

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
114TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A " to S.P. 155, L.D. 275, Bill, "An Act to Strengthen the Regulation of Insurance"

Amend the bill in section 1 in that part designated "§2323." in the first paragraph in the 3rd and 4th lines (page 1, lines 10 and 11 in L.D.) by striking out the following: "reasonable period as the superintendent for good cause may require" and inserting in its place the following: 'period as the superintendent for good cause may require, but not to exceed 30 days'

Further amend the bill in section 3 in that part designated "§12-A." in subsection 1 by striking out the last paragraph and inserting in its place the following:

'The Superior Court, upon an action brought by the Attorney General, may assess a civil penalty of not less than \$500 and not more than \$5,000 for each violation in the case of an individual, and not less than \$2,000 and not more than \$15,000 for each violation in the case of a corporation or other entity.'

The superintendent, following an adjudicatory hearing, may assess a civil penalty of up to \$500 for each violation in the case of an individual, and a civil penalty of up to \$2,000 for each violation in the case of a corporation or entity other than an individual. The superintendent may assess a civil penalty only if the Attorney General elected not to pursue an action in Superior Court to seek civil penalties. The Attorney General shall notify the superintendent in writing whether or not the Attorney General elects to pursue an action in Superior Court within 90 days after receiving a request from the superintendent for such an election.'

Further amend the bill in section 4, in that part designated "§212." in the 6th and 7th lines (page 2, lines 50 and 51 in L.D.) by striking out the underlined words: "of any other statute administered or enforced by the superintendent" and inserting in their place the following: 'of the following

1 statutes to the extent administered or enforced by the
2 superintendent: Title 5, chapter 501; Title 32, section 13773;
3 and Title 39, sections 23, 23A and 107'

5 Further amend the bill in section 8 in that part designated
6 "~~§234.~~" in the first paragraph in the 5th line (page 4, line 46
7 in L.D.) by inserting after the underlined words "individual may"
8 the underlined words 'tend to' and in the 6th line (page 4, line
9 47 in L.D.) by inserting after the word "forfeiture" the
10 following: '^'

11 Further amend the bill adding after section 13 the following:

13 'Sec. 14. 24-A MRSA §2736-B, as enacted by PL 1979, c. 558,
15 §9, is amended to read:

17 The superintendent shall issue his an order or decision
18 within 30 days after the close of the hearing, or of any
19 rehearing or reargument or within such other period as the
20 superintendent for good cause may require, but not to exceed an
21 additional 30 days. In his the order or decision, the
22 superintendent shall either approve or disapprove the rate
23 filing. If he the superintendent disapproves the rate filing,
24 the superintendent shall establish the date on which the filing
25 is no longer effective, specify the filing he the superintendent
26 would approve and authorize the insurer to submit a new filing in
27 accordance with the terms of his the order or decision.'

29 Further amend the bill by renumbering the sections to read
30 consecutively.

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

35 **FISCAL NOTE**

37 This bill authorizes the Superintendent of Insurance to
38 assess monetary penalties which will accrue to the General Fund.
39 The amount of additional General Fund revenues resulting from
40 these monetary penalties cannot be determined. However, it is
41 not likely to be a significant increase.'

43 **STATEMENT OF FACT**

45 The amendment maintains the basic structure of the bill,
46 conforming various procedures at the Bureau of Insurance to the
47 Maine Administrative Procedure Act, Title 5, chapter 375. The
48 amendment modifies the new civil penalty procedure by authorizing
49 the superintendent to assess a civil penalty of \$500 for an
50 individual and \$2,000 for a corporation, but only if the Attorney
51 General elects not to proceed with the case. Under the
52 amendment, the Superior Court may assess a civil penalty of

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1 \$500 to \$5,000 for an individual and \$2,000 to \$15,000 for a
corporation, but only the Attorney General may bring that
3 action. The amendment maintains the authority of the
superintendent to order refunds of overcharges.

5
The amendment limits to an additional 30 days the possible
7 extension of time from the close of a hearing to the
superintendent's order under Title 24, and adds a new section
9 extending that concept to Title 24-A.

11 The amendment also makes the rulemaking authority under
section 4 more specific, makes several technical changes and adds
13 a fiscal note.

Reported by Senator Theriault for the Committee on Banking
and Insurance. Reproduced and Distributed Pursuant to
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