

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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Staff: Jeri Gautschi, Legal Analyst

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

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STATE OF MAINE
OFFICE OF POLICY AND LEGAL ANALYSIS

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

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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::

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
ONTTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

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.

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.