

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

9.  
8 of 8

1  
3  
5  
7  
9  
11  
13  
15  
17  
19  
21  
23  
25  
27  
29  
31  
33  
35  
37  
39  
41  
43  
45  
47  
49

L.D. 1652  
(Filing No. S-302 )

STATE OF MAINE  
SENATE  
114TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A " to S.P. 590, L.D. 1652, Bill, "An Act To Protect Maine Businesses against Workers' Compensation Insurer Rate Gouging"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 24-A MRSA §2319, as amended by PL 1973, c. 585, §12, is further amended to read:

§2319. Appeal by insurers and others as to filings

1. Application for hearing. Any person or organization in interest aggrieved with respect to any filing, rate, expense or premium level which is in effect may make written application to the superintendent for a hearing thereon, except that the insurer or rating organization that made the filing shall not be authorized to proceed under this section. Such Any application shall specify the grounds to be relied upon by the applicant in asserting that the filing, rate, expense or premium level is unjust or unreasonable. The Public Advocate, as appointed under Title 35-A, section 1701, may file a written application under this section only with respect to workers' compensation filings, rates, expenses or premium levels, provided that:

A. Application is made only on behalf of the general body of workers' compensation policyholders, not on behalf of individual policyholders; and

B. No filing is made by the Public Advocate earlier than 180 days from the expiration of the period for appealing a rate filing under section 236.

2. Hearing. If the superintendent finds that the application is made in good faith, that the applicant would be so aggrieved if his the applicant's grounds are were established, and that such grounds otherwise justify holding such a hearing,

## COMMITTEE AMENDMENT " A" to S.P. 590, L.D. 1652

1 ~~he the superintendent shall, within 30 days after receipt of such~~  
2 ~~application, hold a hearing upon not less than 10 days' written~~  
3 ~~notice to the applicant and to every insurer and rating~~  
4 ~~organization which made such filing by written order, require~~  
5 ~~that the insurer or rating organization prepare within 30 days a~~  
6 ~~responsive filing containing information necessary, in the~~  
7 ~~judgment of the superintendent, to review the application. This~~  
8 ~~responsive filing may include all information required pursuant~~  
9 ~~to section 2363, subsections 4 and 5 and such additional~~  
10 ~~information as the superintendent may require pursuant to section~~  
11 ~~2363, subsection 6.~~

13 A. A copy of the superintendent's written order requiring a  
14 responsive filing and specifying its contents or determining  
15 that no further action on the application is warranted shall  
16 be provided to the Public Advocate when the application  
17 concerns workers' compensation policies or rates and to the  
18 person or organization making the application for relief  
19 under subsection 1.

21 B. A copy of the responsive filing shall be served on the  
22 Public Advocate when the application concerns workers'  
23 compensation policies or rates and on the applicant. Upon  
24 receipt of an order from the superintendent requiring a  
25 responsive filing concerning workers' compensation which  
26 resulted from an application by the Public Advocate, the  
27 insurer or rating organization shall pay to the  
28 superintendent a filing fee of \$50,000 which the  
29 superintendent shall immediately credit to the Public  
30 Advocate. The fee shall be segregated and expended for  
31 employing outside consultants and paying other expenses to  
32 fulfill the requirements of this section. Any portion of  
33 the fee not expended shall be returned to the filer.

35 C. The public hearing shall be conducted no fewer than 30  
36 days and no more than 60 days from the date the responsive  
37 filing is determined complete by the superintendent, unless  
38 the superintendent extends these limits pursuant to section  
39 2363, subsection 6 in workers' compensation cases.

41 3. Orders. If, after such a hearing, the superintendent  
42 finds that the filing, rate, expense or premium level does not  
43 meet the requirements of this chapter, he the superintendent  
44 shall issue an a final order specifying in what respects he the  
45 superintendent finds that such the filing fails to meet the  
46 requirements of this chapter, or is unjust and unreasonable, and  
47 stating when, within a reasonable period thereafter, such the  
48 filing, rate, expense or premium level shall be changed, replaced  
49 or deemed determined no longer effective. Copies of the order  
50 shall be sent to the applicant and to every such insurer and  
51 rating organization. The order shall not affect any contract or

COMMITTEE AMENDMENT "A" to S.P. 590, L.D. 1652

1 policy made or issued prior to the expiration of the period set  
forth in the order.

3

Sec. 2. 24-A MRSA §2363, sub-§7-A is enacted to read:

5

7 7-A. Fee for servicing residual market. In every rate  
filing in which a rating bureau requests a rate adjustment, the  
superintendent shall take evidence on the issue of whether the  
fee for servicing the residual market is reasonable. Concurrent  
with the decision on the rate adjustment, the superintendent  
11 shall issue a decision on whether the fee is reasonable, taking  
into account the rate adjustment approved. If the superintendent  
13 determines that the fee is not reasonable, the superintendent  
shall order an adjustment to the fee, as necessary, to ensure  
15 that the fee is reasonable.

17

**FISCAL NOTE**

19 The Bureau of Insurance and the Office of the Public  
Advocate will be able to implement this legislation within  
21 existing budgeted resources.'

23

25

**STATEMENT OF FACT**

27 This amendment rewords the section of the bill requiring the  
Superintendent of Insurance to evaluate the reasonableness of  
29 the service carrier fee each time a rate adjustment is requested  
and the section of the bill authorizing the Public Advocate to  
31 file an application for a hearing on existing workers'  
compensation rates. This amendment also deletes the section of  
33 the bill limiting the service carrier fee to 20% of premiums.

Reported by Senator Theriault for the Committee on Banking  
and Insurance. Reproduced and Distributed Pursuant to  
Senate Rule 12.

(6/15/89)

(Filing No. S-302)