

MAINE STATE LEGISLATURE

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D.O.F.R.

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L.D. 1535
(Filing No. S-155)

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STATE OF MAINE
SENATE
112TH LEGISLATURE
FIRST REGULAR SESSION

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COMMITTEE AMENDMENT " A " to S.P. 585, L.D. 1535, Bill, "AN ACT Relating to Financial Regulation of Insurance Companies."

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Amend the Bill in section 1 in that part designated "§221-A." by striking out all of subsections 5 and 6 and renumbering the subsections to read consecutively.

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Further amend the Bill in section 2 in subsection 4 in the 14th line (page 5, line 31 in L.D.) by inserting after the underlined words and punctuation "insurer." the following: 'In addition to the foregoing trusteed surplus account, an alien insurer authorized pursuant to this Title shall establish and maintain in one or more states of the United States a deposit or deposits of trust assets of a kind and quality as generally required by this section. The value of the deposit or deposits shall be at least equal to those obligations resulting from insurance in force in the United States. The deposit or deposits shall, if located outside the State, be subject to administration standards comparable to those contained in this Title.'

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Further amend the Bill in section 8 in subsection 2-A by striking out all of paragraph D and inserting in its place the following:

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'D. If unauthorized, meets solvency standards required of authorized insurers insuring risks of like character and is in substantial compliance with other requirements as imposed by this Title upon authorized insurers, including, but not limited to, maintenance of surplus funds reasonable in amount, as determined by the superintendent, for the kinds and amounts of insurance in force,

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1 as reflected in the records of the reinsurer.'

2 Further amend the Bill in section 8 in subsection
3 2-A in paragraph E in the 3rd line (page 8, line 27
4 in L.D.) by striking out the underlined words
5 "trusteed surplus" and inserting in their place the
6 underlined word 'trust' and in the 3rd line from the
7 end (page 8, line 33 in L.D.) by striking out the un-
8 derlined words "trusteed funds" and inserting in
9 their place the underlined words 'trust fund'

10 Further amend the Bill in section 8 in subsection
11 2-A in paragraph E in the last line (page 8, line 35
12 in L.D.) by striking out the underlined word "and"

13 Further amend the Bill in section 8 in subsection
14 2-A in paragraph F in the last line (page 9, line 4
15 in L.D.) by inserting after the underlined word and
16 punctuation "thereto." the following: 'The superin-
17 tendent may establish reporting standards in a rule
18 to be promulgated pursuant to Title 5, chapter 375;'

19 Further amend the Bill in section 8 in subsection
20 2-A by inserting after paragraph F the following:

21 'G. All assuming reinsurers shall be subject to
22 the requirements of section 421 whether or not
23 possessed of a certificate of authority. The
24 reinsurers shall appoint the superintendent and
25 his successor in office as process agent; and

26 H. If the contract of reinsurance, negotiated
27 between or among the parties to the agreement,
28 permits the ceding insurer to retain as security
29 amounts owing to a reinsurer or reinsurers, these
30 amounts shall at all times be under the exclusive
31 control of the ceding insurer. If these amounts
32 are to be held by a trustee, the trust agreement
33 shall conform to the requirements of this sec-
34 tion. The corpus of the trust shall be valued as
35 any other admitted asset or assets. Assets other
36 than cash or marketable securities shall be per-

