

# 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)

STATE OF MAINE  
113TH LEGISLATURE  
SECOND REGULAR SESSION



BILL SUMMARY  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE

MAY 1988

MEMBERS

Sen. Raynold Theriault \*  
Sen. Beverly Miner Bustin  
Sen. Donald F. Collins

Rep. Charlene B. Rydell \*  
Rep. Phyllis R. Erwin  
Rep. Herbert E. Clark  
Rep. Carol M. Allen  
Rep. P. Kelley Simpson  
Rep. Richard H. C. Tracy  
Rep. John C. Bott  
Rep. Mary C. Webster  
Rep. Philip E. Curran  
Rep. Joseph A. Garland

\* Denotes Chair

Staff: Jeri Gautschi, Legal Analyst

Office of Policy & Legal Analysis  
Room 101, State House Sta. 13  
Augusta, ME 04333  
(207) 289-1670

EN T. GINDER, DIRECTOR  
EN WHITESIDE, DEP. DIRECTOR  
ERT W. BREWER  
D C. ELLIOTT  
) FLATEBO  
THA E. FREEMAN, SR. ATTY.  
B. GAUTSCHI  
LIAM T. GLIDDEN, JR.



STATE OF MAINE  
**OFFICE OF POLICY AND LEGAL ANALYSIS**

ROOM 101/107/135  
STATE HOUSE STATION 13  
AUGUSTA, MAINE 04333  
TEL.: (207) 289-1670

JULIE S. JONES  
JOHN B. KNOX  
EDWARD POTTER  
MARGARET J. REINSCH  
LARS H. RYDELL  
JOHN R. SELSER  
CAROLYN J. CHICK, PARALEGAL  
ROBERT W. DUNN, RES. ASST.  
HARTLEY PALLESCHI, JR. RES. ASST.

**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 Laurette 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.*

LD An Act Concerning the Workers' Compensation Rate-setting  
642 Authority of the Superintendent of Insurance LV/WD

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
FOSS	LV/WD	
ARMSTRONG		
GARLAND		
COLLINS		

SUMMARY

This bill removes provisions which set maximum rates for workers' compensation and returns the entire rate-making process to the Superintendent of Insurance. The standards which the superintendent must use in approving or disapproving rates remain in the law.

This bill also removes the requirement that the superintendent report to the Legislature by May 1, 1987, regarding savings realized by other amendments which related to the purpose of the Maine Revised Statutes, Title 24-A, section 2355.

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.

LD An Act to Amend the Workers' Compensation Rating Laws  
724 LV/WD

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
ARMSTRONG	LV/WD	

SUMMARY

This bill repeals the current Workers' Compensation Competitive Rating Act and enacts a residual market rating law which is similar to the 1979 law. The bill allows a rating bureau to file rates on behalf of its members. It retains the 2-tier residual market mechanism and the function of the Public Advocate from current law. Rate filings are subject to approval by the Superintendent of Insurance using the standards "just and reasonable" and "not excessive, inadequate, or unfairly discriminatory".

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.