

MAINE STATE LEGISLATURE

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L.D. 2411

(Filing No. S- 463)

STATE OF MAINE
SENATE
113TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A " to S.P. 920, L.D. 2411,
Bill, "AN ACT to Clarify the Laws Regulating the
Insurance Industry to Ensure its Regulation by State
Antitrust Laws."

Amend the Bill by striking out all of the title
and inserting in its place the following:

'AN ACT to Require the Study of the Laws
Regulating Antitrust Activities of the Insurance
Industry.'

Further amend the Bill by striking out everything
after the title and inserting in its place the
following:

'Emergency preamble. Whereas, Acts of the
Legislature do not become effective until 90 days
after adjournment unless enacted as emergencies; and

Whereas, there is confusion as to whether state
antitrust laws apply to the insurance industry; and

Whereas, this study needs to begin in May in order
to be completed by December 15, 1988; and

Whereas, in the judgment of the Legislature, these
facts create an emergency within the meaning of the
Constitution of Maine and require the following

COMMITTEE AMENDMENT "A" to S.P. 920, L.D. 2411

1 legislation as immediately necessary for the
2 preservation of the public peace, health and safety;
3 now, therefore,

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

6 **Sec. 1. Study.** The Joint Standing Committee on
7 Banking and Insurance shall study the feasibility and
8 necessity of amending state antitrust laws as they
9 relate to the insurance industry. In addition, the
10 committee shall study the role of rating, advisory,
11 and trade organizations in the rate-making process and
12 in relation to antitrust laws.

13 **Sec. 2. Findings.** The committee shall report
14 its findings and any recommended legislation to the
15 Legislature by December 15, 1988.

16 **Sec. 3. Meetings.** The committee chairmen shall
17 appoint a subcommittee of 7 committee members to study
18 these issues. The Senate chairman and House chairman
19 shall serve as cochairmen of the subcommittee. This
20 subcommittee may meet up to 5 times to conduct public
21 hearings or to study information related to these
22 issues. In addition, the subcommittee shall meet one
23 time with the full committee to report its findings.

24 **Sec. 4. Compensation.** Committee members shall
25 receive legislative per diem and expenses, as defined
26 in the Maine Revised Statutes, Title 3, section 2, for
27 days of attendance at committee meetings.

28 **Sec. 5. Staff; assistance.** The Legislative
29 Council shall provide staff to the committee. The
30 Bureau of Insurance and the Department of the Attorney
31 General shall provide other information and assistance
32 as needed to the committee.

33 **Sec. 6. Travel; experts; consultants;
34 assessment.** The committee may travel to review a
35 rating or advisory organization, hire consultants or
36 seek expert advice. The Superintendent of Insurance
37 shall assess insurers up to \$20,000 in the same manner
38 of assessment as defined in Title 24-A, section 237,

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1 for these expenses. The superintendent shall deposit
2 all payments made pursuant to this section with the
3 Treasurer of the State. The money shall be used for
4 the sole purpose of paying the expenses authorized in
5 this section.

6 **Sec. 7. Appropriation.** The following funds are
7 appropriated from the General Fund to carry out the
8 purposes of this Act.

	<u>1987-88</u>	<u>1988-89</u>
9		
10	<u>LEGISLATURE</u>	
11	Study Commissions - Funding	
12	Personal Services	\$ 770 \$1,870
13	All Other	700 3,800
14		
15	Total	<u>\$1,470</u> <u>\$5,670</u>

16 Provides for the per
17 diem, travel and
18 related expenses of a
19 7-member subcommittee
20 of the Joint Standing
21 Committee on Banking
22 and Insurance for
23 subcommittee meetings.

24 **Sec. 8. Allocation.** The following funds are
25 allocated from Other Special Revenue to carry out the
26 purposes of this Act.

	<u>1987-88</u>	
27		
28	<u>PROFESSIONAL AND FINANCIAL</u>	
29	<u>REGULATION, DEPARTMENT OF</u>	
30	Bureau of Insurance	
31	All Other	\$ 20,000

32 **Emergency clause.** In view of the emergency
33 cited in the preamble, this Act shall take effect when
34 approved.

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FISCAL NOTE

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This bill will have the following effect on revenues:

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Other Special Revenue \$ 20,000'

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STATEMENT OF FACT

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The amendment replaces the bill with a study of the issues regarding antitrust laws and the insurance industry. A subcommittee of the Joint Standing Committee on Banking and Insurance will study these issues and report to the Legislature by December 15, 1988.

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Reported by Senator Bustin for the Committee on Banking and Insurance. Reproduced and Distributed Pursuant to Senate Rule 12.
(4/14/88) (Filing No. S-463)