

# MAINE STATE LEGISLATURE

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



**BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE**

**JUNE 1990**

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**One Hundred and Fourteenth Legislature  
Second Regular Session**

**Joint Standing Committee  
Bill Summaries**

**June 1990**

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. Committee Reports and Floor Action are abbreviated as follows:

OTP  
OTP-ND  
OTP-ND-NT  
OTP-A  
ONTP  
LVWD  
INDEF PP

Ought to Pass  
Ought to Pass in New Draft  
Ought to Pass in New Draft, New Title  
Ought to Pass as Amended  
Ought Not to Pass  
Leave to Withdraw  
Indefinitely Postponed

Each individual summary was prepared by the analyst or analysts assigned to the committee. But, this document was produced by the efforts of all the office staff, including secretaries: Charlene Raymond, 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 original bill would have permitted domestic insurance companies to issue stock other than common stock, such as convertible preferred stock, but this provision was deleted.

**LD 1820      An Act Requiring the Availability of Insurance Loss  
Information**

**PUBLIC 696**

**SPONSOR(S)**  
TARDY

**COMMITTEE REPORT**  
OTP-AM

**AMENDMENTS ADOPTED**  
H-800

**SUMMARY**

The bill would require insurance companies to respond within 15 days to a written request for loss information from an insured.

The Committee Amendment (H-800) replaces the bill, requires property and casualty insurers to provide loss information to an insured upon request within 30 days of receipt of the request; and prohibits cancellation of a policy for nonpayment of premium until that loss information has been supplied. The amendment also deletes any reference to health insurance.

**LD 1832      Resolve, to Investigate the Formation of an Interstate  
Insurance Compact**

**LV/WD**

**SPONSOR(S)**  
PRAY  
THERIAULT  
BUSTIN  
ALLEN

**COMMITTEE REPORT**  
LV/WD

**AMENDMENTS ADOPTED**

**SUMMARY**

The resolve would have required the Commission on Interstate Cooperation to investigate whether Maine should join with other states to form an interstate insurance compact. The purpose of the compact would have been to reduce insurance costs and assure availability of certain kinds of insurance.

**LD 1843      An Act to Require the Superintendent of Insurance to Review  
the Requirements for a Certificate of Authority for Certain  
Captive Medical Malpractice Insurers**

**P & S 128  
EMERGENCY**

**SPONSOR(S)**  
PRAY  
BALDACCI  
PEDERSON  
STEVENS P

**COMMITTEE REPORT**  
ONTP      MAJ  
OTP      MIN

**AMENDMENTS ADOPTED**  
S-689    CONF COMM AMEND

**SUMMARY**

LD 1843 would exempt non-United States "captive" insurers from the requirement to obtain a certificate of authority to transact insurance in Maine, but only to the extent that the captive insures the medical malpractice risks of its parent or affiliates.

A Senate Amendment that was not adopted (S-625) would have permitted a domestic captive insurer to obtain a limited certificate of authority to transact certain medical malpractice insurance in Maine, without having to comply with capital and other requirements imposed on insurers. The amendment would only apply to a domestic insurer wholly owned by a domestic hospital or hospital holding company with net worth of \$50,000,000, and only if all risk assumed by the captive insurer is fully reinsured by domestic or