

# 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)



# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

---

Legislative Document

No. 1499

---

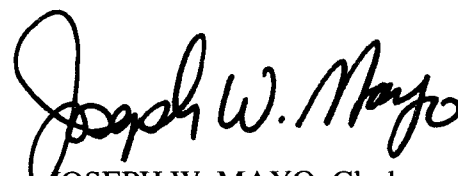
H.P. 1068

House of Representatives, February 25, 1999

**An Act Concerning the Regulation of Certain Commercial Contracts of Insurance.**

---

Reference to the Committee on Banking and Insurance suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative O'NEIL of Saco.

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

4 **Sec. 1. 24-A MRS §2412-A is enacted to read:**

6 **§2412-A. Large commercial contracts**

8 **1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.**

10 **A. "Contract of insurance" means a contract of insurance, as defined in section 3, that provides for property or casualty insurance coverages or a combination of property or casualty insurance.**

12 **B. "Large commercial policyholder" means a holder of a contract of insurance that is a corporation, partnership, trust, sole proprietorship or other business or public entity and that has certified that it meets at least 2 of the following criteria:**

14 **(1) Net worth of \$10,000,000;**

16 **(2) Net revenue or sales of \$5,000,000;**

18 **(3) More than 25 employees per individual company or more than 50 employees per holding company aggregate;**

20 **(4) Use of an employed or retained risk manager to procure insurance;**

22 **(5) Aggregate insurance premiums of \$25,000 excluding workers' compensation and medical malpractice liability;**

24 **(6) Nonprofit or public entity with an annual budget or assets of \$25,000,000 or more; and**

26 **(7) A municipality with a population of 20,000 or more.**

28 **2. Regulation of policy; establishing rates. This chapter, as it relates to the regulation of policy form and content and the filing, approval and fixing of establishing rates under chapter 25, subchapter I, does not apply to a contract of insurance issued to a large commercial policyholder.**

30 **3. Underwriting files. Notwithstanding subsection 2, an insurer issuing contracts of insurance to large commercial policyholders shall maintain underwriting files; premium, loss and expense statistics; and financial and other records with**

2 regard to such contracts that are subject to examination by the  
3 superintendent.

4

#### 5 **SUMMARY**

6

7 This bill provides additional flexibility to insurers of  
8 large commercial risks.