

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.S.

L.D. 238

DATE:

3/23/05

(Filing No. H- 44)

INSURANCE AND FINANCIAL SERVICES

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 177, L.D. 238, Bill, "An Act To Amend the Insurance Code Regarding Discontinuance of a Line of Business"

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 §2916-C, as enacted by PL 1995, c. 544, §9, is amended to read:

§2916-C. Discontinuance of a line of business

If an insurer files a plan with the superintendent to discontinue business in a line of insurance subject to this subchapter, the superintendent may authorize the nonrenewal of policies in that line of business if the plan filed by the insurer demonstrates the availability of ~~equivalent-replacement policies--for--all--policyholders--at--the--same--or--lower--rates~~ substantially similar coverage in the admitted market. The nonrenewal of a policyholder pursuant to this section may not be considered by an insurer in future coverage determinations. An insurer may resume transacting business in a line of insurance discontinued pursuant to this section upon written notification to the superintendent.

Sec. 2. 24-A MRSA §3055-A, as enacted by PL 1995, c. 544, §10, is amended to read:

COMMITTEE AMENDMENT

§3055-A. Discontinuance of a line of business

2
4 If an insurer files a plan with the superintendent to
6 discontinue business in a line of insurance subject to this
8 subchapter, the superintendent may authorize the nonrenewal of
10 policies in that line of business if the plan filed by the
12 insurer demonstrates the availability of ~~equivalent-replacement~~
14 ~~policies--for--all--policyholders--at--the--same--or--lower--rates~~
substantially similar coverage in the admitted market. The
nonrenewal of a policyholder pursuant to this section may not be
considered by an insurer in future coverage determinations. An
insurer may resume transacting business in a line of insurance
discontinued pursuant to this section upon written notification
to the superintendent.'

16
18 **SUMMARY**

20 This amendment replaces the bill and allows the
22 Superintendent of Insurance to authorize an insurer to
discontinue a line of business if the insurer demonstrates the
availability of substantially similar coverage in the admitted
market.