

MAINE STATE LEGISLATURE

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BANKING AND INSURANCE

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.F. 1231, L.D. 1684, Bill, "An Act to Consolidate Insurer Billing Procedures and to Streamline the Licensing Process for Reinsurance Intermediaries"

Amend the bill by inserting before the enacting clause:

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, insurers and the Bureau of Insurance may assume considerable expenses that may otherwise be avoided under the provisions contemplated by this legislation; and

Whereas, current provisions of the law result in significant inefficiencies within the Bureau of Insurance that may otherwise be streamlined with this legislation; and

Whereas, to implement these provisions immediately requires that this legislation be enacted as emergency legislation; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

2 Further amend the bill by inserting at the end before the
statement of fact the following:

4
6 'Sec. 9. 24-A MRSA §2916-C is enacted to read:

8 **§2916-C. Discontinuance of a line of business**

10 If an insurer files a plan with the superintendent to
12 discontinue business in a line of insurance subject to this
14 subchapter, the superintendent may authorize the nonrenewal of
16 policies in that line of business if the plan filed by the
18 insurer demonstrates the availability of equivalent replacement
20 policies for all policyholders at the same or lower rates. The
22 nonrenewal of a policyholder pursuant to this section may not be
24 considered by an insurer in future coverage determinations. An
26 insurer may resume transacting business in a line of insurance
28 discontinued pursuant to this section upon written notification
30 to the superintendent.

32 'Sec. 10. 24-A MRSA §3055-A is enacted to read:

34 **§3055-A. Discontinuance of a line of business**

36 If an insurer files a plan with the superintendent to
38 discontinue business in a line of insurance subject to this
40 subchapter, the superintendent may authorize the nonrenewal of
42 policies in that line of business if the plan filed by the
44 insurer demonstrates the availability of equivalent replacement
46 policies for all policyholders at the same or lower rates. The
48 nonrenewal of a policyholder pursuant to this section may not be
50 considered by an insurer in future coverage determinations. An
insurer may resume transacting business in a line of insurance
discontinued pursuant to this section upon written notification
to the superintendent.

'Emergency clause. In view of the emergency cited in the
preamble, this Act takes effect when approved.'

Further amend the bill by inserting at the end before the
statement of fact the following:

FISCAL NOTE

The Bureau of Insurance, within the Department of
Professional and Financial Regulation, will realize some minor
savings from a streamlined billing and licensing process for
reinsurance intermediaries.

Changing certain dates by which various fees are due will not have a significant effect on cash flow or interest earnings generated by bureau funds.

The Bureau of Insurance within the Department of Financial and Professional Regulation will incur some minor additional costs to approve certain discontinuance filings. These costs can be absorbed within the department's existing budgeted resources.'

STATEMENT OF FACT

This amendment modifies the Maine Automobile Insurance Cancellation Control Act and the Maine Property Insurance Cancellation Control Act to allow an insurer to discontinue business in these lines of insurance and to authorize nonrenewal of policies in those lines if the insurer provides a plan to the superintendent that demonstrates equivalent replacement coverage is available.

The amendment also adds an emergency preamble, emergency clause and a fiscal note to the bill.