

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 551

S.P. 194

In Senate, February 25, 198

Reference to the Committee on Banking and Insurance suggested and ordered printed.

JOY J. O'BRIEN, Secretary of the Senate  
Presented by President PRAY of Penobscot.

Cosponsored by Senator THERIAULT of Aroostook,  
Representative RYDELL of Brunswick, Representative ERWIN of  
Rumford.

STATE OF MAINE

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

1           Resolve, to Study the Need for and Feasibility  
2                   of Establishing a Self-insurance Fund  
3                   and Reinsurance Funds in Maine.  
4

5           Preamble. Whereas, recently many nonprofit and  
6 not-for-profit trade and professional association  
7 members have been unable to obtain property and casu-  
8 alty insurance in Maine; and

9           Whereas, if obtainable, some organization members  
10 and service providers have experienced premium in-  
11 creases as high as 600% over the previous billing pe-  
12 riod; now, therefore, be it

13           Study. Resolved: That subject to the Legislative  
14 Council's review and determination as provided, that  
15 the Joint Standing Committee on Banking and Insurance  
16 shall study the need for and feasibility of estab-

1 lishing self-insurance funds for nonprofit profes-  
2 sional associations and nonprofit trade associations,  
3 when such groups or their members are unable to ob-  
4 tain property or casualty risk or surety insurance;  
5 and be it further

6 Subject of study. Resolved: That the study  
7 shall be a survey of all existing professional asso-  
8 ciations and nonprofit trade associations and their  
9 members who are required to carry insurance. Specif-  
10 ically, availability cost, policy exclusions and con-  
11 ditions shall be reviewed. The study shall also re-  
12 view past experience of other states where such in-  
13 surance pools exist. The committee shall present a  
14 plan, for the development of insurance pools in  
15 Maine, detailing administrative regulatory and fiscal  
16 responsibilities; and be it further

17 Develop guidelines. Resolved: That the commit-  
18 tee investigate the feasibility of establishing an  
19 insureds-funded reinsurance pool in the event that  
20 self-funded pools are developed. These funds are un-  
21 able to purchase reinsurance through the commercial  
22 market. The committee shall develop guidelines for  
23 administrative, regulatory and fiscal responsibility  
24 for such a stand-by reinsurance pool; and be it fur-  
25 ther

26 Establishment of a reinsurance pool. Resolved:  
27 That the committee will study the need for and pro-  
28 pose guidelines for establishment of a reinsurance  
29 pool for commercial insurance companies currently  
30 writing coverage in Maine should reinsurance become  
31 unavailable on the commercial market; and be it fur-  
32 ther

33 Report to the Legislature. Resolved: That the  
34 committee present its report, together with any nec-  
35 essary implementing legislation to the Second Regular  
36 Session of the 113th Legislature.

STATEMENT OF FACT

1

2           The purpose of this resolve is set out in the  
3 preamble.

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