

# MAINE STATE LEGISLATURE

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(EMERGENCY)  
FIRST SPECIAL SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

No. 1914

S.P. 685 In Senate, October 9, 1987  
Approved for Introduction by a Majority of the Legislative  
Council pursuant to Joint Rule 26.

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.

STATE OF MAINE

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

1 AN ACT to Amend the Insurance Law Relating to  
2 the Type of Coverage Provided by  
3 Insurance Carriers.  
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, some insurance companies have been given  
9 permission to withdraw from the workers' compensation  
10 market beginning January 1, 1988, and many others  
11 have indicated intentions to withdraw; and

12 Whereas, the companies that have already planned  
13 to withdraw write approximately 60% of the workers'  
14 compensation market; and

1           Whereas, workers' compensation insurance repre-  
2           sents a relatively small proportion of the insurance  
3           lines written by these companies in this State; and

4           Whereas, workers' compensation insurance is re-  
5           quired by law to protect the workers of this State;  
6           and

7           Whereas, the continued availability of workers'  
8           compensation insurance is essential to the welfare of  
9           the State, its businesses and workers; and

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

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

18           Sec. 1. 24-A MRSA §406, sub-§5, as enacted by PL  
19           1969, c. 132, §1, is amended to read:

20           5. A Lloyd's insurer shall be treated as a stock  
21           insurer for the purposes of this Title, with net as-  
22           sets over all liabilities to be not less than the  
23           capital funds required of a foreign stock insurer  
24           transacting the same kinds of insurance; and

25           Sec. 2. 24-A MRSA §406, sub-§6 is enacted to  
26           read:

27           6. No insurer may transact any kind of insurance  
28           in this State if the insurer does not offer every  
29           line of insurance in this State that the insurer of-  
30           fers in any other state. Notwithstanding Title 1,  
31           section 302, this requirement shall apply to all in-  
32           surance companies providing workers' compensation on  
33           the effective date of this subsection. This subsec-  
34           tion is repealed on December 31, 1988.

35           Emergency clause. In view of the emergency cited  
36           in the preamble, this Act shall take effect when ap-  
37           proved.

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STATEMENT OF FACT

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This bill requires insurers that offer a line of insurance in any other state to offer that same line of insurance in this State. No minimum amount in any line would be required.

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