

# MAINE STATE LEGISLATURE

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(EMERGENCY)  
(After Deadline)  
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1132

H.P. 841 House of Representatives, April 7, 1987  
Approved for introduction by a majority of the  
Legislative Council pursuant to Joint Rule 27.  
Reference to the Committee on Banking and Insurance  
suggested and ordered printed.

EDWIN H. PERT, Clerk  
Presented by Speaker MARTIN of Eagle Lake.

STATE OF MAINE

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

1                   **AN ACT to Establish an Appropriate Penalty**  
2                   **for Overcharging Premiums on Workers'**  
3                   **Compensation Insurance.**  
4

5                   **Emergency preamble.** Whereas, Acts of the Legis-  
6                   lature do not become effective until 90 days after  
7                   adjournment unless enacted as emergencies; and

8                   Whereas, at least one insurance company doing  
9                   business in this State has continued to charge premi-  
10                  ums greater than the approved rate; and

11                  Whereas, that company has defied the Superintend-  
12                  ent of Insurance's order to comply with rate filings;  
13                  and

1           Whereas, the penalty for that defiance and viola-  
2 tion of law is merely token when compared to the  
3 large sums generated by the overcharges; and

4           Whereas, no other adequate or appropriate remedy  
5 is available; and

6           Whereas, in the judgment of the Legislature,  
7 these facts create an emergency within the meaning of  
8 the Constitution of Maine and require the following  
9 legislation as immediately necessary for the preser-  
10 vation of the public peace, health and safety; now,  
11 therefore,

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

14           24-A MRSA §2329, sub-§4 is enacted to read:

15           4. Any person or organization charging rates in  
16 excess of those approved by the superintendent shall  
17 be subject to a civil penalty equal to the total of  
18 the following:

19           A. The sum equal to 3 times the amount collected  
20 by the person or organization in excess rates;  
21 and

22           B. The costs and expenses, including attorneys  
23 fees, spent by the State to prosecute that person  
24 or organization for that offense.

25           Emergency clause. In view of the emergency cited  
26 in the preamble, this Act shall take effect when ap-  
27 proved.

1 STATEMENT OF FACT

2 This purpose of this bill is to provide a reason-  
3 able and adequate remedy for an insurance company  
4 which deliberately overcharges on its premiums. Be-  
5 cause of the very large amounts involved in such  
6 overcharges, the present penalties are entirely inad-  
7 equate.

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