

MAINE STATE LEGISLATURE

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R.S.

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MINORITY
BANKING AND INSURANCE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " " to H.P. 351, L.D. 467, Bill, "An Act Authorizing Municipalities to Create Nonprofit Corporations for the Sole Purpose of Providing Homeowners Liability Insurance to Citizens of the Municipalities"

Amend the bill in section 2 in that part designated "§2358." in subsection 1 in the last 2 lines (page 1, lines 38 and 39 in L.D.) by striking out the following: "and is subject to the provisions of Title 24-A, chapter 41"

Further amend the bill in section 2 in that part designated "§2358." by inserting after section 1 the following:

'2. Insurance code. A nonprofit municipal corporation established under this section shall obtain a certificate of authority in accordance with Title 24-A and shall comply with the provisions of that Title applicable to insurers authorized to transact multiple-peril homeowners liability insurance in this State. A nonprofit municipal corporation is deemed to be an insurance company for the purposes of assessment of the premium tax imposed by Title 36, section 2513.

'3. Waiver of immunity. Notwithstanding Title 14, chapter 741, a nonprofit municipal corporation established under this section is not entitled to immunity under the Maine Tort Claims Act and is liable for its negligent acts or omissions arising out of and occurring during the operation of the corporation.'

Further amend the bill in section 2 in that part designated "§2358." in subsection 2 in paragraph A in the last line (page 1, line 46 in L.D.) by inserting after the following: "corporation:" the following: 'and'

COMMITTEE AMENDMENT

2 Further amend the bill in section 2 in that part designated
3 "~~§2358.~~" in subsection 2 by striking out all of paragraphs B and
4 C (page 1, line 48 and page 2, lines 2 and 3 in L.D.) and
inserting in their place the following:

6 'B. The joint standing committee of the Legislature having
7 jurisdiction over insurance matters.'

8
9 Further amend the bill in section 2 in that part designated
10 "~~§2358.~~" in subsection 2 in the blocked paragraph in the first
11 line (page 2, line 5 in L.D.) by inserting after the following:
12 "describe" the following: 'the business done by the corporation
13 during the previous year and contain a statement of the resources
14 and liabilities of the corporation and any other information
15 considered appropriate by the corporation. The report must also
16 contain, at a minimum, a summary of'

18 Further amend the bill in section 2 in that part designated
19 "~~§2358.~~" by renumbering the subsections to read consecutively.

20
21 Further amend the bill by inserting at the end before the
22 summary the following:

24
25 **FISCAL NOTE**

26
27 The Bureau of Insurance within the Department of
28 Professional and Financial Regulation will incur some minor
29 additional costs to review additional insurance contract
30 filings. These costs can be absorbed within the bureau's
31 existing budgeted resources.'

32
33
34 **SUMMARY**

35
36 This amendment is the minority report of the committee. Like
37 the bill, it authorizes the creation of nonprofit municipal
38 corporations, which are wholly owned and administered by a
39 municipality or group of municipalities, for the sole purpose of
40 providing homeowners liability insurance to the citizens of the
41 municipality or group of municipalities. The amendment clarifies
42 that these corporations are subject to the same requirements of
43 the Maine Insurance Code as licensed insurance companies and are
44 subject to the insurance premium tax. The amendment also

COMMITTEE AMENDMENT "A" to H.P. 351, L.D. 467

2 clarifies that these corporations do not have immunity from suit
under the Maine Tort Claims Act.

4 The amendment also adds a fiscal note to the bill.

COMMITTEE AMENDMENT