

# 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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\* Denotes Chair

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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 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 to Strengthen Rate-making Provisions for Workers'  
**1365** Compensation Insurance

LV/WD

SPONSOR(S)  
MARTIN J  
CLARK N  
BUSTIN  
RYDELL

COMMITTEE REPORT  
LV/WD

AMENDMENTS ADOPTED

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.

This 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.

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 Establish an Insurance Commission  
1556

LV/WD

SPONSOR(S)  
MARTIN J  
RYDELL  
THERIAULT  
BUSTIN

COMMITTEE REPORT  
LV/WD

AMENDMENTS ADOPTED

SUMMARY

This bill establishes a 3-member Insurance Commission which replaces the Superintendent of Insurance. This bill was the subject of an interim study and was carried-over from the 1st Regular Session to the 2nd Regular Session of the 113th Legislature. The bill was given leave-to-withdraw during the 2nd Regular Session of the 113th Legislature.