

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
108TH LEGISLATURE
FIRST REGULAR SESSION

(Filing No. S-223)

COMMITTEE AMENDMENT " A " to S.P. 118, L.D. 277, Bill,
"AN ACT Amending the Maine Automobile Insurance Cancellation
Control Act."

Amend the bill by striking out all of section 4 and
inserting in its place the following:

'Sec. 4. 24-A.MRSA §2917, 2nd ¶, as amended by P1 1973,
c. 585, §12, is repealed and the following enacted in its place:

The reason or reasons for the intended nonrenewal action shall accompany the notice of intent not to renew and the reason or reasons shall be explicit. Explanations such as "underwriting reasons," "underwriting experience," "loss record," "driving experience," "credit report," and similar insurance terms are not by themselves acceptable explanations of an insurer's intended non renewal of an automobile insurance policy.'

Further amend the bill by inserting before the Statement
of Fact the following:

'Sec. 6. 24-A MRSA §2922 is enacted to read:
§2922. Superintendent's authority to suspend

In the event of impairment or serious financial difficulty of an insurer, the Superintendent shall have the authority to suspend the provisions of this Act from applying to the policies of the financially distressed insurer.'

Statement of Fact

This amendment, if enacted, will permit mid-term cancellations and anniversary non-renewal of policies if the Superintendent determines that continuation of the policies will further impair the financial condition of the company and not be in the best interest of the policyholders. The amendment further requires that if ordinarily used insurance terms are given as reasons for non-renewal of a policy they are not sufficient explanation and shall be accompanied by further explanation.

Reported by the Committee on Business Legislation.

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June 10, 1977

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