

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1051

H.P. 768

House of Representatives, February 26, 2003

An Act To Expand the Mission of the Public Advocate

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative BLISS of South Portland.
Cosponsored by Senator BROMLEY of Cumberland and
Representatives: CUMMINGS of Portland, DUDLEY of Portland, HUTTON of Bowdoinham.

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

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

6 **CHAPTER 4**

8 **PROTECTION OF CONSUMERS**

10 **§301. Duties of Public Advocate to insurance consumers**

12 In addition to those duties specified in section 2387-A, the
14 duties and responsibilities of the Public Advocate include
16 representing public consumers of insurance services and products
18 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
26 aspects of the insurance industry, including, but not limited to:

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

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

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

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

42 5. Mergers and consolidations. Mergers and consolidations
44 of insurers;

46 6. Contracts. Contracts of insurers' affiliates or
48 subsidiaries; and

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

§303. Intervention

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.

§304. Petition to initiate proceedings

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

6 **§305. Public complaints**

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

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

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

26 **§307. Annual report**

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

34 **Sec. 2. 24-A MRS §2382-C, sub-§7 is enacted to read:**

36 **7. Rate change filing fee.** An insurer filing for a rate
37 change under this chapter, in addition to any other fee specified
38 in this Title, shall pay to the superintendent at the time of
39 filing a filing fee of \$50,000, which the superintendent
40 immediately shall credit to the Public Advocate. The fee must be
41 segregated and expended for the purposes specified in chapter 4.
42 Any portion of the fee not expended for that purpose must be
43 returned to the insurer.

46 **SUMMARY**

48 This bill expands the duties of the Public Advocate to
49 include oversight of the insurance industry by allowing the
50

2 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
4 Advocate also may intervene on behalf of a consumer or group of
consumers of insurance products in any action before the Bureau
6 of Insurance, other state or federal agencies or courts.

8 This bill also imposes a filing fee of \$50,000 on an insurer
who files for a rate change to workers' compensation insurance or
10 employers' liability insurance written in connection with
workers' compensation insurance. The fee is dedicated to the
12 Public Advocate to fund the expanded duties as proposed in this
bill.