

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 813

S.P. 304

In Senate, February 26, 1991

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

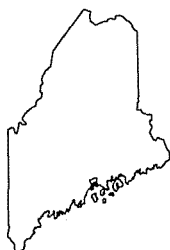
JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator THERIAULT of Aroostook
Cosponsored by Representative JOSEPH of Waterville and Representative MITCHELL of
Vassalboro.

STATE OF MAINE

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

An Act Concerning Insurance Cancellation Hearings.



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

2 Sec. 1. 24-A MRSA §2920, as amended by PL 1989, c. 172, §5,
4 is further amended to read:

6 **§2920. Hearing before superintendent**

8 Any named insured who has received a statement of reason for
cancellation, or of reason for an insurer's intent not to renew a
10 policy, may, within 30 days of the receipt of a statement of
reason, request a hearing before the Superintendent of Insurance.
12 The purpose of this hearing shall ~~be~~ is limited to establishing
the existence of the proof or evidence given by the insurer in
14 its reason for cancellation or intent not to renew. The burden of
proof of the reason for cancellation or intent not to renew shall
16 be is upon the insurer. The superintendent shall ~~have~~ has the
authority to order that a policy continue in effect both pending
18 and, if the superintendent finds in favor of the insured,
subsequent to a hearing. If the superintendent finds in favor of
20 the insurer at a hearing, the superintendent may order the policy
to remain in force for 14 days to allow the insured to obtain
22 other coverage. If the superintendent fails to issue a finding
within 30 days of a hearing, the policy is deemed canceled.
24 Acting in conformity with the Maine Administrative Procedure Act,
Title 5, chapter 375, subchapter II, the superintendent may adopt
26 rules for carrying out this section.

28 Sec. 2. 24-A MRSA §3054, as amended by PL 1989, c. 172, §8,
is further amended to read:

30 **§3054. Hearing before Superintendent of Insurance**

32 Any named insured who has received a statement of reason for
34 cancellation, or of reason for an insurer's intent not to renew a
policy, may, within 30 days of the receipt of a statement of
36 reason, request a hearing before the Superintendent of Insurance.
The purpose of this hearing shall ~~be~~ is limited to establishing
38 the existence of the proof or evidence used by the insurer in its
reason for cancellation or intent not to renew. The burden of
40 proof of the reason for cancellation or intent not to renew shall
be is upon the insurer. The superintendent shall adopt rules for
42 carrying out this section. The superintendent shall ~~have~~ has the
authority to order the policy to continue in effect both pending
44 and, if the superintendent finds in favor of the insured,
subsequent to a hearing. If the superintendent finds in favor of
46 the insurer at a hearing, the superintendent may order the policy
to remain in force for 14 days to allow the insured to obtain
48 other coverage. If the superintendent fails to issue a finding
within 30 days of a hearing, the policy is deemed canceled.

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STATEMENT OF FACT

6 There currently are no statutory or regulatory time limits
8 within which the Superintendent of Insurance must render a
10 decision in a cancellation hearing. This bill requires the
 superintendent to render a decision within 30 days of a hearing.
 If no decision is made within that time, the policy is deemed
 canceled.