

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FOURTH LEGISLATURE

Legislative Document

No. 1560

H. P. 1227

House of Representatives, May 29, 1969

Reported by Mr. Scott of Wilton from Committee on Business Legislation.
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BERTHA W. JOHNSON, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-NINE

**AN ACT Amending the Fictitious Grouping and Rate Filing Provisions of
the Insurance Code.**

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

Sec. 1. R. S., T. 24, § 2705, sub-§ 1, amended. The first sentence of subsection 1 of section 2705 of Title 24 of the Revised Statutes is amended to read as follows:

If at any time the commissioner has reason to believe that a filing does not meet the requirements of this subchapter or violates any of the provisions of chapter 25, he shall, after a hearing held upon not less than 10 days' written notice, specifying the matters to be considered at such hearing, to every insurer and rating organization which made such filing, issue an order specifying in what respects he finds that such filing fails to meet the requirements of said subchapter, and stating when, within a reasonable period thereafter such filing shall be deemed no longer effective.

Sec. 2. R. S., T. 24, § 2905, sub-§ 7, ¶ C, amended. Paragraph C of subsection 7 of section 2905 of Title 24 of the Revised Statutes, as enacted by section 1 of chapter 131 of the public laws of 1967, is amended to read as follows:

C. No insurer or any person on behalf of any insurer shall make, offer to make or permit any preference or distinction for purposes defined in section 502, subsections 1, 2, 3, 5, 6, 7, 8 and 10 to 21, as to form of policy, certificate, premium, rates, benefits or conditions of insurance, whether by master policy, individual policies, certificates of insurance or by any other means,

based upon membership, nonmembership or employment ~~or~~ of any person or persons by or in any ~~particular~~ group, association, corporation ~~or~~, organization or other combination of persons, based upon marketing through groups, associations, corporations, organizations or other combination of persons, or based upon a group or mass merchandising program of any kind, and shall not make the foregoing preference or distinction available in any event based upon any fictitious grouping of persons as defined in this section, such fictitious grouping being defined and declared to be any grouping by other than common majority ownership of the risk to be insured.

Sec. 3. P. L., 1967, c. 131, § 2, amended. Section 2 of chapter 131 of the public laws of 1967 is amended to read as follows:

Sec. 2. Limitation. This Act shall not apply to any grouping ~~organized~~ placed in effect prior to January 1, 1968.

Sec. 4. R. S., T. 24-A, § 2172, sub-§§ 1, 2, amended. Subsection 1 and 2 of section 2172 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, are amended to read as follows:

1. No insurer or person on behalf of any insurer shall offer, make or permit any preference or distinction for purposes of any property, casualty or surety insurance coverage, as to form of policy, certificate, premium, rates, benefits or conditions of insurance, **whether by master policy, individual policies, certificates of insurance or by any other means**, based upon membership, nonmembership, or employment of ny persaon or persons in or by any ~~particular~~ group; association, corporation ~~or~~, organization or other combination of persons, based upon marketing through groups, associations, corporations, organizations or other combination of persons, or based upon a group or mass merchandising program of any kind; and shall not make any such preference or distinction available in any event based upon any fictitious grouping of persons. For the purposes of this section a fictitious grouping is defined as any grouping by other than a common insurable interest as to the subject of the insurance and the risk to be insured.

2. This section shall not apply as to any grouping ~~organized~~ Placed in effect prior to January 1, 1968.

Sec. 5. R. S., T. 24-A, § 2306, sub-§ 1, amended. Subsection 1 of section 2306 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

1. If at any time the commissioner has reason to believe that a filing does not meet the requirements of this chapter, **or violates any of the provisions of chapter 23**, he shall, after a hearing held upon not less than 10 days' written notice, specifying the matters to be considered at such hearing, to every insurer and rating organization which made such filing, issue an order specifying in what respects he finds that such filing fails to meet the requirements of this chapter, and stating when, within a reasonable period thereafter, such filing shall be deemed no longer effective. Copies of the order shall be sent to every such insurer and rating organization. The order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in the order.

Sec. 6. R. S., T. 24-A, § 2307, amended. Section 2307 of Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended to read as follows:

§ 2307. Limitation of disapproval power

No manual of classifications, rules, rating plans, or any modification of any of the foregoing which establishes standards for measuring variations in hazards or expense provisions, or both, and which has been filed pursuant to section 2303, shall be disapproved if the rates produced meet the requirements of this chapter **and of chapter 23**.

Sec. 7. Effective date. Sections 4 to 6 of this Act shall become effective January 3, 1970.