

# 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)



# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

---

Legislative Document

No. 1347

S.P. 438

In Senate, March 12, 2003

---

**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**

---

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

A handwritten signature in cursive script, reading 'Joy J. O'Brien'.

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator TREAT of Kennebec.  
Cosponsored by Representative O'NEIL of Saco and  
Senators: BRENNAN of Cumberland, President DAGGETT of Kennebec, LaFOUNTAIN of  
York, MAYO of Sagadahoc, Representatives: DUDLEY of Portland, HUTTON of  
Bowdoinham, LEMOINE of Old Orchard Beach, MAILHOT of Lewiston.

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

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

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

16 **Sec. 2. Report on insurance practices.** The Superintendent of  
17 Insurance shall investigate and prepare a report analyzing  
18 changes made in underwriting standards, product design and  
19 benefit structure that affect the availability of health  
20 insurance products and personal or commercial insurance products  
21 available in this State. The report must encompass changes made  
22 from January 1, 2001 through June 30, 2003.

23 The report must include, without limitation:

24 1. A comparison of, and changes in, premium rates;  
25 coinsurance required; deductibles; and any other form of  
26 beneficiary cost sharing for each type of insurance package or  
27 category available;

28 2. Any changes, including increases, decreases or other  
29 modifications in benefit and claim packages offered during the  
30 time being examined;

31 3. Any additions or changes to underwriting criteria used  
32 in maintaining or determining coverage or eligibility or denying  
33 coverage, including, without limitation:

34 A. Credit screening or scoring;

35 B. Preexisting conditions;

36 C. Standards that result in the failure to meet insurance  
37 portability protections; and

38 D. Any other factors that influence eligibility for  
39 coverage; and  
40  
41  
42  
43  
44  
45  
46  
47  
48

2 4. A summary of telephone calls to a consumer assistance  
3 phone line maintained by the Department of Professional and  
4 Financial Regulation, Bureau of Insurance and the manner with  
5 which those calls were handled.

6 The superintendent may request any information required to  
7 complete the report required by this section, subject to the  
8 confidentiality provisions of the Maine Revised Statutes, Title  
9 24-A, section 216, subsection 5.

10 The superintendent shall submit the report and the Attorney  
11 General and the superintendent's recommendations no later than  
12 January 1, 2004 to the Attorney General and the Joint Standing  
13 Committee on Insurance and Financial Services. The committee may  
14 report out legislation to the Second Regular Session of the 121st  
15 Legislature necessary to implement the recommendations of the  
16 superintendent or to address other issues raised by the report.

18

20

## SUMMARY

22 This bill clarifies that, in those instances when the  
23 Superintendent of Insurance has notified the Attorney General of  
24 a violation of the insurance laws, the Attorney General is  
25 required to institute actions against the violator, including  
26 actions requiring restitution.

28 This bill also requires the superintendent to investigate  
29 and report on certain insurance practices, including changes made  
30 in underwriting standards, product design and benefit structure  
31 of health, life, personal and commercial insurance products. The  
32 superintendent is required to submit the report and any  
33 recommendations to the Attorney General and the Joint Standing  
34 Committee on Insurance and Financial Services.