

# MAINE STATE LEGISLATURE

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quent insurers domiciled or transacting business in this State, and the commission may give due consideration to the insurance laws of other states, and requirements for enforcement thereof, and to the appropriate regulatory and administrative requirements of the Insurance Department. Such commission will hold such public hearings as may be deemed necessary or appropriate to acquaint insurers, and all other persons interested in the business of insurance, or the regulation thereof, with its proposals and recommendations, and the commission shall have full access to all of the records of the Insurance Department for the purposes of its investigations. It is the purpose and intent of this Act to provide such commission with sufficient authority and funds to enable it to carry out the foregoing purposes.

**Sec. 2. Membership.** The membership of the commission shall be constituted and appointed as follows: One member shall be a Member of the Senate in the 106th Maine Legislature, to be appointed by the President of the Senate; 2 members shall be Members of the House of Representatives in the 106th Maine Legislature, to be appointed by the Speaker of the House, and 2 additional members shall be appointed by the Governor, with the advice and consent of the Executive Council. The Insurance Commissioner and the Attorney General shall serve on the commission in an advisory capacity only. Each member shall serve until the commission shall have completed its work, or until his prior death or resignation. In the event of the death or resignation of any member, his place shall be filled, upon written notice thereof from the commission, by the then President of the Senate, Speaker of the House, or Governor, as the case may be, in the same manner as with respect to the original appointment.

**Sec. 3. Meetings.** The said commission shall be appointed promptly upon enactment hereof, and the Governor shall notify all members of the time and place of the first meeting. At that time the commission shall organize, elect a chairman, vice-chairman and secretary-treasurer, adopt rules as to the administration of the commission and its affairs, which rules shall require a minimum of 30 days' notice of any public hearing to consider one or more aspects of the laws or prospective laws to be considered by the commission and which rules shall require that all proposals shall be transmitted to each participant in the business of insurance which shall have recorded its desire to receive and willingness to pay for the costs of printing and mailing same, and thereafter shall meet as often as necessary until its work is completed. In all matters as to which there is disagreement, a majority vote shall prevail, and a quorum shall consist of at least 3 members. The commission shall maintain minutes of its meetings and such financial records as may be required by the State Auditor.

**Sec. 4. Contractual services.** The commission shall hire on a contractual basis the necessary qualified persons who shall have the responsibility for financial review and legal research and drafting required in connection with the preparation of the proposed revisions to the Insurance Code, under the direction and supervision of the commission. Persons, whose services are contracted for, shall, by virtue of prior training, experience, ability and reputation, have clearly demonstrated the ability to perform the tasks to be assigned to him by the commission.

**Sec. 5. Reimbursement of expenses.** The members of the commission shall serve without compensation, but may be reimbursed for their reasonable expenses in attending meetings, procuring supplies, clerical services, correspondence and other related and necessary expenditures.

**Sec. 6. Appropriation.** There is appropriated from the Unappropriated Surplus of the General Fund the sum of \$25,000 for the fiscal year ending June 30, 1974, to carry out the purposes of this Act. Any unexpended balances shall not lapse, but shall remain a continuing carrying account until June 30, 1975.

#### STATEMENT OF FACT

The insolvency of Maine Insurance Company, as determined by the Superior Court, Cumberland County, on January 14, 1971, and the resulting receivership proceedings against that company, together with other recent developments in other states pertaining to delinquent or insolvent insurers, have demonstrated to the Insurance Commissioner that there are serious inadequacies in the provisions of the Revised Statutes of Maine dealing with delinquent or insolvent insurers, holding companies, the Maine Insurance Guaranty Association chapter of law. Recent developments have also demonstrated the need for a Life and Health Guaranty Association Law. It is the purpose of this bill to provide for the creation of a study commission to review such laws and prepare revisions thereof and additions thereto for presentation to the 107th Maine Legislature.