

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Protect Consumers in the Insurance Industry

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 24-A MRSA c. 4 is enacted to read:

CHAPTER 4

protection of consumers

§ 301. Duties of Public Advocate to insurance consumers

In addition to those duties specified in section 2387-A, the duties and responsibilities of the Public Advocate include representing public consumers of insurance services and products within the jurisdiction of the bureau.

§ 302. Review and recommendations

The Public Advocate may review, investigate and make appropriate recommendations to the superintendent regarding aspects of the insurance industry, including, but not limited to:

- 1. Rates.** The reasonableness of rates charged or proposed to be charged by any insurer;
- 2. Service.** The reasonableness and adequacy of the service furnished or proposed to be furnished by any insurer;
- 3. Reduction or abandonment.** Any proposal by an insurer to reduce or abandon service to the public;
- 4. Terms and conditions.** Terms and conditions of insurers;
- 5. Mergers and consolidations.** Mergers and consolidations of insurers;
- 6. Contracts.** Contracts of insurers' affiliates or subsidiaries; and
- 7. Transactions.** Securities, regulations and transactions of insurers.

§ 303. Intervention

The Public Advocate may intervene in any proceeding before the bureau related to the activities under section 302 when determined necessary by the Public Advocate.

§ 304. Petition to initiate proceedings

The Public Advocate may petition the bureau to initiate proceedings to review, investigate and take appropriate action with respect to the rates or service of any insurer when determined necessary by the Public Advocate.

§ 305. Public complaints

The Public Advocate may investigate complaints affecting the consumers of insurance generally, or particular groups of consumers, and when appropriate make recommendations to the bureau with respect to these complaints.

§ 306. Intervention on behalf of public

The Public Advocate may, on behalf of the public consumers of insurance services and products or any particular group of consumers, petition to initiate or intervene and appear in any proceedings before the bureau, appeals from orders of the superintendent or bureau or proceedings before state and federal agencies and courts in which the subject matter of the action affects the customers of any insurer doing business in this State, except that the Public Advocate may not intervene in any proceeding in which the bureau staff is representing a position substantially similar to that of the Public Advocate, as determined by the Public Advocate.

§ 307. Annual report

The Public Advocate shall prepare and submit an annual report of activities of the Public Advocate pursuant to this chapter to the Governor and to the joint standing committee of the Legislature having jurisdiction over insurance matters by August 1st of each year, with copies available to all Legislators on request.

Sec. 2. 24-A MRS §2382-C, sub-§7 is enacted to read:

7. Rate change filing fee. An insurer filing for a rate change under this chapter, in addition to any other fee specified in this Title, shall pay to the superintendent at the time of filing a filing fee of \$50,000, which the superintendent immediately shall credit to the Public Advocate. The Public Advocate shall segregate the funds received pursuant to this subsection and expend those funds for the purposes specified in chapter 4. Any portion of the fee not expended for that purpose must be returned to the insurer.

SUMMARY

This bill expands the duties of the public advocate to include oversight of the insurance industry by allowing the Public Advocate to review and make recommendations to the Superintendent of Insurance regarding insurance rates, policies and availability of products to Maine consumers. The Public Advocate also may intervene on behalf of a consumer or group of consumers of insurance products in any action before the Department of Professional and Financial Regulation, Bureau of Insurance, other state or federal agencies or courts.

This bill also imposes a filing fee of \$50,000 on an insurer who files for a rate change to workers' compensation insurance or employers' liability insurance written in connection with workers'

compensation insurance. The fee is dedicated to the Public Advocate to fund the expanded duties as proposed in this bill.