

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 772

H.P. 571

House of Representatives, February 18, 2003

An Act To Require Insurance Companies To Return 1% of Net Profits

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative GOODWIN of Pembroke.
Cosponsored by Representatives: CLARK of Millinocket, DUDLEY of Portland, DUPLESSIE of Westbrook.

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

4 **Sec. 1. 24-A MRSA §606** is enacted to read:

6 **§606. Return 1% of insurer profits**

8 Every insurance company or association that does business in
10 the State shall pay annually to the Fire Protection Services
12 Fund, established in Title 30-A, section 3158, an amount equal to
14 1% of the insurer's net profit on contracts written on risks
16 located or resident in this State.

18 **Sec. 2. 30-A MRSA §3158** is enacted to read:

20 **§3158. Fire Protection Services Fund**

22 **1. Fund established.** The Fire Protection Services Fund,
24 referred to in this section as "the fund," is created in the
26 State Treasury as a dedicated account for the support of
28 municipal fire protection.

30 **2. Deposits.** The Treasurer of State shall deposit into the
32 fund the income generated from insurer payments pursuant to Title
34 24-A, section 606 and such other amounts as may be expressly
36 required by law to be so credited. All income must be deposited
38 into the fund, which may not lapse but must be carried forward
40 from one fiscal year to the next.

42 **3. Expenditures.** The Treasurer of State shall equally
distribute the amount in the fund among municipalities that have
established municipal fire departments.

SUMMARY

This bill requires insurers doing business in this State to return 1% of their net profits to the State. The bill also requires that those funds be distributed equally among municipalities that have established a municipal fire department for fire protection services.