

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

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Legislative Document

No. 344

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H. P. 292

House of Representatives, January 23, 1975

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

EDWIN H. PERT, Clerk

Presented by Mr. Hewes of Cape Elizabeth.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FIVE

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AN ACT Relating to Limit of Insurance Risk Exposure under the Maine Insurance Code.

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

24-A MRSA, § 3623, sub-§ 1, as enacted by PL 1969, c. 132, § 1, is amended to read:

1. Except as provided in section 3607, subsection 1, an insurer shall not retain liability as to any one risk in an amount exceeding 10% of its ~~gross net~~ assets, ~~including~~ plus 80% of the amount at any time due on its premium notes.

STATEMENT OF FACT

This bill sets the amount of insurance risk exposure on any one risk that a domestic mutual insurer selling assessable policies of insurance may retain for its own account. Risk retention is to be measured by use of a formula that recognizes only that portion of a company's assets that are free and clear of any offsetting liabilities.