

MAINE STATE LEGISLATURE

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STATE OF MAINE
ONE HUNDRED AND THIRTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON
BANKING AND INSURANCE
BILL SUMMARY



JUNE 1987

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ONE HUNDRED AND THIRTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
JUNE 1987

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The summaries are arranged by LD number under each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor if it is a floor amendment or the designation "COMMITTEE" if it is a committee amendment.

Final action for each bill is listed to the right of the title. If final House action and Senate action differ, both are listed.

Please let us know if you would prefer a different format or additional information and if the summaries are helpful.

Key to Committee Reports and Floor Action:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

LD AN ACT TO PROVIDE POSITIVE INCENTIVES FOR THE LVWD
712 USE OF MOTOR VEHICLE AND MOTORCYCLE SAFETY
FEATURES AND EQUIPMENT

Sponsor: KIMBALL, Allen, Pines, Cahill
Committee Report: LVWD

SUMMARY: This bill requires the Superintendent of Insurance to adopt rules requiring positive adjustments in premiums for automobile insurance for insureds who use motor vehicle safety equipment. The rules are to specify the necessary proof required of insureds, the method of adjustment and amounts of premium adjustment.

LD AN ACT TO AMEND THE WORKERS' COMPENSATION CARRY-OVER
724 RATING LAWS

Sponsor: ARMSTRONG
Committee Report: CARRY-OVER

SUMMARY: This bill repeals the current Workers' Compensation Competitive Rating Act and enacts a residual market rating law which is similar to the 1979 law. The bill allows a rating bureau to file rates on behalf of its members. It retains the 2-tier residual market mechanism and the function of the Public Advocate from current law. Rate filings are subject to approval by the Superintendent of Insurance using the standards "just and reasonable" and "not excessive, inadequate, or unfairly discriminatory".

LD AN ACT RELATING TO THE DEFINITION OF INSURANCE ONTP
745 AGENTS' RELATING TO THE TERMINATION OF
CONTRACTS BETWEEN INSURANCE COMPANIES AND
AGENTS

Sponsor: DOW
Committee Report: ONTP

SUMMARY: This bill prohibits an insurance company from terminating a contract with an insurance agent unless there is good cause. The bill defines good cause as criminal misconduct, fraud or moral turpitude, failure to pay money due to the insurer, insolvency of the insurance company, discontinuance of a line of insurance sold by the agent, or failure of the agent to perform according to the terms of the contract. If there is good cause to terminate the contract as defined, the insurance company must give 60 days notice of this intent.