

MAINE STATE LEGISLATURE

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STATE OF MAINE
ONE HUNDRED AND ELEVENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON
Business Legislation

BILL SUMMARY



JULY, 1983

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(INSURANCE, continued)

Miscellaneous Insurance Bills

<u>LD</u>	<u>TITLE</u>	<u>SPONSOR</u>	<u>DISPOSITION</u>
236	AN ACT TO AMEND THE INVESTMENT PROVISIONS AND CERTAIN RELATED SECTIONS OF THE MAINE INSURANCE CODE	CLARK, N	OTPN (1707)

SUMMARY: Revises insurance company investment law to parallel bill being considered in New York; generally allows greater flexibility to companies in deciding investments.

320	AN ACT RELATING TO THE CAPITALIZATION AND BOARD OF DIRECTORS OF THE MAINE FIDELITY LIFE INSURANCE COMPANY	BRANNIGAN	(OTPA) P&SL 1983, c.28
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SUMMARY: Amends the company charter to allow issuance of 5,000,000 shares of preferred stock; also clarifies that the directors need not be residents of the United States.

COMMITTEE AMENDMENT "A" (H-118): Provides safeguards in event of redemption of preferred stock by company; also corrects error in bill whereby new language was not underlined. (Not adopted)

HOUSE AMENDMENT "A" (H-160): Corrects an error in the amended bill which incorrectly repealed part of the law. (Brannigan)(Not adopted)

HOUSE AMENDMENT "B" (H-170): Same as H "A", except that that Amendment failed to include the provisions in C "A". (Brannigan) (ADOPTED)

622	AN ACT TO AMEND THE LATE PAYMENT PROVISIONS OF THE MAINE INSURANCE CODE	PERKINS, T CONARY	LV/WD
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SUMMARY: Allows first-party insured to recover damages, including punitive damages, against insurer acting in bad faith with regard to claims.

1088	AN ACT TO AMEND PROVISIONS OF THE MAINE INSURANCE CODE RELATING TO TENDER OFFERS AND TO UNFAIR TRADE PRACTICES	(DBR Bill) RACINE POULIOT STEVENS MURRAY	(OTP) PL 1983, c.394
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SUMMARY: Extends the period for the superintendent to review an attempted acquisition, takeover or merger of a domestic insurer from 30 days to 30 days after completion of a hearing; provides that appeal of superintendent's cease and desist order does not operate as an automatic stay of the order; prohibits mortgage lenders from requiring borrowers to provide final policies, as opposed to binders, prior to granting the loan.