

# MAINE STATE LEGISLATURE

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L.D. 481  
(Filing No. S-170 )

STATE OF MAINE  
SENATE  
114TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " A" to S.P. 203, L.D. 481, Bill, "An Act to Amend the Maine Insurance Code"

Amend the bill by inserting after section 4 the following:

Sec. 5. 24-A MRSA §2303, sub-§1, ¶C, as amended by PL 1987, c. 559, Pt. A, §2, is further amended to read:

C. Due consideration shall be given:

- (1) To past and prospective loss experience within and outside this State;
- (2) To the conflagration and catastrophe hazards;
- (3) To a reasonable margin for underwriting profit and contingencies;
- (4) To dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers;
- (5) To past and prospective expenses both countrywide and those specially applicable to this State;
- (6) To all other relevant factors within and outside this State;
- (6-A) In the case of workers' compensation rates, consideration shall be given to the information required to be filed under section 2363; and
- (7) In the case of fire insurance rates, consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent 5-year period for which such experience is available; and

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(8) In the case of title insurance rates, consideration shall be given to the reasonableness of commission levels and other acquisition costs both countrywide and those specifically applicable to this State.

**Sec. 6. Applicability.** The requirements of this Act shall apply to rates utilized on or after January 1, 1990. No title insurer may utilize a rate after January 1, 1990, which has not been filed with the superintendent pursuant to this Act.

**Sec. 7. Allocation.** The following funds are allocated from Other Special Revenue funds of the Bureau of Insurance within the Department of Professional and Financial Regulation to carry out the purposes of this Act.

	<b>1989-90</b>
<b>PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF</b>	
<b>Bureau of Insurance</b>	
All Other	\$10,000

**FISCAL NOTE**

This bill will have the following effect on revenues:

	<b>1989-90</b>
<b>Other Special Revenue</b>	\$10,000

The Bureau of Insurance within the Department of Professional and Financial Regulation will require \$10,000 in fiscal year 1989-90 for consulting fees to implement the rating provisions for title insurance. This one-time cost would be paid from the dedicated funds of the bureau and offset by an increase in the annual assessment.'

**STATEMENT OF FACT**

The amendment adds an allocation section, allocating \$10,000 to the Bureau of Insurance from the bureau's Other Special Revenue funds, to pay the costs of this bill. The amendment also adds a fiscal note.

This amendment would specifically authorize the Bureau of Insurance to consider commission levels and other acquisition

COMMITTEE AMENDMENT "A " to S.P. 203, L.D. 481

1 costs in connection with title insurance rate filings.  
Acquisition costs, by whatever name known, constitute a  
3 significant expense to title insurers which is reflected in rates.

5 The amendment would also allow title insurers an approximate  
3-month time period from the effective date of the bill in which  
7 to make appropriate rate filings.

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