

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
114TH LEGISLATURE  
FIRST REGULAR SESSION**



**BILL SUMMARY  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE  
JULY 1989**

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**Sen. Beverly Miner Bustin**  
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**\* Denotes Chair**

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ONE HUNDRED AND FOURTEENTH LEGISLATURE  
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE  
BILL SUMMARIES  
AUGUST 1989

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 for 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 abbreviated 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
ONTP	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 Research Assistant Barbara McGinn, and secretaries: Charlene Brann, and Valarie Parlin, and especially Laurette Knox who coordinated preparation of the overall document.

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

The amendment also rewords the current law prohibiting the making of a life or health insurance contract without the consent of the insured person, and clarifies that consent must be obtained for individual or group policies issued to corporations, as permitted by the bill. Group contracts are generally excluded from the consent requirement.

**LD 593      An Act to Require Notice of Termination of Policies Issued  
under an Assigned Risk Plan**

**PUBLIC 354**

SPONSOR(S)

STEVENS P  
GARLAND  
BUSTIN  
ALLEN

COMMITTEE REPORT

OTP-AM

AMENDMENTS ADOPTED

H-376

SUMMARY

Under 24-A MRSA §2325, all motor vehicle insurers doing business in the State must participate in an assigned risk pool. The plan for distribution of risks, the rates, limits of liability and appeals must be prepared by the insurers and approved by the superintendent of insurance. The Automobile Insurance Cancellation Control Act (24-A MRSA §2911 ff) provides due process, but assigned risk policies are exempted. The bill would put assigned risks under the Cancellation Control Act, and require 2 weeks written notice.

CA (H-376) The amendment replaces the bill and simply provides final notice if the premium for renewal has not been received 15 days prior to the expiration date of an assigned risk motor vehicle insurance policy.

**LD 625      An Act to Increase the Office of the Public Advocate's  
Involvement in Insurance Rating**

**LV/WD**

SPONSOR(S)

RYDELL  
BUSTIN  
MAYO  
ANDREWS

COMMITTEE REPORT

LV/WD

AMENDMENTS ADOPTED

SUMMARY

The bill authorizes the Public Advocate to participate in any rate proceeding held by the Bureau of Insurance under chapter 25 of Title 24-A. That chapter governs rate proceedings for property and casualty insurance. The bill permits the Public Advocate to assess insurance companies, rating organizations and advisory organizations involved in the proceeding for the expenses of counsel, experts and assistants employed by him or her in the proceeding when the Public Advocate represents the public interest in a proceeding. The bill also authorizes the Public Advocate to initiate a proceeding when he or she determines that a discontinuance or change in a service or rate for a product or service is in the public interest.