

# 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)

M

L.D. 1347

DATE: 5-13-03

(Filing No. S-155)

INSURANCE AND FINANCIAL SERVICES

Reported by:

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE
SENATE
121ST LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 438, L.D. 1347, Bill, "An Act To Clarify the Authority of the Attorney General To Seek Restitution and To Require the Superintendent of Insurance To Investigate Certain Insurance Practices"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 24-A MRSA §214, sub-§2, as amended by PL 1973, c. 585, §12, is further amended to read:

2. If the superintendent has reason to believe that any person has violated any provision of this Title, or of other law as applicable to insurance operations, for which criminal prosecution is provided and would be in order, he the superintendent shall give the information relative thereto to the Attorney General. The Attorney General shall promptly institute such action or proceedings, including, but not limited to, actions or proceedings to seek restitution, against such that person as in his the Attorney's General's opinion the information may require or justify.

Sec. 2. Report on insurance practices. The Superintendent of Insurance shall prepare a report that addresses the market conditions for property and casualty insurance in this State with a particular emphasis on homeowners' insurance and commercial insurance coverage for small businesses.

1. At a minimum, the report must include:

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to S.P. 438, L.D. 1347

- 2           A. An assessment of recent market trends in those lines of  
insurance;
- 4
- 6           B. The identification of problem areas or issues within the  
market for those lines of insurance and suggestions to  
address those areas or issues based on a review of other  
8           states' responses to similar issues;
- 10          C. The identification of specific trends within those lines  
of insurance related to:
- 12                   (1) Changes in policy forms;
- 14                   (2) Underwriting and rating practices;
- 16                   (3) Nonrenewal and cancellation hearings held before  
18                   the Bureau of Insurance; and
- 20                   (4) Complaints made to the Bureau of Insurance by type  
of insurance;
- 22
- 24          D. The identification and review of factors that are  
influencing underwriting and rating practices used by  
insurers in this State for those lines of insurance;
- 26
- 28          E. A summary of information gathered at public hearings; and
- 30          F. A suggested framework for ongoing data collection and  
market analysis for those lines of insurance.
- 32          2. In preparing the report, the Superintendent of Insurance  
shall use the following methodology.
- 34
- 36           A. The superintendent shall conduct 4 public hearings in  
different locations throughout the State. The purpose of  
the hearings is to provide an overview of the insurance  
38           market in this State, to gather public comment on problems  
and issues related to property and casualty insurance and to  
40           provide information relating to consumer assistance  
available from the Bureau of Insurance.
- 42
- 44           B. The superintendent may contract with outside consultants  
to assist with preparation of the report. If outside  
46           consultants are utilized, the costs must be absorbed within  
the Bureau of Insurance's existing budgeted resources.
- 48           C. To the extent possible, the superintendent shall review  
and analyze requests made to the Bureau of Insurance in  
50           2001, 2002 and 2003 for cancellation and nonrenewal hearings  
pursuant to the Maine Insurance Code.

2           3. The Superintendent of Insurance shall submit the report  
no later than January 5, 2004 to the Joint Standing Committee on  
4 Insurance and Financial Services. The committee may report out  
legislation to the Second Regular Session of the 121st  
6 Legislature to address issues related to the market conditions  
for property and casualty insurance.'

8

10

### SUMMARY

12

This amendment clarifies that, in those instances when the  
Superintendent of Insurance has notified the Attorney General of  
14 a violation of the insurance laws, the Attorney General is  
required to institute actions against the violator, including  
16 actions seeking restitution.

18

This amendment also requires the superintendent to prepare a  
report on market conditions and trends for property and casualty  
20 insurance in this State, particularly homeowners' insurance and  
commercial coverage for small businesses. The superintendent is  
22 required to hold 4 public hearings throughout the State. The  
amendment requires the superintendent to submit the report to the  
24 Joint Standing Committee on Insurance and Financial Services no  
later than January 5, 2004.

FISCAL NOTE REQUIRED  
(See attached)

**121st Maine Legislature  
Office of Fiscal and Program Review**



**LD 1347**

**An Act To Clarify the Authority of the Attorney General To Seek  
Restitution and To Require the Superintendent of Insurance To  
Investigate Certain Insurance Practices**

**LR 1313(02)**

**Fiscal Note for Bill as Amended by Committee Amendment *A.S-155*  
Committee: Insurance and Financial Services**

**Fiscal Note Required: Yes**

---

**Fiscal Note**

Minor cost increase - General Fund