

# 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.

4693NRG

**LD 837**

**An Act to Change or Clarify Language in the Maine Insurance Code Relative to Procurement of Surplus Lines Insurance and Pertaining to Licensing Procedures in Order to Provide for a More Efficient Regulatory System**

PUBLIC 153

**SPONSOR(S)**  
KIEFFER

**COMMITTEE REPORT**  
OTP-AM

**AMENDMENTS ADOPTED**  
S-93

**SUMMARY**

This bill amends the regulatory standards contained in the Maine Insurance Code. The increase in the volume of licenses, appointments, new categories of licenses and cash entries warrants changes in the dates for renewals so that workload at the Bureau of Insurance is more evenly distributed. This bill also clarifies the language for licensing organizations and changes the fee for licensing organizations to a flat fee rather than charging for each individual who is affiliated with the agency. In addition, due to the fact that licensees now have to comply with continuing education requirements, this bill amends the law to shorten the period of time in which licensees can become relicensed without having to take an examination. This bill also clarifies ambiguous language in surplus lines law. Finally, this bill changes the law so that applicants for licenses are able to take examinations for licensure in parts of the State other than in Augusta.

Committee Amendment "A" (S-93) makes changes in agent licensing and deletes a provision on presumption of notice of appointment termination. It clarifies that reinsurance can be ceded to surplus lines companies pursuant to the Insurance Code. It adds a fiscal note.

**LD 847**

**An Act to Authorize the Offset of Insurance Premiums**

PUBLIC 117

**SPONSOR(S)**  
JOSEPH

**COMMITTEE REPORT**  
OTP

**AMENDMENTS ADOPTED**

**SUMMARY**

This bill allows an insurance agent to retain money held by that agent if the policyholder has not paid the full premium but is entitled to payment on a loss claim. This retention may not be used against a financial institution that is entitled to payment up to the amount of the loss or the balance due and is not applicable to health insurance.

**LD 848**

**An Act to Amend Laws Related to Dependent's Group Life Insurance Coverage**

PUBLIC 132

**SPONSOR(S)**  
PINEAU

**COMMITTEE REPORT**  
OTP-AM

**AMENDMENTS ADOPTED**  
H-172

**SUMMARY**

This bill removes the 50% cap on amounts of group life insurance for spouses and dependent children and allows a group life policy to insure the lives of spouses and dependent children of employees or members against loss due to the death without also insuring employees or members of employers, unions and associations.

Committee Amendment "A" (H-172) adds a fiscal note.