

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

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Legislative Document

No. 1846

H. P. 1406

House of Representatives, April 4, 1973

Referred to the Committee on Business Legislation. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. Smith of Dover-Foxcroft.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-THREE

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**AN ACT to Require Publication of Cost/Benefit Ratios on Insurance Policies.**

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

**R. S., T. 24-A, § 2435, additional.** Title 24-A of the Revised Statutes, as enacted by section 1 of chapter 132 of the public laws of 1969, is amended by adding a new section 2435, to read as follows:

**§ 2435. Cost/benefit ratios**

No insurance policy, except life insurance policies, shall be delivered or issued for delivery in this State unless there is attached thereto, on a form to be promulgated by the Insurance Commissioner, a statement of the policy's cost/benefit ratio, meaning the ratio between gross premiums earned and gross claim losses incurred, not including overhead and claims adjusting expense.

All firms or corporations authorized to issue such policies shall report each year to the Insurance Commissioner, on such forms as he shall promulgate, the information necessary for him to determine readily the cost/benefit ratio for all such policies in Maine and to approve the publication of said ratio.

The commissioner shall promulgate such rules as may be necessary to carry out the purpose of this section.

STATEMENT OF FACT

The purpose of this bill is reflected in the title.