# MAINE STATE LEGISLATURE

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## FIRST REGULAR SESSION

### ONE HUNDRED AND THIRTEENTH LEGISLATURE

## Legislative Document

NO. 1586

H.P. 1160 House of Representatives, May 15, 1987 Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 24.

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

EDWIN H. PERT, Clerk

Presented by Representative ARMSTRONG of Wilton.

Cosponsored by Representatives GURNEY of Portland, REED of Falmouth, and Senator BALDACCI of Penobscot.

### STATE OF MAINE

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

1 2 3	AN ACT to Amend the Insurance Code Regarding Rates and Rating Organizations.
4 5	Be it enacted by the People of the State of Maine as follows:
6 7 8	24-A MRSA $\S 2308$ , as amended by PL 1973, c. 585, $\S 12$ , is repealed and the following enacted in its place:
9	§2308. Excess rates
0	1. Upon the written application of the insured,
1	stating his reasons therefor, filed with and approved
2	by the superintendent, a rate in excess of that pro-
2 3	vided by a filing otherwise applicable may be used on
4	any specific risk.

1 2 3 4 5	2. To promote the availability of coverage in lines of insurance when coverage is difficult to obtain or unavailable, a form more restrictive than that provided by filings otherwise applicable may be used on any specific risk, provided that the following requirements are satisfied.
7 8	A. The restrictive form and applicable rates are filed with the bureau.
9 10 11 12 13 14	B. A disclosure statement detailing the nature of the restriction or restrictions contained in the form and the manner in which the provisions of the restrictive form differ from an otherwise applicable filing is provided to and acknowledged by the applicant for insurance.
15 16 17	C. A copy of the disclosure statement and the written application for insurance submitted by the applicant are submitted to the bureau.
18 19	D. The superintendent does not disapprove the use of the restrictive form in the specific case.
20 21 22 23 24	The period during which a restrictive form may be employed, consistent with this subsection, is for the maximum period of one year. At any subsequent policy renewal, the provisions of this subsection must again be satisfied.
25	STATEMENT OF FACT
26	Currently, permission may be granted by the su-

Currently, permission may be granted by the superintendent to allow a higher insurance rate than is
on file for the general class of business under consideration. This bill provides an alternative which
allows the superintendent to approve use of a restrictive form in lieu of or in addition to the higher rate.

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