

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
116TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1092, L.D. 1470, Bill, "An Act to Establish a Risk-sharing Mechanism for Small Group Health Insurance Plans"

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 §2808-B, sub-§9 is enacted to read:

9. Reinsurance mechanism. Small group carriers, except nonprofit hospital and medical service organizations, may form a reinsurance pool for the purpose of reinsuring small group risks. This pool may not become operative until the superintendent has approved a plan of operation. The superintendent may approve a plan only after the superintendent determines that the plan is in the public interest and is consistent with this section. The participants in the plan of operation of the pool shall guarantee, without limitation, the solvency of the pool. That guarantee constitutes a permanent financial obligation of each participant on a pro rata basis.

FISCAL NOTE

The Bureau of Insurance may incur some minor additional costs to hold an additional public hearing relating to a plan for establishment of a risk pool for small group health insurers. These costs can be absorbed within the bureau's existing budgeted resources.'

**COMMITTEE AMENDMENT**

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**STATEMENT OF FACT**

This amendment changes the bill from a requirement that small group health insurers form a reinsurance pool to authorization for them to do so. The amendment eliminates the requirement that the reinsurance pool be prospective only. The amendment adds the requirement that the plan be determined to be in the public interest by the Superintendent of Insurance. The amendment also adds a fiscal note.

Reported by the Committee on Banking and Insurance  
Reproduced and distributed under the direction of the Clerk of the House  
5/27/93 (Filing No. H-464)