

# MAINE STATE LEGISLATURE

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L.D. 2437

(Filing No. H-689)

STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
111TH LEGISLATURE  
SECOND REGULAR SESSION

HOUSE AMENDMENT "A" to S.P. 906, L.D. 2437,  
Bill, "AN ACT Relative to Group Legal Insurance."

Amend the Bill in section 11 in that part designat-  
ed "§2888." by adding at the end the following:

'Nothing in this chapter may be construed to au-  
thorize the practice of law by any person in viola-  
tion of Title 4, section 807, or to authorize the su-  
perintendent to infringe upon the authority of the  
Supreme Judicial Court to regulate the practice of  
law.'

Further amend the bill by striking out all of  
section 12 and inserting in its place the following:

'Sec. 12. 24-A MRSA §3352, sub-§2, as repealed  
and replaced by PL 1983, c. 709, §2, is amended to  
read:

2. When applying for an original certificate of  
authority, the insurer must be otherwise qualified  
therefor under this Title, and must have received and  
accepted bona fide applications as to substantial in-  
surable subjects for insurance coverage of a substan-  
tial character of the kind of insurance proposed to  
be transacted, must have collected in cash the full  
premium therefor at a rate not less than that usually  
charged by other insurers for comparable coverages,  
must have surplus funds on hand and deposited as of  
the date such insurance coverages are to become ef-  
fective, or, in lieu of such applications, premiums  
and surplus, may deposit and thereafter maintain sur-  
plus, all in accordance with that part of the follow-  
ing schedule which applies to each kind of insurance  
the insurer proposes to transact:

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1	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
2					Minimum	Maximum	Deposit	
3		Min. No.	Min. No.	Minimum	Amount	Ins. Ea.	Minimum	Deposit
4	Kind of	of Apps.	Subjects	Premium	Ins. Ea.	Subject	Surplus	Surplus
5	Ins.	Accepted	Covered	Collected	Subject	(5)	Fund	in Lieu
6							(6)	(7)
7								
8	Life(1)	500	500	Annual	\$ 2,500	\$50,000	\$1,000,000	\$1,250,000
9	Health							
10	(2)	500	500	Quarterly	100	300	500,000	750,000
11					(wkly.	(wkly.		
12					indem.)	indem.)		
13	Prop-							
14	erty(3)	100	250	Annual	10,000	100,000	500,000	750,000
15	Casu-							
16	alty(4)	250	500	Annual	25,000	100,000	750,000	1,000,000
17								

18 The following provisions are respectively applicable  
 19 to the foregoing schedule and provisions as indicated  
 20 by like numerals appearing in such schedule.

21 (1) No group insurance or term policies for  
 22 terms of less than 10 years may be included.

23 (2) No group, blanket or family plans of  
 24 insurance may be included. In lieu of weekly  
 25 indemnity, a like premium value in medical,  
 26 surgical and hospital benefits may be pro-  
 27 vided. Any accidental death or dismemberment  
 28 benefit provided shall not exceed \$15,000.

29 (3) Only insurance of the owner's interest  
 30 in real property may be included.

31 (4) Such insurance must include coverage of  
 32 legal liability for bodily injury and prop-  
 33 erty damage, to which the maximum and mini-  
 34 mum insured amounts apply.

35 (5) The maximums provided for in column (F)

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1 are net of applicable reinsurance.

2 (6) The deposit of surplus in the amount  
3 specified in columns (G) and (H) must there-  
4 after be maintained unimpaired. The deposit  
5 is subject to chapter 15 (administration of  
6 deposits).

7 (7) Deposit surplus, when utilized, in lieu  
8 of the alternative procedure of accepting  
9 deposit application funds shall be in those  
10 amounts enumerated for each identified kind  
11 of insurance.

12 Expendable surplus: In addition to surplus deposited  
13 and thereafter to be maintained as shown in columns  
14 (G) or (H), the insurer when first authorized must  
15 have on hand surplus funds, which it can thereafter  
16 expend in the conduct of its business, in amount not  
17 less than 50% of the applicable deposited and main-  
18 tained surplus required of it under the schedule set  
19 up in this subsection.

20 Notwithstanding the requirements for expendable sur-  
21 plus otherwise required by this section for newly or-  
22 ganized insurance companies seeking a certificate of  
23 authority in this State, any such insurer may trans-  
24 act legal services insurance, to the extent provided  
25 for in chapter 38, without additional expendable  
26 funds, if the corporation is otherwise qualified for  
27 a certificate of authority to transact the business  
28 of health, life and health or multiple lines insur-  
29 ance, and possesses and thereafter maintains, in ad-  
30 dition to the amounts enumerated in the table in this  
31 subsection, an additional amount of unimpaired basic  
32 surplus of not less than \$500,000.

33 STATEMENT OF FACT

34 The purpose of this amendment is to correct an  
35 inconsistency between this measure and another mea-  
36 sure which was enacted recently.

