

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

SECOND REGULAR SESSION-2002

Legislative Document

No. 1976

H.P. 1475

House of Representatives, December 20, 2001

**An Act to Modify Investment-related Insurance Company Provisions of
the Maine Insurance Code.**

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 17, 2001. Referred to the Committee on Banking and Insurance pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative O'NEIL of Saco.

Cosponsored by Representatives: GLYNN of South Portland, MAYO of Bath, SMITH of Van Buren, SULLIVAN of Biddeford.

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

4 **Sec. 1. 24-A MRSA §1106, sub-§4,** as amended by PL 1993, c.
313, §21, is further amended to read:

6 **4.** Except as otherwise expressly provided, an insurer may
8 not invest more than 10% of its assets in the securities of any
one person, other than investments eligible under the following
sections:

10 A. 1107 (public obligations); and

12 B. 1108 (obligations, stock of certain federal and
14 international agencies); and

16 C. 1120 (common trust funds, mutual funds), but as to this
18 exception, only with the prior approval of the
superintendent and in qualifying indexed mutual funds.

20 **SUMMARY**

22 This bill permits property, casualty and nonlife insurers,
24 upon prior approval of the Superintendent of Insurance, to invest
more than 10% of their assets in qualifying indexed mutual funds
26 managed by one investment firm.