

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
116TH LEGISLATURE

FIRST REGULAR SESSION

BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE

JULY 1993

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**ONE HUNDRED AND SIXTEENTH LEGISLATURE  
FIRST REGULAR SESSION**

**JOINT STANDING COMMITTEE  
BILL SUMMARIES**

**JULY 1993**

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.

The committee report or reports, the prime sponsor for each bill and the lead co-sponsor in each house if one has been designated are listed below each bill title. 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:

<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>P&amp;S XXX</i>	<i>Chapter # of enacted Private &amp; Special Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of enacted Resolve</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>CARRIED OVER</i>	<i>Bill carried over to Second Session</i>
<i>ONTP</i>	<i>Ought Not to Pass report accepted</i>
<i>ENACTMENT FAILED</i>	<i>Bill failed to get majority vote</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>FAILED EMERGENCY ENACTMENT</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>DIED BETWEEN BODIES</i>	<i>House &amp; Senate disagree; bill died</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference formed but unable to agree</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>
<i>UNSIGNED</i>	<i>Not signed by Governor within 10 days</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</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.

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

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**LD 504**      **An Act to Encourage Small Businesses to Provide Health Insurance to Employees**      ONTP

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
BRUNO	ONTP	

**SUMMARY**

This bill permits insurers like Blue Cross Blue Shield to develop a less costly managed-care health plan for the small employer market, specifically employers of no more than 99 employees.

The plan permits a number of mandated benefits to be omitted from coverage. The plan is designed to provide coverage for preventive care services.

The bill requires insurers to renew basic-care policies in most cases and requires disclosure that it does not provide coverage for certain providers and types of illness and that managed-care features are included in the plan.

**LD 532**      **An Act to Ensure an Option for Complete Recovery for Injuries to Minors**      ONTP

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
KETTERER	ONTP	

**SUMMARY**

This bill amends the statutory provisions for optional motor vehicle insurance to provide that the optional coverage includes noneconomic damages suffered by a family member who is a minor.

**LD 536**      **An Act to Promote Competition in Motor Vehicle Glass Replacement and Repair**      PUBLIC 203

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
FOSS	OTP      MAJ	
	ONTP      MIN	

**SUMMARY**

This bill prevents persons providing auto glass replacement services from retaining a percentage of the claim paid by the insurer. The bill prohibits insurers from contracting with anyone to arrange repair or replacement of motor vehicle glass when that person is compensated by comparing the list price of the product or services and the amount paid to the person providing the product or service.

**LD 591**      **An Act Related to Mortgage Companies**      PUBLIC 268

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
BRANNIGAN	OTP-AM	H-417    PINEAU S-121

**SUMMARY**

This bill allows the Bureau of Consumer Credit Protection to assess volume fees on mortgage company loans with annual percentage rates of less than 12 1/4%. Currently, such loans are exempt from volume fees.

This bill also provides flexibility for volume fee setting by rule within a specified range to allow for decreases or increases according to fluctuating lending levels. This regulatory authority is based upon similar mechanisms currently in place at the Maine Bureau of Banking, the Bureau of Insurance and the Maine Real Estate Commission.

Committee Amendment "A" (S-121) phases in fees over 2 years, 1st at \$15 per \$100,000 and then at \$20. It reduces the volume fees paid by banks to \$20. It allows rate change by rulemaking and adds a fiscal note.

House Amendment "A" to Committee Amendment "A" (H-417) removes the fee adjustment and sets the fees at \$15 for year 1 and \$20 for year 2 and after. It requires a report from the Bureau of Consumer Credit Protection to the Banking and Insurance Committee by January 1, 1995 on listed issues related to appropriate fee levels. It adds a new fiscal note.

**LD 614      An Act to Amend the Mutual Holding Company Laws      PUBLIC 257**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
RYDELL	OTP-AM	H-305 H-406    PINEAU

**SUMMARY**

This bill amends the laws governing mutual holding companies by authorizing subsidiary savings institutions to issue 49% or less of their stock to other investors as a means of attracting capital. This change in Maine law will maintain parity with changes made in federal law and will help some mutual organizations raise capital while maintaining their mutual holding company structure.

This bill also removes the general securities filing exemption for the sale of securities that represent a minority interest in a financial institution that is a member of a mutual holding company and requires that the mutual holding company retain at least a majority interest in the securities of the financial institution.

Committee Amendment "A" (H-305) removes the general securities filing exemption for minority sales. It addresses potential conflicts of interest.

House Amendment "A" to Committee Amendment "A" (H-406) corrects a chapter numbering problem.

**LD 625      An Act to Amend the Laws Regarding the Purchase of Insurance      ONTP**

<b>SPONSOR(S)</b>	<b>COMMITTEE REPORT</b>	<b>AMENDMENTS ADOPTED</b>
BALDACCI	ONTP	

**SUMMARY**

This bill allows the use of credit cards for the purpose of purchasing insurance without a signature from the buyer.