

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 629

S.P. 235

In Senate, March 9, 1987

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 ERWIN of Rumford, Senator BUSTIN of Kennebec.

STATE OF MAINE

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

AN ACT to Ensure Consumer Input in Insurance  
Rate Making.

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

Sec. 1. 24-A MRSA §2304, sub-§5 is enacted to read:

5. Copy of proposed rate increase. The superintendent shall forward a copy of all proposed rate increases under this chapter to the Public Advocate.

Sec. 2. 24-A MRSA §2306, sub-§3 is enacted to read:

3. Public Advocate as party. The Public Advocate may be a party to any proceeding involving rates

1 under this chapter. Whenever the Public Advocate  
2 represents the public interest in such a proceeding,  
3 he shall send each insurance company, nonprofit ser-  
4 vice plan or rating organization in such a proceeding  
5 a statement of the compensation and expenses of coun-  
6 sel, experts and assistants employed by the Public  
7 Advocate in the proceeding, together with an appro-  
8 prate allocation to the insurance company, nonprofit  
9 service plan or rating organization of its fair share  
10 of the cost of the proceeding. All assessments or  
11 statements of compensation and expenses shall be paid  
12 by the insurance company, nonprofit service plan or  
13 rating organization to the Treasurer of State within  
14 30 days after the date of assessment.

15

STATEMENT OF FACT

16 This bill allows for the participation of the  
17 Public Advocate in insurance rate proceedings. The  
18 bill requires the Superintendent of Insurance to for-  
19 ward proposed rate increases to the Public Advocate  
20 and allow the Public Advocate to intervene in rate  
21 cases. The costs of intervention will be assessed  
22 to insurers on an equitable basis.

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