

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 66

H. P. 52

House of Representatives, January 6, 1981

Submitted by the Department of Business Regulation pursuant to Joint Rule 24.

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

EDWIN H. PERT, Clerk

Presented by Mr. Brannigan of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Amend the Maine Insurance Guaranty Association Act to Increase Liability of Association Member Companies.

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

24-A MRSA § 4438, sub-§ 1, ¶ A, 2nd ¶, first sentence, as enacted by PL 1969, c. 561, is amended to read:

Except as to covered claims arising under workmen's compensation policies, the obligation of the association shall not extend to any portion of a covered claim which exceeds the lesser of the obligation of the insurer, now insolvent, under the policy from which the claim arises, or ~~\$50,000~~ \$150,000.

STATEMENT OF FACT

This bill would increase the protection afforded to Maine residents respecting claims brought against insurers licensed to do business in this State which lack financial ability to pay such claims. The bill increases the ceiling on such claims recovery from \$50,000 to \$150,000.