

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
114TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "^A" to H.P. 37, L.D. 37, Bill, "An Act Providing for a Report on the Availability of Insurance and Level of Competition within the Insurance Industry in Maine and a Report on Insurance Rating Organizations in Maine"

Amend the bill in section 1 by striking out all of the first 2 lines (page 1, lines 3 to 5 in L.D.) and inserting in their place the following:

'Sec. 1. 24-A MRSA §2320-A is enacted to read:

§2320-A. Competition and availability of insurance

Further amend the bill in section 1 in that part designated "~~§221-B.~~" by striking out all of subsection 1 and inserting in its place the following:

'1. General review. The Superintendent of Insurance shall review annually each authorized insurer in each major line of insurance in the State for which a rating organization is authorized to file rates. Major lines of insurance shall include workers' compensation, private passenger automobile liability, private passenger automobile physical damage, commercial automobile liability, commercial automobile physical damage, commercial multiple peril, homeowners' liability, medical malpractice, and fire insurance. In addition to the annual review of major lines, the superintendent may review individual insurers involved in those specific lines for which the superintendent has reasonable cause to believe that competition may not be an effective regulator of rates for the purpose of determining the level of competition among insurers providing those lines and the availability of insurance within those lines.'

Further amend the bill in section 1 in that part designated "~~§221-B.~~" in subsection 3 in the 6th line (page 2, line 3 in L.D.) by inserting after the underlined word "annually" the following: 'in 1990 and 1991 and biennially thereafter'

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

Sec. 3. Allocation. The following funds are allocated from the Insurance Regulatory Fund to carry out the purposes of this Act.

	1989-90	1990-91
PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF		
Bureau of Insurance		
Positions	(1)	(1)
Personal Services	\$30,500	\$32,100
All Other	20,000	
Capital	2,500	
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION		
TOTAL	<u>\$53,000</u>	<u>\$32,100</u>

FISCAL NOTE

This bill requires additional expenditures by the Bureau of Insurance within the Department of Professional and Financial Regulation totaling \$53,000 and \$32,100 in fiscal years 1989-90 and 1990-91, respectively. These additional expenditures for one position, actuarial consulting fees, and other general operating expenses will be paid from dedicated revenue of the Bureau of Insurance, thereby requiring an increase of assessment of insurers in the same amounts.'

STATEMENT OF FACT

This amendment narrows the scope of the original bill by limiting the annual review by the Superintendent of Insurance to the ten major lines of property and casualty insurance for which a rating organization is authorized to file rates.

The amendment makes the report by the superintendent biennial, rather than annual, after 1991.

The amendment adds an allocation from the Insurance Regulatory Fund of \$53,000 in fiscal year 1989-90 and \$32,100 in fiscal year 1990-91 to fund one position and cover the other costs of this effort.