# 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

### ONE HUNDRED AND THIRTEENTH LEGISLATURE FIRST REGULAR SESSION

#### JOINT STANDING COMMITTEE ON

BANKING AND INSURANCE

BILL SUMMARY



JUNE 1987

#### PREPARED BY:

Jeri Gautschi, Legislative Analyst

OFFICE OF POLICY AND LEGAL ANALYSIS
STATE HOUSE, STATION 13 AUGUSTA, MAINE 04333
(207) 289-1670

HELEN T. GINDER, DIRECTOR
HAVEN WHITESIDE, DEP. DIRECTOR
GILBERT W. BREWER
DAVID C. ELLIOTT
GRO FLATEBO
MARTHA E. FREEMAN, SR. ATTY.
JERI B. GAUTSCHI
CHRISTOS GIANOPOULOS
WILLIAM T. GLIDDEN, JR.



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.
KATHRYN VAN NOTE, RES. ASST.

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

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

## ONE HUNDRED AND THIRTEENTH LEGISLATURE FIRST REGULAR SESSION

JOINT STANDING COMMITTEE BILL SUMMARIES JUNE 1987

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.

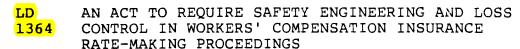
All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor if it is a floor amendment or the designation "COMMITTEE" if it is a committee amendment.

Final action for each bill is listed to the right of the title. If final House action and Senate action differ, both are listed.

Please let us know if you would prefer a different format or additional information and if the summaries are helpful.

Key to Committee Reports and Floor Action:

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



PL 1987 c. 206

Sponsor: MARTIN, J., Ruhlin, Rydell, Dutremble, D. Committee Report: OTP

SUMMARY: This bill requires the Superintendent of Insurance to consider the "adequacy and effect" of measures taken to contain costs in workers' compensation rate proceedings.

LD AN ACT TO STRENGTHEN RATE-MAKING PROVISIONS FOR CARRY-OVER 1365 WORKERS' COMPENSATION INSURANCE

Sponsor: MARTIN, J., Clark, N., Bustin, Rydell Committee Report: CARRY-OVER

SUMMARY: This bill requires an actuary in the Bureau of Insurance, rather than the Superintendent as required in current law, to issue an annual report detailing the state of competition in the workers' compensation insurance market. This bill requires that this report go to any advisory organization requesting it and the Public Advocate in addition to those already listed in current law. Under the bill the Public Advocate and any advisory organization may request a hearing to review the report.

The bill also adds two new standards based on prior experience and competitive market rates for similar coverages to be used to determine if rates are excessive. Under this bill the standard using subsidization of Safety Pool loss experience is repealed.

The bill also adds an additional filing requirement for assigned risk plan rate filings and filings required of insurers in a non-competitive market. This new requirement is a report of the number of claims closed in the previous year, those claims settled where the reserve at any time exceeded \$10,000, and the difference between the total loss paid and that reserve.

Office of Policy and Legal Analysis ......page 29 Banking and Insurance