

# 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  
115TH LEGISLATURE**

**FIRST REGULAR SESSION  
AND  
FIRST SPECIAL SESSION**

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

**AUGUST 1991**

**MEMBERS:**

*\*Sen. Judy C. Kany  
Sen. Raynold Theriault  
Sen. Linda Curtis Brawn*

*\*Rep. Elizabeth H. Mitchell  
Rep. Phyllis R. Erwin  
Rep. Richard H. C. Tracy  
Rep. Harriet A. Ketover  
Rep. Ruth Joseph  
Rep. Anne M. Rand  
Rep. Edward L. Pineau  
Rep. Joseph A. Garland  
Rep. Peter Hastings  
Rep. Joseph G. Carleton*

**Staff:**

*Jane Orbeton, Legislative Analyst*

*Office of Policy and Legal Analysis  
Room 101, State House Station 13  
Augusta, ME 04333  
(207) 289-1670*

*\*Denotes Chair*

MARTHA E. FREEMAN, DIRECTOR  
WILLIAM T. GLIDDEN, JR., PRINCIPAL ANALYST  
ULIE S. JONES, PRINCIPAL ANALYST  
DAVID C. ELLIOTT, PRINCIPAL ANALYST  
DON CLARK  
DYAN M. DYTTER  
BRO FLATEBO  
DEBORAH C. FRIEDMAN  
MICHAEL D. HIGGINS  
KANE ORBETON



STATE OF MAINE  
OFFICE OF POLICY AND LEGAL ANALYSIS  
ROOM 101/107/135  
STATE HOUSE STATION 13  
AUGUSTA, MAINE 04333  
TEL.: (207) 289-1670

KAREN L. HRUBY  
JILL IPPOLITI  
JOHN B. KNOX  
PATRICK NORTON  
MARGARET J. REINSCH  
PAUL J. SAUCIER  
HAVEN WHITESIDE  
MILA M. DWELLEY, RES. ASST.  
ROY W. LENARDSON, RES. ASST.  
BRET A. PRESTON, RES. ASST.

**ONE HUNDRED AND FIFTEENTH LEGISLATURE  
FIRST REGULAR SESSION  
AND  
FIRST SPECIAL SESSION  
JOINT STANDING COMMITTEE  
BILL SUMMARIES  
AUGUST 1991**

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 volume is organized alphabetically by committee; within each committee, the summaries are arranged by LD number. A subject index is provided at the beginning of each committee's summaries.

All adopted amendments are listed, by paper number (e.g., H - 584 or S - 222), together with the sponsor for floor amendments. Final action on each bill is listed to the right of the title. Various types of final action are abbreviated as follows:

<b>PUBLIC XXX</b>	<i>Chapter # of enacted Public Law</i>
<b>P&amp;S XXX</b>	<i>Chapter # of enacted Private &amp; Special Law</i>
<b>RESOLVE XXX</b>	<i>Chapter # of enacted Resolve</i>
<b>CON RES XXX</b>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<b>EMERGENCY</b>	<i>Enacted law takes effect sooner than 90 days</i>
<b>CARRIED OVER</b>	<i>Bill carried over to 2nd Session</i>
<b>FAILED EMERGENCY ENACTMENT</b>	<i>Bill failed to get 2/3 vote</i>
<b>ONTP</b>	<i>Ought Not to Pass report accepted</i>
<b>LVWD</b>	<i>Leave to Withdraw report accepted</i>
<b>INDEF PP</b>	<i>Bill Indefinitely Postponed</i>
<b>DIED BETWEEN BODIES</b>	<i>House &amp; Senate disagree; bill died</i>
<b>VETO SUSTAINED</b>	<i>Legislature failed to override Governor's Veto</i>
<b>UNSIGNED</b>	<i>Not signed by Governor within 10 days</i>
<b>DIED ON ADJOURNMENT</b>	<i>Action incomplete when 1st session ended</i>

These summaries were 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.

If you have any suggestions or comments on these summaries, please let us know.

security deposit or surety bond with the Treasurer of State to be an approved self-insurer. Under certain circumstances the amount of a deposit may be as small as \$100,000 even though the self-insured obligations of the employer are substantially greater.

This bill removes the current qualification standards by which a self-insurer may make a limited security deposit and requires the Superintendent of Insurance to adopt rules with new standards. Those standards must take into account the financing ability of the employer, the probability of exposure to high-level losses and the self-insurer's financial strength.

**LD 1242      An Act to Authorize the Town of Casco to Operate Amusement      LV/WD**  
**Devices without Requiring Proof of Insurance**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
SIMPSON TITCOMB	LV/WD	

**SUMMARY**

This bill authorizes the Town of Casco to operate amusement devices without presenting the Commissioner of Public Safety with proof of liability insurance.

**LD 1247      An Act to Amend Certain Provisions of the Insurance Code      PUBLIC 298**  
**Involving the Powers of the Superintendent**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
CARLETON BUSTIN MITCHELL E BRAWN	OTP-AM	H-315

**SUMMARY**

Currently, the Maine Insurance Code does not provide a procedure to protect consumers in emergency situations when injury is likely to result or when persons are engaging in unlicensed insurance activity. The Maine Revised Statutes, Title 24-A, section 12-A, subsection 2 requires that insurers and agents be given the opportunity for a hearing prior to issuance of a cease and desist order. This bill amends the law to allow the Superintendent of Insurance to issue preliminary cease and desist orders ex parte, upon a showing by the complaining party that a person is engaging in unlicensed practices or is engaging in activity that is likely to cause public injury, with provision for immediate review at a hearing. The bill also makes cease and desist orders effective when issued, unless the superintendent or the court finds cause to delay the effective date, such as when the validity of the order depends on an unsettled question of law and an appeal is pending.

Title 24-A, section 1539 now gives the Superintendent of Insurance, rather than the Administrative Court, initial jurisdiction in actions for license suspension. When Title 24-A, section 1539 was amended in 1989, however, Title 24-A, section 1540, which provides that the effective date and duration of a license suspension are set by the Administrative Court, was inadvertently left in place. Thus, a law change that was intended to streamline the disciplinary process instead seemingly ordered a bifurcated hearing in 2 different forums in all license suspension actions. This bill makes these other archaic and inconsistent sections consistent with other enforcement provisions of the code and clarifies certain ambiguous language. In addition, the Unauthorized Insurers False Advertising Act, which duplicates a parallel provision in the unfair and deceptive practice laws, is replaced by a provision clarifying the general applicability of the unfair and deceptive practice laws to unauthorized as well as authorized insurers.

The Committee Amendment "A" (H-315) establishes a hearing process for the issuance of cease and desist