

MAINE STATE LEGISLATURE

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L.D. 14
(Filing No. S- 105)

STATE OF MAINE
SENATE
114TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " A" to S.P. 47, L.D. 14, Bill, "An Act to Allow Insurers to Underwrite Mass Marketed Property and Casualty Insurance Plans"

Amend the bill by adding after the enacting clause the following:

'Sec. 1. 24-A MRSA §2304, sub-§5 is enacted to read:

5. Filings of rates to be utilized in connection with one or more mass marketing plans as defined in section 2932 shall clearly identify their applicability to those plans.

Sec. 2. 24-A MRSA §2937-A is enacted to read:

§2937-A. Disclosure of underwriting

A person is deemed to be engaged in deceptive advertising if the person makes, publishes or circulates or causes to be made, published or circulated any written statement relating to an underwritten Maine mass marketing plan, if that written statement does not include a conspicuous notice that some members of the group to which the plan is marketed will not be eligible for insurance. A person making the statement is subject to a desist order issued under section 2165 and to any applicable penalty provided by law.'

Further amend the bill in section 2 in that part designated "§2938-A." in the first paragraph in the 15th line (page 1, line 24 in L.D.) by inserting after the underlined word "issued" the underlined word 'under'

Further amend the bill in section 2 in that part designated "§2938-A." in the 3rd paragraph in the 2nd line (page 1, line 37 in L.D.) by inserting after the underlined word "any" the underlined word 'eligible'

Further amend the bill in section 2 in that part designated "§2938-A." in the last paragraph in the first line (page 1, line

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COMMITTEE AMENDMENT "A" to S.P. 47, L.D. 14

1 41 in L.D.) by striking out the following: "change or fail to
3 renew" and inserting in its place the following: 'fail to renew
or change'

5 Further amend the bill by adding before the statement of
7 fact the following:

'Sec. 3. Report. The Superintendent of Insurance shall report
9 to the Joint Standing Committee on Banking and Insurance by April
11 1, 1991, regarding the operation of mass marketing plans in the
13 State, including such matters as the number of mass marketing
15 plans, a brief description of the underwriting standards used in
the plans and a description of complaints received by the Bureau
of Insurance relating to rejection of applicants for coverage
under a mass marketing plan.'

17 Further amend the bill by renumbering the sections to read
19 consecutively.

Further amend the bill by inserting before the statement of
21 fact the following:

23 **FISCAL NOTE**

25 The Bureau of Insurance will incur additional administrative
27 costs which can be absorbed within existing budgeted resources.'

31 **STATEMENT OF FACT**

33 This amendment requires advertisements of Maine mass
35 marketing plans to include disclosure that some members of the
organization to which the insurance is being marketed will not be
37 eligible for the insurance. The amendment also requires insurers
to indicate on their rate filings that the rates relate to a mass
39 marketing plan to permit the Bureau of Insurance to identify mass
marketing plans. The amendment requires the Superintendent of
Insurance to report to the Joint Standing Committee on Banking
41 and Insurance on the operation of mass marketing plans. Finally,
the amendment makes technical corrections to the bill.

Reported by Senator Collins for the Committee on Banking
and Insurance. Reproduced and Distributed Pursuant to
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(5/10/89) (Filing No. S-105)