

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
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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 REQUIRE SAFETY ENGINEERING AND LOSS
1364 CONTROL IN WORKERS' COMPENSATION INSURANCE
RATE-MAKING PROCEEDINGS

PL 1987
c. 206

Sponsor: MARTIN, J., Ruhlín, Rydell, Dutremble, D.
Committee Report: OTP

SUMMARY: This bill requires the Superintendent of Insurance to consider the "adequacy and effect" of measures taken to contain costs in workers' compensation rate proceedings.

LD AN ACT TO STRENGTHEN RATE-MAKING PROVISIONS FOR
1365 WORKERS' COMPENSATION INSURANCE

CARRY-OVER

Sponsor: MARTIN, J., Clark, N., Bustín, Rydell
Committee Report: CARRY-OVER

SUMMARY: This bill requires an actuary in the Bureau of Insurance, rather than the Superintendent as required in current law, to issue an annual report detailing the state of competition in the workers' compensation insurance market. This bill requires that this report go to any advisory organization requesting it and the Public Advocate in addition to those already listed in current law. Under the bill the Public Advocate and any advisory organization may request a hearing to review the report.

The bill also adds two new standards based on prior experience and competitive market rates for similar coverages to be used to determine if rates are excessive. Under this bill the standard using subsidization of Safety Pool loss experience is repealed.

The bill also adds an additional filing requirement for assigned risk plan rate filings and filings required of insurers in a non-competitive market. This new requirement is a report of the number of claims closed in the previous year, those claims settled where the reserve at any time exceeded \$10,000, and the difference between the total loss paid and that reserve.