

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 996

S.P. 341

In Senate, March 31, 1987

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

JOY J. O'BRIEN, Secretary of the Senate
Presented by Senator BRANNIGAN of Cumberland.

Cosponsored by Senator BUSTIN of Kennebec, Representative
MICHAUD of East Millinocket, Representative RACINE of Biddeford.

STATE OF MAINE

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

AN ACT to Allow Organizations to Sell
Insurance to a Limited Membership.

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

24-A MRSA §2938, as enacted by PL 1973, c. 625, §146, is amended to read:

§2938. Availability

The insurer must file with the Superintendent of Insurance its underwriting rules concerning eligibility of applicants and must accept all members who wish to participate in the plan and are eligible under those rules except, in the case of motor vehicle insurance, any person who usually drives the motor vehicle and does not hold or is not eligible to ob-

1 tain a driver's license. With respect to motor vehi-
2 cle insurance, every member of the plan must be of-
3 fered the same form of policy, varying only as to the
4 amounts of insurance, limits of liability and lines
5 of coverage, except that all policies shall provide
6 at least the financial responsibility limits of cov-
7 erage stated in Title 29, section 781, subsection 1,
8 paragraph D. With respect to other insurance covered
9 hereunder, every member of the plan must be offered
10 the same policy form alternatives, varying only as to
11 the amounts of insurance, limits of liability and
12 lines of coverage.

13 STATEMENT OF FACT

14 The American Association of Retired Persons,
15 AARP, Homeowners and Automobile Insurance Programs
16 are sold in every state except Maine. Current law
17 requires that plans which are sold to members of a
18 group come under laws relating to mass marketing of
19 casualty and property insurance found in the Maine
20 Revised Statutes, Title 24-A, chapter 40. Under cur-
21 rent law these plans must be made available to all
22 members regardless of whether the members are good or
23 bad risks. The AARP Insurance Programs have strict
24 underwriting guidelines in order to offer competitive
25 rates. Thus, AARP may not sell to groups in Maine
26 while using underwriting guidelines.

27 This bill allows insurers of mass marketing plans
28 to file underwriting rules with the Superintendent of
29 Insurance and to accept only those who are eligible
30 under the rules. AARP would then be able to sell
31 their plans in the State.

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