

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
ONE HUNDRED AND THIRTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON
BANKING AND INSURANCE
BILL SUMMARY



JUNE 1987

PREPARED BY:

Jeri Gautschi, Legislative Analyst

OFFICE OF POLICY AND LEGAL ANALYSIS
STATE HOUSE, STATION 13 AUGUSTA, MAINE 04333
(207) 289-1670

HELEN T. GINDER, DIRECTOR
HAVEN WHITESIDE, DEP. DIRECTOR
GILBERT W. BREWER
DAVID C. ELLIOTT
GRO FLATEBO
MARTHA E. FREEMAN, SR. ATTY.
JERI B. GAUTSCHI
CHRISTOS GIANOPOULOS
WILLIAM T. GLIDDEN, JR.



STATE OF MAINE
OFFICE OF POLICY AND LEGAL ANALYSIS

ROOM 101/107
STATE HOUSE STATION 13
AUGUSTA, MAINE 04333
TEL.: (207) 289-1670

JULIE S. JONES
JOHN B. KNOX
EDWARD POTTER
MARGARET J. REINSCH
LARS H. RYDELL
JOHN R. SELSER
CAROLYN J. CHICK, PARALEGAL
ROBERT W. DUNN, RES. ASST.
HARTLEY PALLESCHI, JR., RES. ASST.
KATHRYN VAN NOTE, RES. ASST.

ONE HUNDRED AND THIRTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
JUNE 1987

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 under each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor if it is a floor amendment or the designation "COMMITTEE" if it is a committee amendment.

Final action for each bill is listed to the right of the title. If final House action and Senate action differ, both are listed.

Please let us know if you would prefer a different format or additional information and if the summaries are helpful.

Key to Committee Reports and Floor Action:

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

Sponsor: ARMSTRONG
Committee Report: OTP-AM
Amendments Adopted:
H-30 COMMITTEE

SUMMARY: The Preferred Provider Arrangement Act was passed in the Second Regular Session of the 112th Legislature (LD 2290). A provision in that bill set the level for reimbursement for nonpreferred providers at 80% of the amount that would have been paid to a preferred provider. The intent was to have a 20% differential between the two. It became clear after that legislation passed that the language of that law created unintentional results. Insurance plans that did not pay 100% to preferred providers had the result of payments to nonpreferred providers dropping below the 80% level required by law even though a 20% differential remained. This bill corrects this problem by tying the reimbursement level to the covered charge for services rather than to the amount paid to the preferred provider.

Committee Amendment A (H-30) clarifies that the differential is to be tied to the reasonable and customary charge of a service and not to any negotiated rate of a preferred provider.

Sponsor: LAPOINTE
Committee Report: LVWD

SUMMARY: This bill requires any owner of a motor vehicle to show proof of liability insurance at the time of registration in the amounts now required under the financial responsibility law for persons causing an accident. The bill also contains a provision for self-insurance subject to approval by the Secretary of State. The penalty for a violation is \$100 and a license suspension of up to 3 months.

This is one of 5 bills in this session requiring motor vehicle liability insurance. Four of these bills were withdrawn and one was rewritten. See also LD 1798.