

# 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)



# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

---

Legislative Document

No. 1168

H.P. 814

House of Representatives, March 18, 1991

Submitted by 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 "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative GARLAND of Bangor.

Cosponsored by Senator THERIAULT of Aroostook and Representative KETOVER of Portland.

---

STATE OF MAINE

---

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

---

**An Act to Clarify the Status of Employee Benefit Excess Insurance.**

---



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

2  
3       Sec. 1. 24-A MRSA §707, sub-§1, ¶C-1 is enacted to read:

4           C-1. Employee benefit excess insurance. Insurance against  
5           unusually high obligations under an employee benefit plan at  
6           retention levels that do not have the effect of making the  
7           plan an insured plan;

8  
9  
10       Sec. 2. 24-A MRSA §707, sub-§3 is enacted to read:

11           3. An insurer other than a casualty insurer may transact  
12           employee benefit excess insurance only if that insurer is  
13           authorized to insure the class of risk assumed by the underlying  
14           benefit plan. Employee benefit excess insurance, even when  
15           written by a life and health insurer, is not subject to any  
16           provisions of this Title that by their terms apply only to life  
17           and health insurance. The superintendent may by rule set  
18           standards distinguishing excess insurance from basic insurance.

19  
20       Sec. 3. 24-A MRSA §1101, as amended by PL 1989, c. 846, Pt.  
21       B, §1, and affected by Pt. E, §4, is further amended to read:

22  
23       **§1101. Scope of chapter**

24           Except as provided in section 1137, this chapter applies  
25           only to domestic insurers that transact business other than as  
26           described in section 702, life insurance; section 703, annuity;  
27           or section 704, health insurance; or section 707, subsection 1,  
28           paragraph C-1, employee benefit excess insurance. If an insurer  
29           subject to this chapter also transacts life insurance, health  
30           insurance or an annuity business, that insurer shall, for  
31           accounting and financing purposes, establish and maintain  
32           distinct accounts dedicated exclusively to those kinds of  
33           insurance. The accounts must include reserves and surplus funds  
34           adequate to financially support the underwriting activity. All  
35           assets allocated to the conduct of life insurance, health  
36           insurance or annuity business are subject to chapter 13-A rather  
37           than this chapter. The books and records of an insurer writing  
38           these additional kinds of business must reflect the assets and  
39           operations relating to each underwriting activity in detail  
40           sufficient to demonstrate compliance with this chapter and  
41           chapter 13-A. If an insurer required to maintain separate  
42           accounts pursuant to this section also transacts employee benefit  
43           excess insurance, the insurer may elect to assign assets  
44           allocated to the conduct of employee benefit excess insurance to  
45           either account except when otherwise expressly provided by rule  
46           or statute.

47  
48  
49       Sec. 4. 24-A MRSA §1151, as repealed and replaced by PL 1989,  
50       c. 846, Pt. B, §8, and affected by Pt. E, §4, is further amended  
51       to read:  
52

