

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 202

S.P. 105

Received by the Secretary, January 28, 1991

Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 24.

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 BRAUN of Knox.

Cosponsored by Representative RICHARDS of Hampden, Representative MITCHELL of Vassalboro and Senator KANY of Kennebec.

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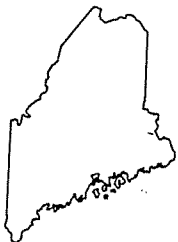
STATE OF MAINE

IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

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**An Act to Improve the Enforcement of the Maine Insurance Code.**

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

4 24-A MRSA §220, as amended by PL 1973, c. 585, §12, is  
repealed and the following enacted in its place:

6 §220. Investigation of violations

8 1. Discretionary investigations. In addition to  
10 examinations and investigations expressly authorized, the  
12 superintendent may conduct investigations of insurance matters as  
14 the superintendent considers proper upon reasonable cause to  
16 determine whether any person has violated any provision of this  
Title or to secure information useful in the lawful  
administration of any such provision. The cost of these  
investigations must be borne by the State.

18 2. Response to inquiries. All insurers and other persons  
20 required to be licensed pursuant to this Title shall respond to  
22 all lawful inquiries of the superintendent that relate to  
24 resolution of consumer complaints involving the licensee within  
26 14 days of receipt of the inquiry and to all other lawful  
inquiries of the superintendent within 30 days of receipt. If a  
substantive response can not in good faith be provided within the  
time period, the person required to respond shall so advise the  
superintendent and provide the reason for the inability to  
respond.

28  
30 STATEMENT OF FACT

32 This bill requires those persons subject to regulation by  
34 the Bureau of Insurance to reply promptly to lawful inquiries of  
36 the Superintendent of Insurance unless a good faith reason exists  
38 why a response can not be provided. Currently, the bureau's  
40 ability to process matters, particularly consumer complaints and  
42 inquiries, is impeded by the inability to obtain answers to  
inquiries quickly and efficiently. Although the necessary  
information may currently be obtained through either subpoena or  
formal examination of the licensee, those processes do not  
represent efficient allocation of limited state resources in many  
cases.

44 Failure to comply with the standards established by this  
46 bill would result in the levying of penalties by the  
48 Superintendent of Insurance as currently authorized pursuant to  
the Maine Revised Statutes, Title 24-A, section 12-A. Potential  
penalties range from reprimands to fines to license actions  
depending on the severity of the violations.

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