

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 794

S.P. 296

In Senate, March 15, 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 President PRAY of Penobscot.

Cosponsored by Senator THERIAULT of Aroostook, Representative RYDELL of Brunswick and Speaker MARTIN of Eagle Lake.

STATE OF MAINE

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

An Act to Amend the Insurance Law Relating to the Type of Coverage Provided by Insurance Carriers.



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

3 **Sec. 1. 24-A MRSA §406, sub-§5, as enacted by PL 1969, c. 132,**
5 **§1, is amended to read:**

7 5. A Lloyd's insurer shall be treated as a stock insurer
9 for the purposes of this Title, with net assets over all
11 liabilities to be not less than the capital funds required of a
12 foreign stock insurer transacting the same kinds of insurance; and

13 **Sec. 2. 24-A MRSA §406, sub-§6 is enacted to read:**

15 6. No insurer may be authorized to transact any kind of
17 insurance in this State if the insurer is authorized to transact
19 workers' compensation insurance in any other state or country and
21 is not authorized to transact workers' compensation insurance in
23 this State. Notwithstanding Title 1, section 302, this
25 requirement shall apply to all insurance companies authorized to
27 transact workers' compensation insurance on December 30, 1988.

29 **Sec. 3. 24-A MRSA §412-A is enacted to read:**

31 **§412-A. Notification of withdrawal**

33 Any insurer engaged in the delivery of workers' compensation
35 insurance in this State shall provide the superintendent with
37 notice of the insurer's intention to withdraw from the workers'
39 compensation insurance market in this State at least 18 months
41 prior to withdrawing from that market.

33 **STATEMENT OF FACT**

35 This bill requires an insurance company to provide workers'
37 compensation insurance in Maine if that company provides workers'
39 compensation insurance in other states. In addition, this bill
requires insurers who intend to withdraw from the workers'
compensation insurance market in Maine to provide 18 months
notice to the Superintendent of Insurance.