

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1081

S.P. 405

Received by the Secretary, March 11, 1991

Referred to the Committee on Banking and Insurance and 1400 ordered printed pursuant to Joint Rule 14.

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

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator BRANNIGAN of Cumberland
Cosponsored by Representative MARSANO of Belfast.

STATE OF MAINE

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

An Act Regarding a 10% Rollback on Automobile Insurance Rates.

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

4 24-A MRS §2303-B is enacted to read:

6 §2303-B. Rate rollback

8 1. New filings required. All casualty and liability
10 insurers and providers of assigned risk and market assistance
12 plans issuing private passenger automobile insurance must file
14 for new rates for that insurance on or after May 1, 1992.

16 2. New rates. New rates must be at least 10% lower than
18 the rates in effect on January 1, 1991, must meet the
20 requirements of this subchapter and the superintendent and take
22 effect for all policies issued or renewed after July 1, 1992

24 3. Exception. Rates above the limit set in subsection 2
26 may be charged only if the superintendent has held a hearing,
28 made a finding that using the rates set by subsection 2 will
30 threaten the insurer with insolvency and approved the rate.

STATEMENT OF FACT

This bill requires a rate rollback for automobile insurance rates so that the rates are at least 10% less than they were on January 1, 1991. The effective date is July 1, 1992 with filings due from the insurers by May 1, 1992. An exception exists for insurers who are able to show the Superintendent of Insurance that they are threatened with insolvency by the rate rollback.