

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 542

H.P. 408 House of Representatives, February 25, 1987
Reference to the Committee on State and Local Government
suggested and ordered printed.

EDWIN H. PERT, Clerk
Presented by Speaker MARTIN of Eagle Lake.
Cosponsored by Representatives ROLDE of York, RYDELL of
Brunswick and Senator THERIAULT of Aroostook.

STATE OF MAINE

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

AN ACT Regarding Conflict of Interest.

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

5 24-A MRS A §207-A is enacted to read:

6 §207-A. Conflict of interest

7 Any person who serves as an officer or employee
8 of the Bureau of Insurance may not, during the 5-year
9 period after that person's service has ceased, act as
10 an agent or representative for or otherwise represent
11 the insurance industry in connection with any trans-
12 action with the Bureau of Insurance.

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STATEMENT OF FACT

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This bill requires that the Superintendent of Insurance and his top-level staff wait 5 years after leaving state service before being employed by any company which they previously regulated.

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Currently, regulators do not have an arms-length relationship with the insurance industry, which they are mandated to oversee and regulate. In the United States, according to a General Accounting Office study, about 1/2 of all insurance regulators come from and return to the insurance industry. This bill attempts to regain a distance between the regulated and the regulators.

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