

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2001

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Legislative Document

No. 391

H.P. 313

House of Representatives, January 30, 2001

### **An Act to Expand the Mission of the Office of the Public Advocate.**

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

*Millicent M. MacFarland*

MILLICENT M. MacFARLAND, Clerk

Presented by Representative POVICH of Ellsworth.  
Cosponsored by Senator McALEVEY of York and  
Representatives: BROOKS of Winterport, COLLINS of Wells, COLWELL of Gardiner,  
PEAVEY of Woolwich, SHERMAN of Hodgdon, SULLIVAN of Biddeford, Senators:  
GAGNON of Kennebec, LaFOUNTAIN of York.

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

4 Sec. 1. 24-A MRSA c. 4 is enacted to read:

6 CHAPTER 4

8 PROTECTION OF CONSUMERS

10 SUBCHAPTER I

12 THE PUBLIC ADVOCATE

14 §301. Duties of Public Advocate to insurance consumers

16 In addition to those duties specified in section 2387-A, the  
18 duties and responsibilities of the Public Advocate are to  
represent public consumers of insurance services and products  
within the jurisdiction of the bureau.

20 §302. Review and recommendations

22 The Public Advocate may review, investigate and make  
24 appropriate recommendations to the superintendent regarding  
aspects of the insurance industry, including, but not limited to,  
26 the following:

28 1. Rates. The reasonableness of rates charged or proposed  
to be charged by any insurer;

30 2. Service. The reasonableness and adequacy of the service  
32 furnished or proposed to be furnished by any insurer;

34 3. Reduction or abandonment. Any proposal by an insurer to  
reduce or abandon service to the public;

36 4. Terms and conditions. Terms and conditions of insurers;

38 5. Mergers and consolidations. Mergers and consolidations  
40 of insurers;

42 6. Contracts. Contracts of insurers' affiliates or  
subsidiaries; and

44 7. Transactions. Securities, regulations and transactions  
46 of insurers.

48 §303. Intervention

50 The Public Advocate may intervene in any proceeding before  
the bureau related to the activities under section 302 when  
determined necessary by the Public Advocate.

2        **§304. Petition to initiate proceedings**

4            The Public Advocate may petition the bureau to initiate  
6 proceedings to review, investigate and take appropriate action  
with respect to the rates or service of any insurer when  
8 determined necessary by the Public Advocate.

10        **§305. Public complaints**

12           The Public Advocate may investigate complaints affecting the  
consumers of insurance generally, or particular groups of  
14 consumers, and when appropriate make recommendations to the  
bureau with respect to these complaints.

16        **§306. Intervention on behalf of public**

18           The Public Advocate may, on behalf of the public consumers  
of insurance services and products or any particular group of  
20 consumers, petition to initiate or intervene and appear in any  
proceedings before the bureau, appeals from orders of the  
22 superintendent or bureau or proceedings before state and federal  
agencies and courts in which the subject matter of the action  
24 affects the customers of any insurer doing business in this  
State, except that the Public Advocate may not intervene in any  
26 proceeding in which the bureau staff is representing a position  
substantially similar to that of the Public Advocate, as  
28 determined by the Public Advocate.

30        **§307. Annual report**

32           The Public Advocate shall prepare and submit an annual  
report of activities of the Public Advocate to the Governor and  
34 to the joint standing committee of the Legislature having  
jurisdiction over insurance matters by August 1st of each year,  
36 with copies available to all Legislators on request.

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**SUMMARY**

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42           This bill expands the duties of the Public Advocate to  
include oversight of the insurance industry by allowing the  
44 Public Advocate to review and make recommendations to the  
Superintendent of Insurance regarding insurance rates, policies  
and availability of products to Maine consumers. The Public  
46 Advocate also may intervene on behalf of a consumer or group of  
consumers of insurance products in any action before the Bureau  
48 of Insurance, other state or federal agencies or courts.