



118th MAINE LEGISLATURE

FIRST SPECIAL SESSION-1997

Legislative Document

No. 1879

S.P. 657

In Senate, May 15, 1997

An Act Authorizing the Bureau of Insurance to Release Aggregate Ratios of Consumer Complaints to the Public

Reported by Senator LaFountain of York for the Joint Standing Committee on Banking and Insurance pursuant to Joint Order S.P. 645 and printed under Joint Rule 401.

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JOY J. O'BRIEN Secretary of the Senate

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

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Sec. 1. 24-A MRSA §216, sub-§2, as amended by PL 1989, c. 269, §5, is further amended to read:

б 2. All records of the bureau shall-be are subject to public inspection, except as otherwise expressly provided by law as to particular matters; and except that records, correspondence and 8 reports of investigation in connection with actual or claimed 10 violations of this Title or prosecution or disciplinary action therefor-shall-be for those violations are confidential. The confidential nature of any such record, correspondence or report 12 shall may not limit or affect use of the same by the 14 superintendent in any such prosecution or action. This subsection shall <u>does</u> not preclude participation the by 16 superintendent in the establishment of an interstate complaint handling system which that may involve the sharing of information with insurance regulatory officials in other jurisdictions and 18 with the National Association of Insurance Commissioners, 20 provided-that as long as the names of the complainant and insured This subsection does not preclude the remain confidential. dissemination of aggregate ratios of substantiated consumer 22 complaints to the public by the superintendent. Only complaints 24 received in writing are included in the calculation of the complaint ratio. A complaint received by electronic means is 26 considered a written complaint. A substantiated consumer complaint includes any matter in which the resolution results in a favorable outcome to the consumer, including, but not limited 28 to, the recovery of premium refunds, additional amounts paid on 30 claims or policy reinstatements. A matter in which the actions of an insurer are in violation of this Title is deemed a substantiated complaint. The superintendent shall adopt rules 32 necessary to define the method for calculating complaint ratios. 34 Rules adopted pursuant to this subsection are major substantive rules as defined in Title 5, chapter 375, subchapter II-A.

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Sec. 2. Rule-making authority. The Superintendent of Insurance has authority to adopt rules in accordance with the Maine Revised Statutes, Title 5, chapter 375 to implement Title 24-A, section 216, subsection 2, as amended by this Act. Such rules must be provisionally adopted and submitted to the Legislature for review as major substantive rules pursuant to Title 5, chapter 375, subchapter II-A no later than January 1, 1998.

FISCAL NOTE

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The Bureau of Insurance within the Department of Professional and Financial Regulation will incur some minor

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additional costs to adopt certain rules. These costs can be absorbed within the bureau's existing budgeted resources.

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SUMMARY

This bill authorizes the Superintendent of Insurance to make public aggegrate ratios of substantiated consumer complaints against insurance companies. Only those complaints determined by the Bureau of Insurance to be valid are included in the development of these ratios. The method for calculating the ratios must be established by rule. These rules are major substantive rules and must be submitted for legislative review no later than January 1, 1998.