

# MAINE STATE LEGISLATURE

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Date: 4/21/23

(Filing No. S- 38 )

**HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES**

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**STATE OF MAINE  
SENATE  
131ST LEGISLATURE  
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to S.P. 28, L.D. 36, "An Act to Make Corrections to the Maine Insurance Code"

Amend the bill in section 1 in subsection 2 in the 3rd line (page 1, line 6 in L.D.) by striking out the following: "14" and inserting the following: '14 10 business'

Amend the bill in section 1 in subsection 2 in the 5th line (page 1, line 8 in L.D.) by inserting after the following: "5" the following: 'business'

Amend the bill by striking out all of section 2 and inserting the following:

'Sec. 2. 24-A MRSA §1106, sub-§4, as amended by PL 2001, c. 524, §2, is further amended to read:

4. Except as otherwise expressly provided, an insurer may not invest more than 10% of its assets in the securities of any one person, other than investments eligible under the following sections:

A. 1107 (public obligations);

B. 1108 (obligations, stock of certain federal and international agencies); ~~and~~

C. 1120 (common trust funds, mutual funds), but as to this exception, only with the prior approval of the superintendent and only in index mutual funds in an amount up to 20% of the insurer's assets; ~~and~~

D. 1115 (stocks of subsidiaries), but only with the prior approval of the superintendent unless, with respect to investments in subsidiaries engaged in or organized to engage in the kinds of business in which the insurer may engage, the investments would not result in the aggregate net cost of the insurer's investments in all such subsidiaries exceeding 50% of its surplus as to policyholders. For the purposes of this paragraph, "net cost of the insurer's investment" means the sum of the total money or other consideration expended and obligations assumed in the acquisition or formation of a subsidiary, including all organizational expenses and contributions to capital and surplus of that subsidiary, and all amounts expended in acquiring additional common stock, preferred stock, debt obligations and other securities, and all contributions to the

**COMMITTEE AMENDMENT**





# 131st MAINE LEGISLATURE

LD 36

LR 145(02)

An Act to Make Corrections to the Maine Insurance Code

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-38)

Committee: Health Coverage, Insurance and Financial Services

Fiscal Note Required: Yes

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## Fiscal Note

Minor cost increase - Other Special Revenue Funds

### Fiscal Detail and Notes

Additional costs to the Department of Professional and Financial Regulation to implement the provisions in this bill are expected to be minor and can be absorbed within existing budgeted resources.