, III and IV, but only after a hearing held upon not less than 10 days' written notice to every insurer and rating organization affected, specifying the matters to be considered at such hearing, and only by an order specifying in what respect he finds that the plan fails to meet such requirements, and stating when within a reasonable period thereafter the plan shall be deemed no longer effective. Such order shall not affect any assignment made or policy issued or made prior to the expiration of the period set forth in said order. Amendments to the plan shall be prepared, filed and reviewed in the same manner as herein provided with respect to the original plan.

If no plan meeting the standards set forth in subsections I, II, III and IV is submitted to the commissioner by January 1, 1962, or within the period stated in any order disapproving an existing plan he shall, if necessary to carry out the purpose of this section after hearing, prepare and promulgate a plan meeting such requirements. When the plan or amendments thereto have been approved or promulgated, no insurer shall thereafter issue a policy of automobile and motor vehicle bodily injury and property damage liability insurance or undertake to transact such business in this State unless such insurer shall participate in such an approved or promulgated plan.

If, after hearing, the commissioner finds that any activity or practice of any insurer or rating organization in connection with the operation of the plan is unfair or unreasonable or otherwise inconsistent with this section, he may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with this section and requiring the discontinuance of such activity or practice.'