

# MAINE STATE LEGISLATURE

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# 114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

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Legislative Document

No. 137

S.P. 105

In Senate, February 14, 1989

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator BERUBE of Androscoggin.

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STATE OF MAINE

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

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**An Act to Provide Civil Penalties for Certain Unfair Trade Practices by Insurers.**

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1 **Be it enacted by the People of the State of Maine as follows:**

3 **24-A MRSA §2165-A is enacted to read:**

5 **§2165-A. Civil penalties**

7 The superintendent may assess a civil penalty against any  
9 person who has engaged in or is engaging in any act or practice  
11 defined in or prohibited under this chapter, or against a  
13 resident of this State who has so engaged in another state. The  
15 superintendent may assess a civil forfeiture of up to \$500 in the  
case of an individual and a civil penalty of up to \$2,000 in the  
case of a corporation or entity other than an individual,  
following an adjudicatory hearing governed by the Maine  
Administrative Procedure Act, Title 5, chapter 375, subchapter IV.

17 The civil forfeiture or penalty may be assessed in addition  
19 to the issuance of a desist order as provided in section 2165.

21 **STATEMENT OF FACT**

23  
25 The bill authorizes the Superintendent of Insurance to  
27 assess monetary penalties against persons who violate provisions  
29 of the chapter of Maine Insurance Code dealing with unfair trade  
31 practices and frauds. The penalties could be imposed only after  
a hearing held in accordance with the Maine Administrative  
Procedure Act, Maine Revised Statutes, Title 5, chapter 375. The  
superintendent may assess the penalties in addition to issuing a  
desist order.