

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 947

H. P. 742

House of Representatives, March 10, 1977

On motion of Ms. Clark of Freeport referred to the Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Najarian of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT Concerning Certificates of Contribution for Insurers in
the Maine Insurance Guaranty Association.**

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

Sec. 1. 24-A, § 4438, sub-§ 1, ¶ I is enacted to read:

I. Establish procedures whereby the association shall issue to each insurer paying an assessment under this section a certificate of contribution, in appropriate forms and terms as prescribed by the commissioner, for the amount so paid. All outstanding certificates shall be of equal dignity and priority without reference to amounts or dates of issue.

(1) A certificate of contribution shall be shown by the insurer in its financial statements as an admitted asset for such amount and period of time as the commissioner may approve; provided, that unless a longer period has been allowed by the commissioner, the insurer shall in any event at its option have the right to so show a certificate of contribution as an admitted asset at percentages of original face amount for calendar years as follows: 100% for the calendar year of issuance; 80% for the first calendar year after the year of issuance; 60% for the 2nd calendar year after the year of issuance; 40% for the 3rd calendar year after the year of issuance; and 20% for the 4th calendar year after the year of issuance which shall be carried as an asset.

(2) The insurer shall offset the amount written off by it in a calendar year under subparagraph (1) against its premium tax liability to this State accrued with respect to business transacted in such year.

(3) Any sum recovered by the association representing sums which have theretofore been written off by contributing insurers and offset against premium taxes as provided in subparagraph (2) shall be paid by the association to the director of revenue who shall handle such funds.

Section 2. Effective date. This Act shall take effect on January 1, 1978.

STATEMENT OF FACT

This bill concerns certificates of contribution for insurers in the Maine Insurance Guaranty Association.