

October 7, 2009

Honorable Lawrence Bliss  
Senate Chair, Joint Standing Committee  
on Judiciary  
State House  
Augusta, ME 04333

Honorable Charles R. Priest  
House Chair, Joint Standing Committee  
on Judiciary  
State House  
Augusta, ME 04333

Re: Committee Review of P.L.2009, c. 230

Dear Senator Bliss and Representative Priest:

These comments are submitted on behalf of the American Insurance Association (“AIA”) and Property Casualty Insurers Association of America (“PCI”). AIA and PCI members represent the large majority of insurers authorized to write property casualty insurance in the State of Maine. AIA and PCI adopt the position which has been submitted on behalf of a number of organizations in relation to the constitutionality of P.L. c. 230. In short, it is clear that this statute is unconstitutional as well as overbroad.

Public Law c. 230 carries significant consequences to the insurance industry and to minors in the State of Maine. Minors are affected by a variety of property and casualty insurances, including homeowners, inland marine and automobile insurance. For example, when a minor seeks to obtain an automobile insurance policy, which is required under state law, information may pass between affiliates in an insurance group. In this way the price and coverages most appropriate for minors is secured. Agents, who are trained in making judgments about what a minor requires for coverage, are “marketing” if they simply send applications to insurers. Also, insurers check with the Department of Motor Vehicles and other state agencies to confirm drivers’ records and licensure status in order to determine the appropriate premium. By way of another example, most automobiles insurers offer safe driver, driver’s education and student discounts to minors. This requires verification of the pertinent status. AIA and PCI believe it is not in the interests of minors to have the availability of insurance coverage and insurance options, including discounts, severely circumscribed or removed from minors.

In addition, insurance is regulated by Maine’s Superintendent of Insurance. This is an entire agency dedicated exclusively to the regulation of insurance. The Insurance Code has its own Unfair Trade Practices Act (24-A M.R.S.A. ch. 25), so duplicating these rights in Maine’s Unfair Trade Practices Act is not only unnecessary, it will confuse application of the two statutes. In addition, the Bureau of Insurance has its own comprehensive Insurance Information and Privacy Protection Act, (24-A M.R.S.A. ch. 24, §§ 2201-2200).

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AIA and PCI respectfully request that the Committee submit legislation to repeal P.L. 2009, c. 230 with the proviso that the Legislature revisit the issue this session to enact legislation which excludes insurance, which is already thoroughly regulated.

Respectfully submitted,



Bruce C. Gerrity

BCG/ryp