

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
113TH LEGISLATURE  
SECOND REGULAR SESSION



BILL SUMMARY  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE

MAY 1988

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**ONE HUNDRED AND THIRTEENTH LEGISLATURE  
FIRST & SECOND SPECIAL SESSIONS  
SECOND REGULAR SESSION**

**JOINT STANDING COMMITTEE  
BILL SUMMARIES  
MAY 1988**

*This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The summaries are arranged by LD number under each committee.*

*All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor for floor amendments. Final action is listed to the right of the title. If final House and Senate action differ, both are listed. Committee Reports and Floor Action are indicated as follows::*

<b>OTP</b>	<b>Ought to Pass</b>
<b>OTP-ND</b>	<b>Ought to Pass in New Draft</b>
<b>OTP-ND-NT</b>	<b>Ought to Pass in New Draft, New Title</b>
<b>OTP-A</b>	<b>Ought to Pass as Amended</b>
<b>ONTP</b>	<b>Ought Not to Pass</b>
<b>LVWD</b>	<b>Leave to Withdraw</b>
<b>INDEF PP</b>	<b>Indefinitely Postponed</b>

*Each individual summary was prepared by the analyst assigned, as noted for each committee. But, this document was produced by the efforts of all the office staff, including Secretaries: Charlene Brann, Janet Jean, Earl Knox, Valarie Parlin; Research Assistant Hartley Palleschi. Finally, Secretary Lorette Knox, Legal Assistant Carolyn Chick, and Research Assistant Robert Dunn had special responsibilities in the preparation of the overall document.*

*Please give us your suggestions and comments on these summaries and tell us of any inaccuracies.*

JOINT STANDING COMMITTEE ON BANKING & INSURANCE

**LD** An Act to Amend the Maine Business Corporation Act and the ND 2549  
**208** Maine Nonprofit Corporation Act to Enable Maine Stock and  
Nonstock Corporations to Adopt Limits on Director Liability  
and to Modernize Indemnification Provisions

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
MARTIN J PERKINS PARADIS E PRAY	OTP-ND-NT	

SUMMARY

Replaced By LD 2549

**LD** An Act Pertaining to the Establishment of Mandatory Risk- ND 2495  
**380** sharing Plans

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
STEVENS P RYDELL BUSTIN	OTP-ND-NT	

SUMMARY

Replaced By LD 2495

**LD** An Act to Provide Flexible Rating for Property and Casualty  
**621** Insurance LV/WD

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
BRANNIGAN MARTIN J BUSTIN	LV/WD	

SUMMARY

This bill establishes a flexible rating system for property and casualty insurance. Any increase or decrease in rates under 15% would be allowed upon filing and compliance with existing rules. If the proposed rate increase or decrease is 15% or greater, the superintendent must hold a hearing at which the insurance company must prove that the proposed rate is neither "excessive" nor "inadequate," as defined in the Maine Revised Statutes, Title 24-A, section 2336, but without reference to whether a "competitive market" exists.

This bill was carried-over from the 1st Regular Session of the 113th Legislature. The bill was given leave-to-withdraw during the 2nd Regular Session of the 113th Legislature.